"Samruk-Energy" JSC Management report on operations results for 2024

2025

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1. Group overview

To implement long-term state policy for the modernization of existing and the introduction of new generating facilities, “Samruk-Energy” JSC (hereinafter referred to as the "Company") was established on April 18, 2007, following a decision by the General Meeting of Founders. The founders at the time of establishment were Kazakhstan Holding for Management of State Assets “Samruk” and “KazTransGas” JSC. The Company was officially registered in Almaty city on May 10, 2007.

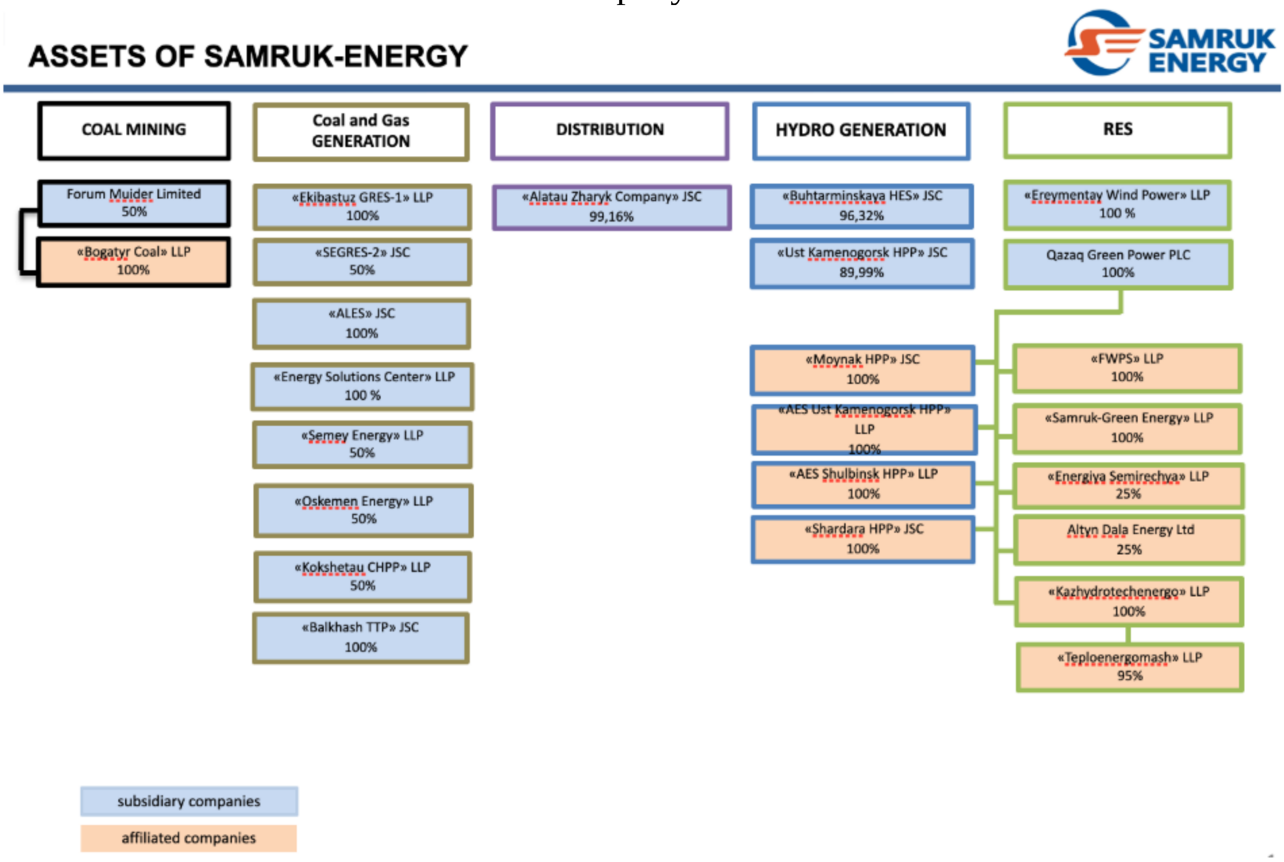
On November 3, 2008, as a result of a reorganization through the merger of "Kazakhstan Holding for Management of State Assets “Samruk” and Sustainable Development Fund "Kazyna" JSC, "Sovereign Wealth Fund “Samruk-Kazyna" became the shareholder of the Company, assuming the rights and obligations of JSC "Kazakhstan Holding for Management of State Assets “Samruk” as its legal successor.

Today, the Company stands as Kazakhstan’s largest diversified energy holding company, strategically integrated into the global energy mix. It plays a key role in creating a highly efficient energy supply system while ensuring the sustainable development of the entire national economy.

The Group’s core activities encompass the generation of electricity, heat, and hot water using coal, hydrocarbons, and water resources; the supply of energy to residential consumers and industrial enterprises; electricity transmission; technical distribution of electricity across national grids; the construction of hydropower plants and thermal power plants; the development and operation of renewable energy sources; coal mining; and the leasing of hydropower plant assets.

The Company’s portfolio includes leading power generation assets, such as nationally significant power stations, including “Ekibastuz GRES-1” LLP and “SEGRES-2” JSC, along with a key regional power plant providing both electricity and heat to the Almaty region. Additionally, the Company owns major hydropower plants in the country, including those within the Irtysh Cascade of Hydropower Plants, as well as Shardara HPP and Moynak HPP, located in the southern regions of Kazakhstan. The Company also holds regional distribution networks and the retail energy company serving the Almaty region. Moreover, it owns the largest coal mining enterprise in Kazakhstan, Bogatyr Komir LLP, which supplies coal to both the Group’s power generation facilities and third-party customers in Kazakhstan and the Russian Federation.

Current assets structure of the Company:



2. Macroeconomic factors

In December 2024, annual inflation in Kazakhstan stood at 8.6%, a decrease from 9.8% in 2023. Prices for food products rose by 5.5% year-on-year in December, signaling a slight acceleration compared to previous months. This trend is driven by several factors, including seasonal price fluctuations, changes in global food prices, and domestic influences such as transportation and logistics costs. Non-food goods saw an annual increase of 8.3%, which remains within forecasted ranges. However, the most pronounced growth was observed in the paid services sector, where prices surged by 13.3% year-on-year.

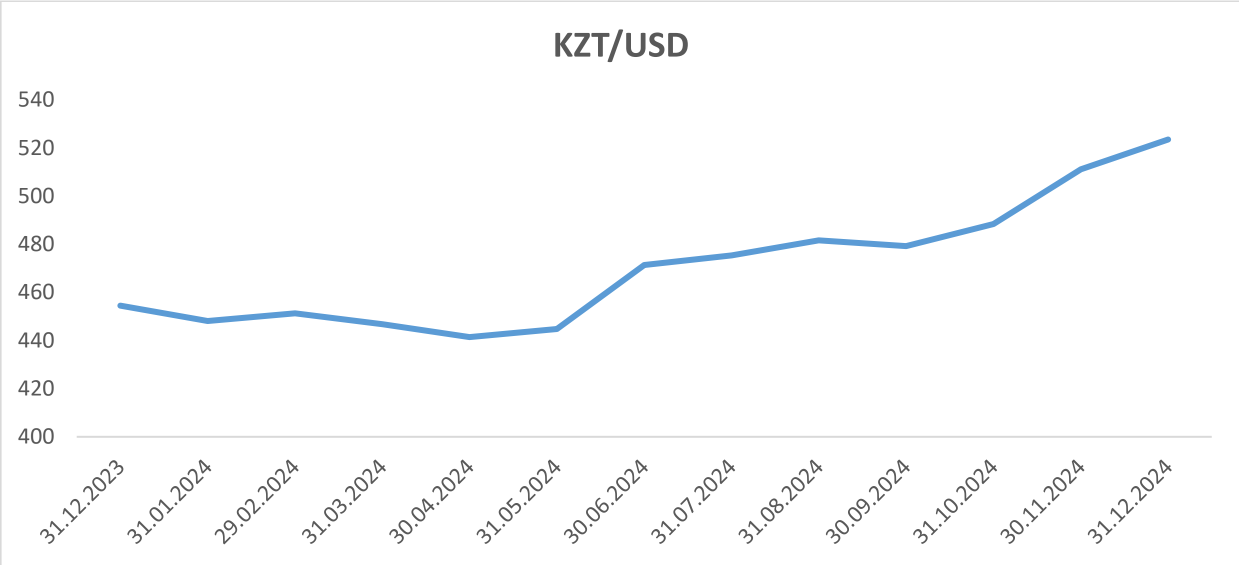
The foreign exchange market also underwent significant shifts. In December 2024, the tenge-to-US dollar exchange rate reached 523.54 KZT per USD, reflecting a 15% depreciation of the national currency since the beginning of the year. This weakening is attributed to a combination of factors, including heightened demand for foreign currency from importers, increased dollarization of the economy, and external economic pressures such as commodity price dynamics and the monetary policies of major global central banks.

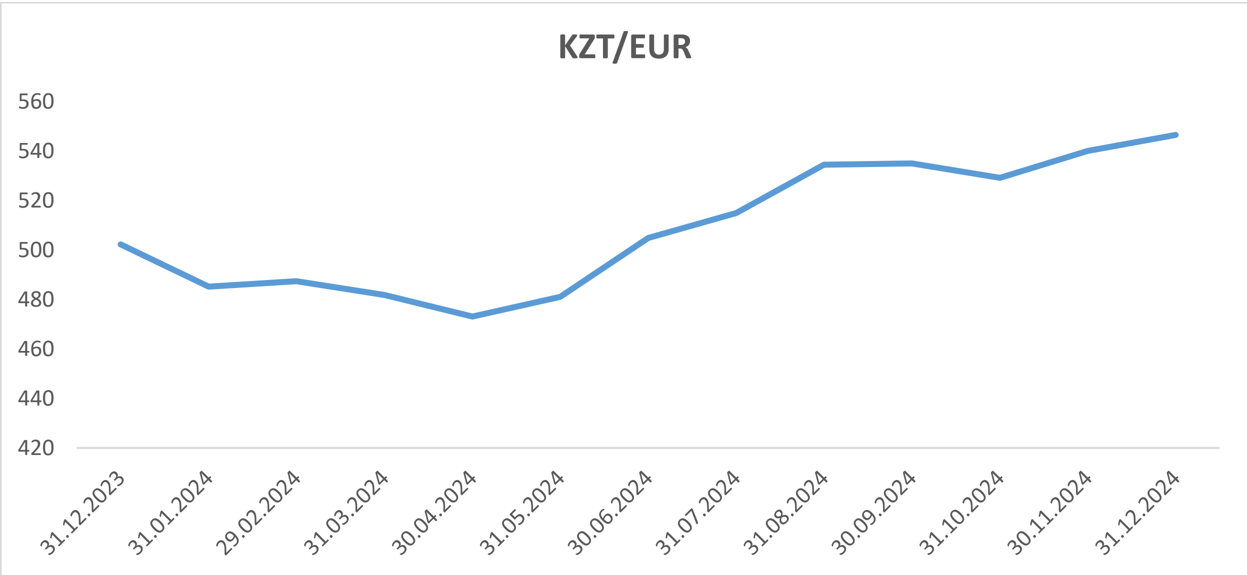
A reduction in the current account deficit to USD 4.4 billion, coupled with an increase in international reserves to USD 105.7 billion, points to an improvement in the country’s external economic position. Nevertheless, persistent budgetary expenditures and the ongoing practice of financing the deficit through the National Fund pose long-term challenges to macroeconomic stability. Going forward, reducing budget reliance on transfers and diversifying the economic structure could play a pivotal role in ensuring sustainable economic growth.

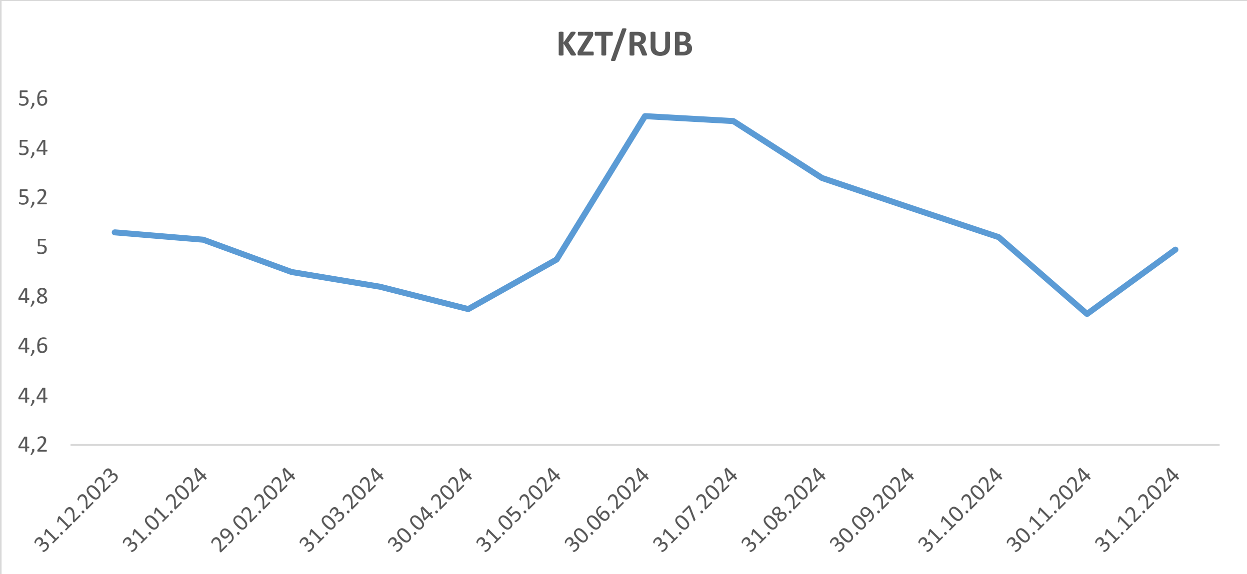
(Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, National Bank of Kazakhstan, Halyk Finance)

Foreign exchange rate dynamics:

	31.12.2023	31.12.2024	%
KZT/USD	**454,56**	**523,54**	**115%**
KZT/EUR	**502,24**	**546,47**	**109%**
KZT/RUB	**5,06**	**4,99**	**99%**



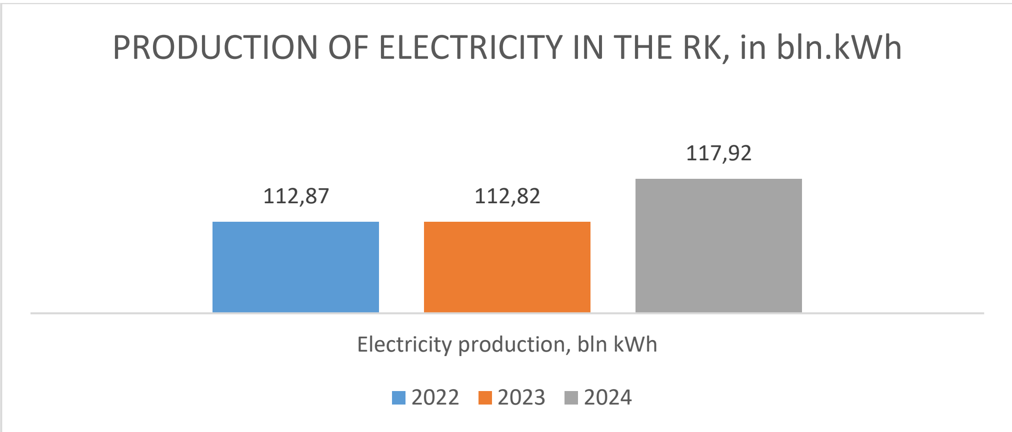




According to data from the System Operator of Kazakhstan's power plants, electricity generation in January–December 2024 totaled 117,915.4 million kWh, an increase of 5,092.3 thousand kWh, or 4.32%, compared to the same period in 2023. This uptick in output was observed across all zones of Kazakhstan's Unified Energy System (UES).

Over the January–December 2024 period, substantial growth in electricity production was recorded in the Aktobe, Almaty, Atyrau, Abai, East Kazakhstan, Zhambyl, Zhetysu, West Kazakhstan, Karaganda, Kostanay, Mangystau, Turkestan, North Kazakhstan, Ulytau, and Pavlodar regions compared to the corresponding period in 2023.

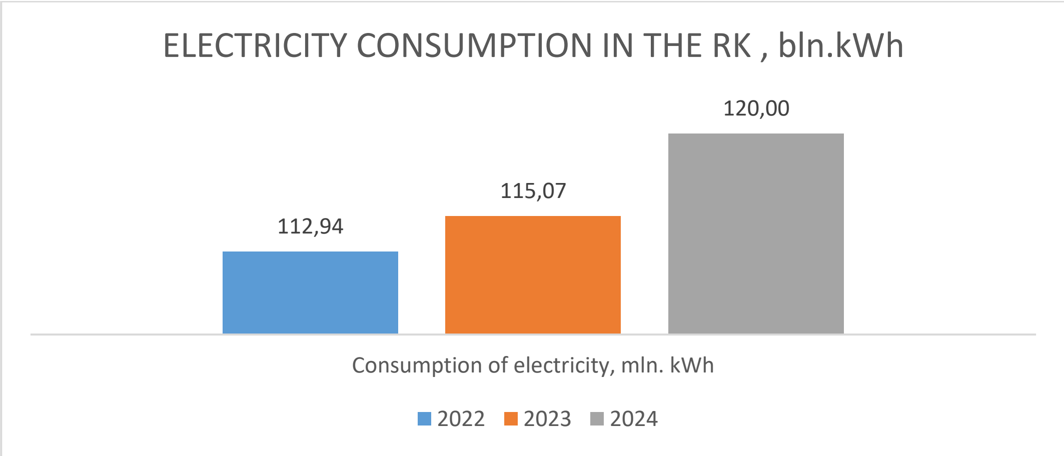
Conversely, declines in electricity generation were noted in the Akmola and Kyzylorda regions.



For the period of January–December 2024, energy holdings and major power-generating entities produced a total of 51,679.2 million kWh of electricity, an increase of 2,047.3 million kWh compared to the 49,631.9 million kWh recorded in the same period of 2023. Collectively, these entities accounted for 43.8% of the nation's total electricity output.

Within the Company's energy-producing organizations, electricity generation reached 39,772.3 mln. kWh over January–December 2024. This reflects a robust year-on-year increase of 4,442.3 million kWh, or 12.6%, compared to the corresponding period in 2023.

According to the System Operator, electricity consumption across the Republic of Kazakhstan rose by 4,927.87 million kWh, or 4.11%, in January–December 2024 compared to the same period in 2023. Regionally, consumption grew by 2.41% in the northern zone, 9.87% in the western zone, and 5.31% in the southern zone, highlighting varying demand dynamics across the country.



3. Tariff policy

The business operations of the Company's subsidiaries, joint ventures, and entities designated as natural monopolies, competitive market participants, or socially significant market players are governed by the Republic of Kazakhstan's legal framework, including the Law "On Power Industry" , the Law "On Natural Monopolies", the Law "On Support for the Use of Renewable Energy Sources" and the Entrepreneurial Code. Tariff regulation varies by energy company activity and falls under the authority of either the Committee for Regulation of Natural Monopolies and Competition Protection within the Ministry of National Economy (the Committee) or the Ministry of Energy (MoE).

Order No. 205, issued by the Minister of Energy on May 22, 2020, established the "Methodology for Determining Fixed Profit Factored into Ceiling Tariffs for Electric Energy, and Fixed Profit for Balancing Reflected in Ceiling Tariffs for Balancing Electricity." Stemming from the 2014 Concept for the Development of Kazakhstan's Fuel and Energy Complex (FEC) through 2030, the Capacity Market was launched in 2019 as a strategic tool to attract sufficient sector investment, fostering long-term market resilience.

Since 2019, with the introduction of the Capacity Market, power-generating entities have operated under:

- Ceiling tariffs for capacity, which cover costs tied to investment projects and principal debt repayment (from financing secured for such projects).
- Ceiling tariffs for electricity, encompassing production costs and a regulated profit margin. Amendments to Order No. 205, introduced via Order No. 76 on March 11, 2021, refined the "Methodology for Determining the Profit Margin Factored into

Ceiling Tariffs for Electric Energy, and Fixed Profit for Balancing Reflected in Ceiling Tariffs for Balancing Electricity".

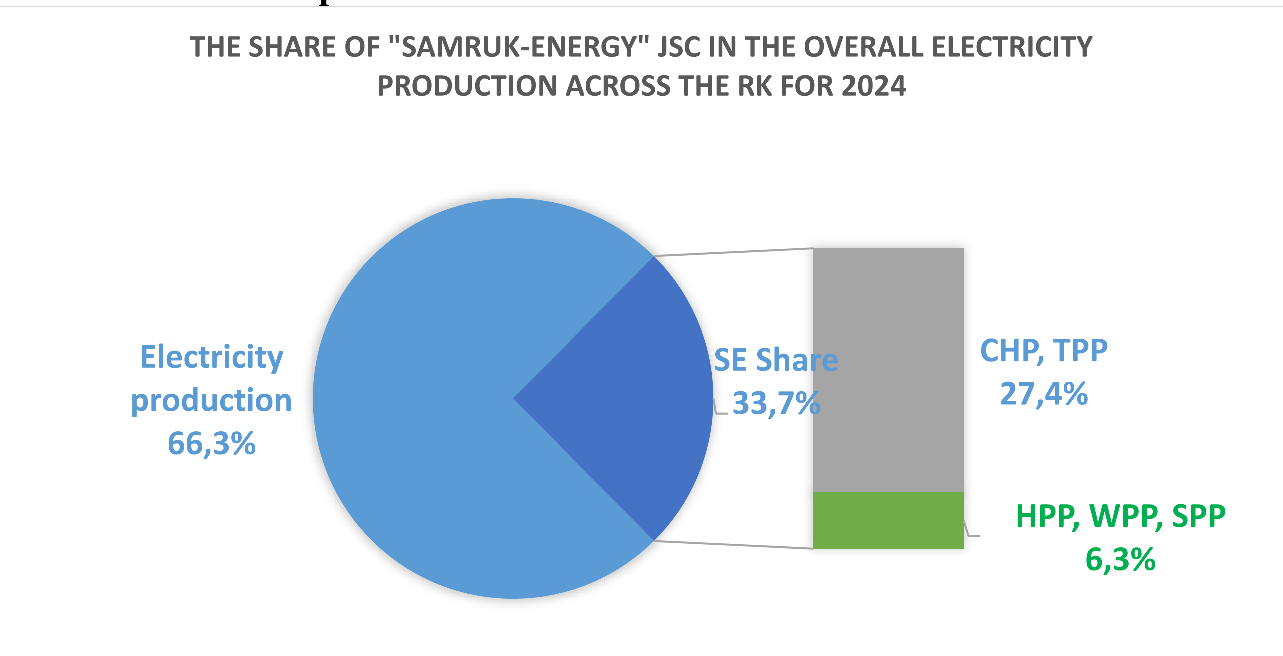
As of July 1, 2023, Kazakhstan implemented the Single Buyer Model, centralizing electricity procurement and activating a real-time balancing electricity market (previously in simulation mode). Tariffs for electricity transmission and distribution by energy transmission companies, thermal energy production, and energy supply tariffs (for energy supply organizations, or ESOs) are overseen by the Committee for Regulation of Natural Monopolies and Competition Protection under the Ministry of Economy, with strict adherence to legal and regulatory standards.

Tariff-setting remains sensitive to social and political dynamics. Broader economic, social, and governmental policies in Kazakhstan may significantly influence the Company's group of entities. The shift to a new electricity market framework—anchored by the Single Buyer mechanism and a real-time balancing market—is now fully operational, with all electricity purchases routed through the Single Buyer.

In 2024, end-consumer electricity tariffs were determined by:

- Electricity procurement from the Single Buyer;
- Costs for transmission and usage via the National grid;
- Fees for transmission and distribution across Regional Electric Companies' (REC) grids;
- Charges for regulation, balancing, and dispatching services;
- Costs for maintaining electric capacity availability.

4. Production performance



In 2024, the Company's share of total electricity generation in the Republic of Kazakhstan reached 33.7%, marking an 8% increase from 2023.

Production efficiency metrics (by Producer)

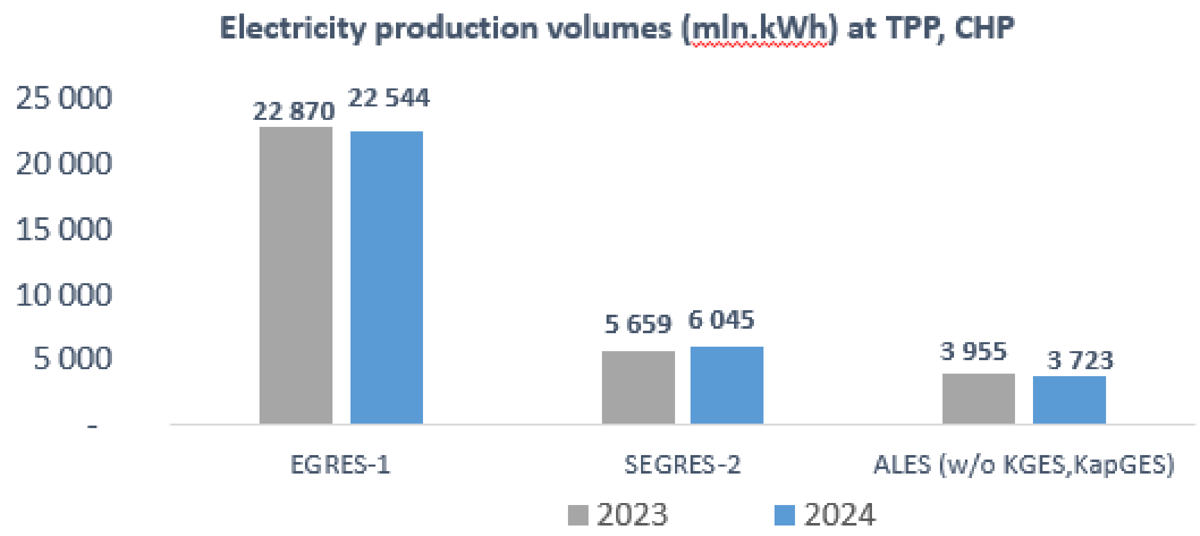
Electricity output for 2024 totaled 39,772 mln. kWh, reflecting a 13% rise—or 4,443 mln.kWh—compared to the same period in the prior year. The primary driver of this growth was the inclusion of AES Shulbinsk HPP LLP and AES Ust-Kamenogorsk HPP LLP within the consolidation perimeter, entities absent from the 2023 figures. Additional increases in generation were recorded across several assets:

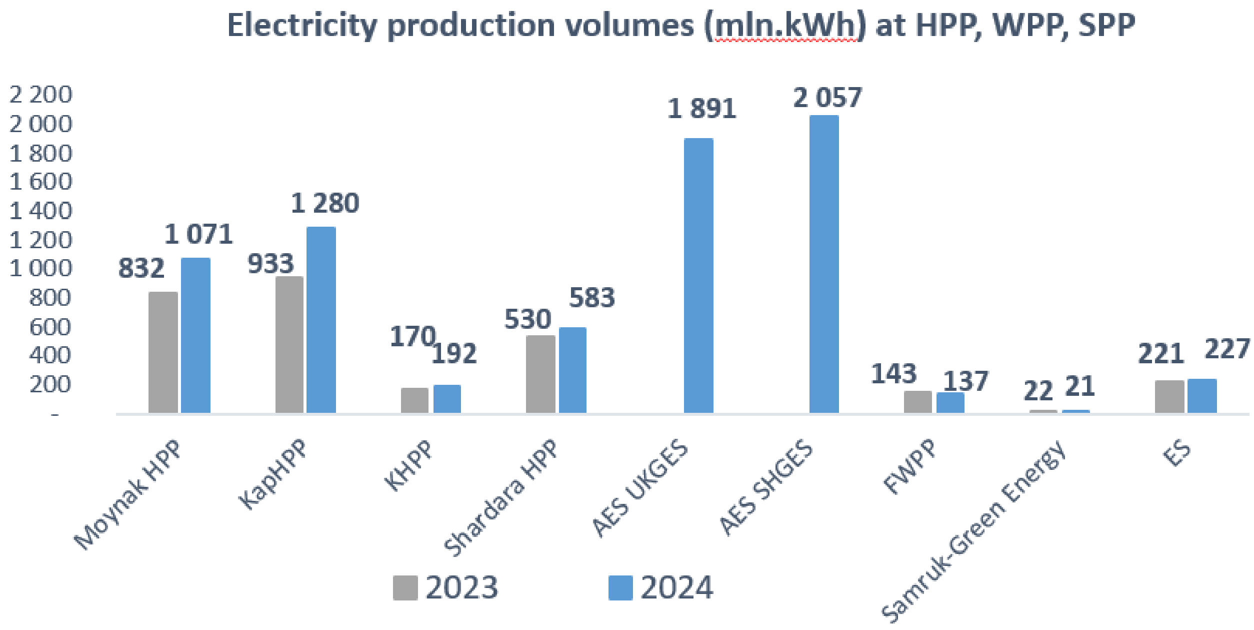
- “SEGRES-2” JSC saw a 386 mln. kWh (7%) uptick, attributed to fewer days of unscheduled maintenance.
- Moynak HPP JSC reported a 238 mln. kWh (29%) increase, driven by higher water inflow at the Bestyubinsk reservoir compared to the previous year.
- ALES JSC achieved a 141 mln. kWh (3%) rise.
- Shardara HPP JSC posted a 54 mln. kWh (10%) gain.

Conversely, production at Ekibastuz GRES-1 LLP declined by 326 mln. kWh due to emergencies involving the smokestack (with repairs from November 15–18 resulting in a 182-hour downtime across four power units).

SA name	2022 Actual	2023 Actual	2024 Actual	% against 2023 actual	2025 Forecast
Electricity production volumes, mln.kWh					
Ekibastuz GRES-1 LLP	23 048	22 870	22 544	99%	24 565
Ekibastuz SDPP-2 Plant JSC	6 002	5 659	6 045	107%	6 000
ALES JSC	5 099	5 054	5 196	103%	5 148
Moynak HPP JSC	973	832	1 071	129%	857
Shardara HPP JSC	518	529	583	110%	500
AES AES Ust-Kamenogorsk HPP JSC	-	-	1 891		1 721
AES Shulbinsk HPP HPP LLP	-	-	2 057		1 743
Energia Semirechya LLP	19,78	21,52	21,01	98%	20,06
First Wind Power Plant LLP	136	143	137	96%	152
Energia Semirechya LLP	88	221	227	103%	214
Total	**35 884**	**35 330**	**39 772**	**113%**	**40 919**
Electricity sale volume, mln.kWh					
Ekibastuz GRES-1 LLP	23 102	22 796	21 619	95%	23 413
Ekibastuz SDPP-2 Plant JSC	5 938	5 532	5 823	105%	5 661
export	473	577		0%	
ALES JSC	4 591	4 530	4 596	101%	4 373
Moynak HPP JSC	1 014	912	1 183	130%	892
Shardara HPP JSC	540	549	584	106%	496
AES AES Ust-Kamenogorsk HPP JSC	-	-	1 883	-	1 712
AES Shulbinsk HPP HPP LLP	-	-	2 035	-	1 717
Samruk-Green Energy LLP	19,53	21,23	23,84	112%	24,56
First Wind Power Plant LLP	135	142	137	96%	151
Energia Semirechya LLP	86	216	223	103%	208
Total	**35 426**	**34 699**	**38 106**	**110%**	**38 648**
CAPACITY sales volumes, MW					
Ekibastuz GRES-1 LLP	2 024	1 330	1 830	138%	2 601

SA name	2022 Actual	2023 Actual	2024 Actual	% against 2023 actual	2025 Forecast
Including capacity volume under individual tariff					477
Ekibastuz SDPP-2 Plant JSC	779	647	899	139%	877
ALES JSC	859	808	834	103%	850
Including capacity volume under individual tariff	70	70	70	100%	-
Moynak HPP JSC	289	292	289	99%	298
Shardara HPP JSC	61	61	61	100%	61
AES AES Ust-Kamenogorsk HPP JSC			329		330
AES Shulbinsk HPP HPP LLP			576		576
Total	**4 013**	**3 138**	**4 818**	**154%**	**5 593**
Heat production volumes, thousand Gcal					
ALES JSC	5 282	5 582	5 776	103%	5 503
Ekibastuz SDPP-2 Plant JSC	78	70	76	109%	76
Ekibastuz GRES-1 LLP	143	124	136	109%	292
Energy Solutions Center LLP (Ekibastuz CHP)			672	-	1 459
Total	**5 502**	**5 776**	**6 660**	**115%**	**7 329**
Electricity transmission volumes, mln.kWh					
Alatau Zharyk Company JSC	8 154	8 686	9 259	107%	9 189
Total	**8 154**	**8 686**	**9 259**	**107%**	**9 189**
Electricity sales volumes, mln.kWh					
Alatau Zharyk Company JSC Branch – Energosbyt	6 847	7 086	8 736	123%	8 848
Total	**6 847**	**7 086**	**8 736**	**123%**	**8 848**
Coal sales volumes, mln.tons	**42,41**	**42,49**	**43,00**	**101%**	**45,00**

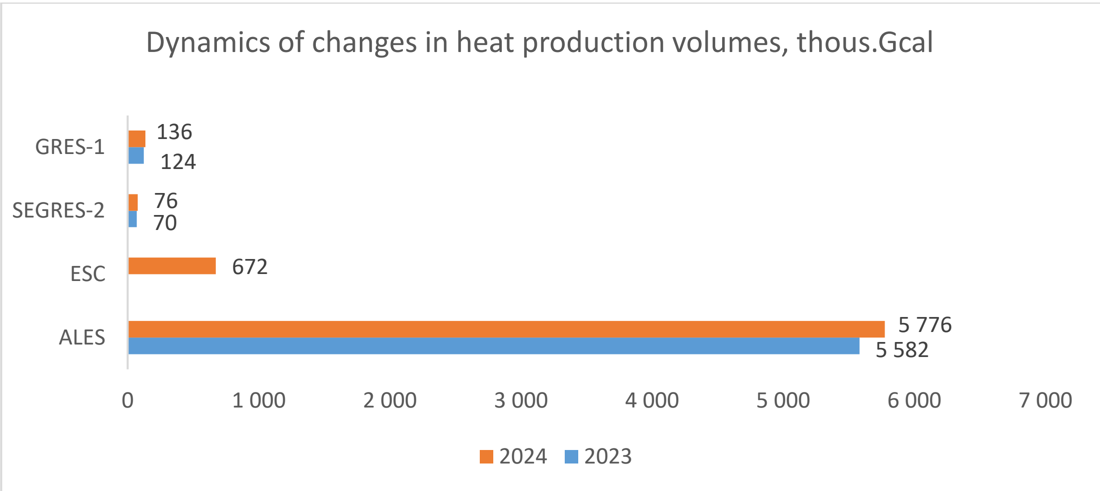




Forecast for the upcoming period

Electricity production volumes for 2025 are projected to increase relative to 2024 actuals. The anticipated growth of 1,147 million kWh in 2025 is primarily driven by the commissioning of Unit No. 1 at Ekibastuz GRES-1 LLP.

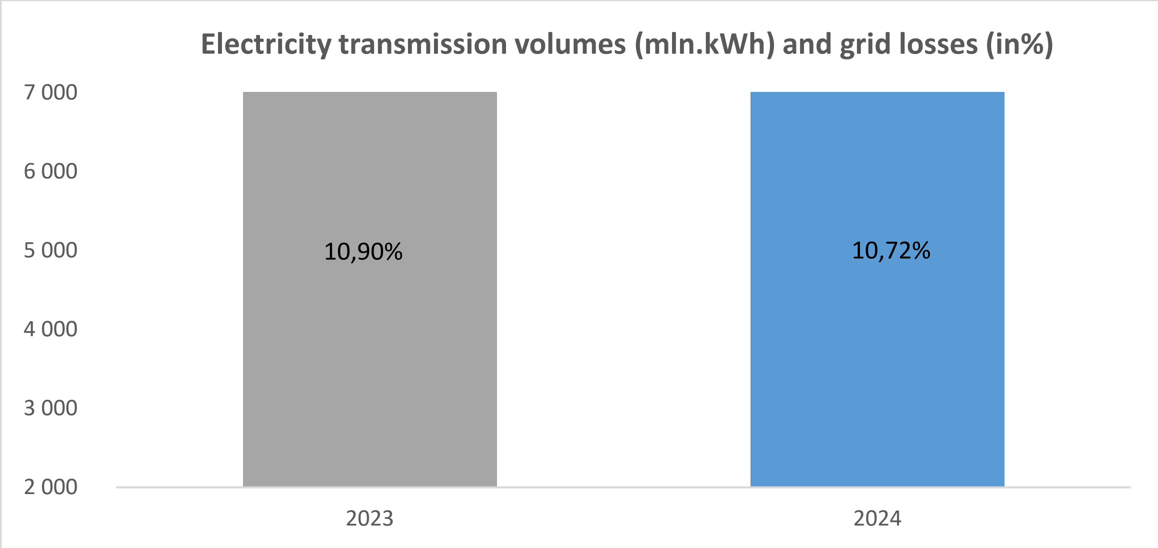
Heat production in 2024 totaled 6,660 thousand Gcal, reflecting a 15% increase compared to the same period in 2023. This increase is largely attributable to the inclusion of Energy Solutions Center LLP (Ekibastuz CHP) volumes within the consolidation perimeter.



Forecast for the upcoming period:

Heat production in 2025 is expected to rise by 10% above 2024 actuals. This growth is mainly due to the full-year inclusion of Energy Solutions Center LLP (Ekibastuz CHP) volumes, as 2024 figures accounted for only five months following the effective date of the long-term contract (DDU).

In 2024, **electricity transmission** through the grids of Alatau Zharyk Company JSC reached 9,259 million kWh, a 7% increase—or 572 million kWh—over 2023 actuals. This rise reflects heightened consumption in the Almaty region.



Forecast for the upcoming period (continued)

In 2025, **electricity transmission and distribution volumes** are projected to decline by 1% compared to 2024 actuals, driven by anticipated consumption trends in the Almaty region.

For the reporting period, **total electricity sales** by the energy supply organization amounted to 8,736 million kWh, a 23% increase over the same period in 2023. This growth is attributable to rising electricity consumption within the service area of the Branch of Alatau Zharyk Company JSC -Energosbyt.

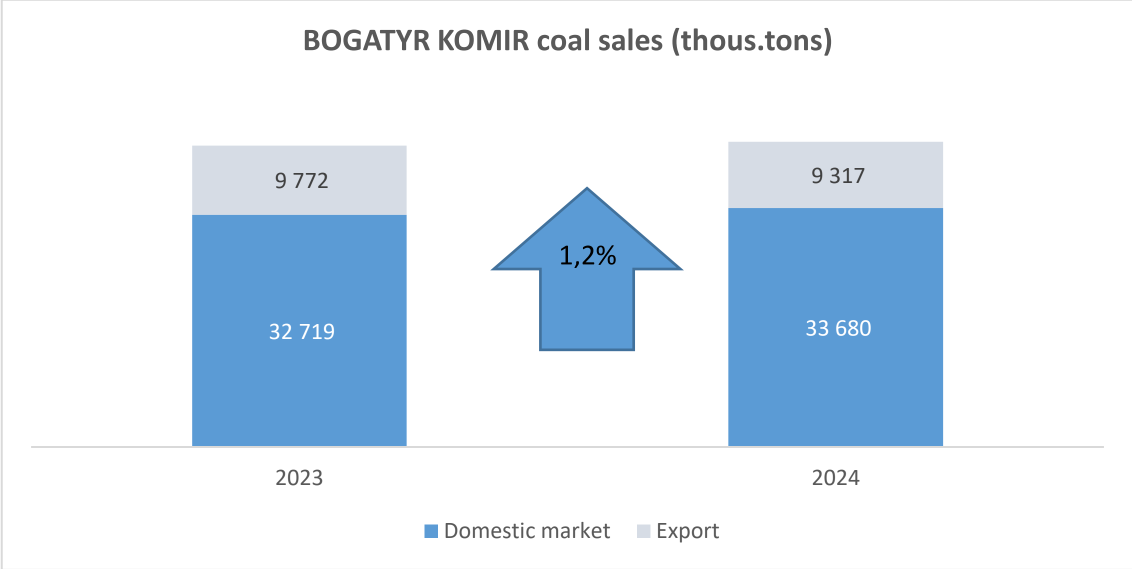
Name	**2023 Actual**	**2024 Actual**	Deviation	%
Branch of Alatau Zharyk Company JSC - Energosbyt				
Number of consumers, incl.:	***929 929***	***987 583***	***57 654***	***106%***
Population	*891 214*	*943 134*	*51 920*	*105%*
Corporate entities	*38 715*	*44 449*	*5 734*	*114%*
Sales volume, mln.kWh	***7 086***	***8 736***	***1 650***	***123%***

Forecast for the upcoming period (continued)

Electricity sales volumes in 2025 are forecasted to rise by 1% above 2024 actuals, driven by an expected increase in electricity consumption within the service area of the Branch of Alatau Zharyk Company JSC -Energosbyt.

In 2024, **coal sales** totaled 42,997 thousand tonnes, reflecting a 1% increase over the same period in 2023. Within the Republic of Kazakhstan, sales grew by 3%, fueled by heightened consumer demand. However, coal shipments to the Russian Federation declined by 5%, owing to a suspension of deliveries from April 8 to April 25, triggered by sanctions and a shortage of railcars.

The overburden ratio for 2024 stood at 0.94 m³/tonne, compared to 0.84 m³/tonne in the corresponding period of the prior year.



Forecast for the upcoming period:

Coal sales volume is forecasted to increase by 2 003 thous.tons or by 5% in 2025 against actuals of 2024. In 2025, coal sales are planned to proceed without constraining incidents.

5. Key events during the reporting period

Date	Event
January 16, 2024	A pre-listing agreement has been signed with the AIX (Astana International Exchange) under the Liquidity Management Program. This agreement will enable the Group to issue bonds on AIX in a timely manner and with reduced commission fees.
January 25, 2024	Supplementary Agreement No. 2 to the Loan Agreement dated January 14, 2011, No. SE/45-I, between Samruk-Kazyna JSC and the Company, has been signed. This agreement provides for the extension of the loan term until December 25, 2026, and changes the interest rate starting from January 26, 2024, to the weighted average inflation rate in Kazakhstan over the ten years preceding the year of payment of accrued interest.
February 15, 2024	Amendments have been made to the Rules for Organizing and Conducting Auction Bidding for the Construction of New Generating Units with Flexible Generation Modes, which include extending the deadline for submitting commissioning certificates for the ACHP-3 project and the Turkestan CCGT project from 36 to 48 months.
February 16, 2024	Partial early repayment of the Company's loan to Bogatyr Access Komir LLP in the amount of KZT 1.5 bln has been made.
March 1, 2024	Amendments have been made to the Rules for the Submission, Review, and Selection of Investment Programs, allowing submissions to the Market Council throughout the year for investment program consideration (previously, applications were only accepted once a year, by February 1).

Date	Event
April 1, 2024	By decision of the Government of the Republic of Kazakhstan, the activities of unregulated energy supply organizations have been discontinued, and ESO consumers have been transferred to guaranteed suppliers.
April 8, 2024	Amendments to the Rules of electric capacity market have been made, resulting in a return of KZT 900 mln from the capacity market (reduction factor k3).
April 22, 2024	Amendments to the Rules for the Operation of Electricity Balancing Market (EBM) have been adopted, introducing a correction factor of 1.3 for market participants if deviations from the approved daily schedule exceed 20%.
April 25, 2024	By the decision of the sole shareholder, it has been resolved to allocate KZT 20.6 bln for dividend payments.
May 2, 2024	A total of 375,500 and 260,000 shares of the Company were issued in exchange for the acquisition of 100% ownership stakes in AES Shulbinsk HPP LLP and AES Ust-Kamenogorsk HPP LLP, respectively, with estimated values of KZT 36.224 bln and KZT 23.5 bln, from the sole shareholder.
May 23, 2024	The Company acquired coupon bonds of Samruk-Kazyna JSC in the amount of KZT 5 bln.
May - June 2024	Through the phased inclusion of SA subsidiaries in May-June 2024, the mechanism for physical cash pooling was launched, which will enhance the efficiency of cash management within the Group, increase financial income, and optimize banking service expenses.
June 19, 2024	The Head of State has signed the Law of the Republic of Kazakhstan "On Amendments and Additions to Certain Laws of the Republic of Kazakhstan Regarding the Support for the Use of Renewable Energy Sources and the Electricity Sector". As part of the Law of the Republic of Kazakhstan, amendments have been made to include costs for heating equipment and interest on corresponding loans in the tariff for the service of maintaining capacity availability (for the Almaty CHP-2 modernization project).
June 21, 2024	A decision has been received from JSC "Halyk Bank of Kazakhstan" to finance the construction of the third fuel supply duct at Ekibastuz GRES-1 LLP, which will enable uninterrupted repair of the existing fuel supply ducts (I/II).
June 30, 2024	Successful completion of the heating season 2023-2024 (the number of technological disruptions has been reduced from 187 to 165).

Date	Event
June 30, 2024	41% of the planned annual repairs have been completed in the first half of the year. The repair campaign is proceeding according to schedule.
June 17, 2024	The Group has taken into trust management the property complex of Ekibastuz CHP, owned by the Akimat (Mayor Administration) of Ekibastuz city.
June 24, 2024	Together with Samruk-Kazyna JSC, the Company has established joint legal entities with equal 50% ownership stakes: Kokshetau CHP LLP, Semey Energo LLP, and Oskemen Energo LLP.
July 2, 2024	The first drawdown from the EBRD as part of ALES JSC's CHP gasification project , amounting to KZT 21 bln, has been completed. This project is aimed at improving the environmental situation and enhancing the efficiency of the CHP. A subsequent drawdown of KZT 22.9 bln from the EBRD was made on December 2.
July 8, 2024	The Head of State has signed legislative amendments to create conditions for attracting investors for the project "Construction of a Flexible Power Station Based on Clean Coal Technologies (SDPP-3).
July 18, 2024	A loan agreement has been signed between Ekibastuz GRES-1 LLP and Halyk Bank of Kazakhstan JSC to finance the reconstruction of Ekibastuz SDPP-1, totaling KZT 79 billion, with KZT 39.3 billion already drawn in 2024. The fuel supply system has been upgraded to enhance the station's efficiency.
July 24, 2024	The Company has paid dividends to the sole shareholder for 2023, totaling KZT 20.6 billion. This amount marks a record high for the Group.
July 25, 2024	The Board of Directors has approved an increase in the authorized capital of Kokshetau CHP LLP through additional contributions from its participants: KZT 4,137 million from the company, and KZT 4,137 million from Samruk-Kazyna JSC. This capital increase will enhance the company’s financial performance and support the development of its infrastructure.
July 30, 2024	The Liquidity Management Program bond issuance program has been registered on the Astana International Exchange (AIX) with a limit of KZT 250 billion. This program will facilitate more efficient bond issuance for the Group’s subsidiaries.
August 21, 2024	The company has joined the National Confederation of Employers of the Republic of Kazakhstan "PARYZ."
September 19, 2024	A portion of the loan from Ekibastuzskaya GRES-1 LLP, for the "Unit 1 Restoration" project, has been refinanced through the issuance of long-term bonds totaling KZT 34.7 billion. This refinancing has helped reduce interest expenses.
September 27, 2024	A loan agreement for KZT 5.5 billion has been signed between Halyk Bank of Kazakhstan JSC and “SEGRES-2” JSC to finance the projects " Replacement of the HAR pipeline" and "Procurement of a blading kit for the low-pressure rotor impellers (4.5 Stages)"

Date	Event
October 14, 2024	Fitch Ratings, the international credit rating agency, has affirmed the company's credit ratings at "BB+" with a Stable outlook.
September 30, 2024	A cooperation agreement has been signed with the University of Genoa to offer internship opportunities for students from the Almaty University of Energy and Communications.
October 16, 2024	A roundtable discussion was held with the participation of Kazakhstani manufacturers. The event, organized with the support of the Samruk-Kazyna Fund and Samruk-Kazyna Contract LLP, aimed at supporting and developing domestic manufacturers. As a result, off-take contracts worth KZT 10.1 billion were signed during the year.
October 28, 2024	The liquidation of Resursenergougol LLC has been registered due to the lack of business activity since 2021.
October 30, 2024	The liquidation of Shulbinskaya HPP JSC has been registered due to the absence of financial and economic activity since 1997.
November 14, 2024	Forum Muider B.V. (Netherlands) has been reorganized through a merger with Forum Muider Limited (Cyprus) as part of the redomiciliation of foreign assets to the Astana International Financial Center (AIFC).
November 21, 2024	CHP-1 and WHC (ALES JSC) have commenced the real-time transmission of data from the automated emissions monitoring system to the "National Data Bank on the State of the Environment and Natural Resources of the Republic of Kazakhstan" (NDB SE and NR) with 20-minute intervals.
December 20, 2024	The first disbursement from the Asian Development Bank (ADB) has been made under the gasification project for TPP-2 by Almaty Electric Stations JSC, amounting to KZT 15 billion.
December 26, 2024	Power unit No. 1 was commissioned at Ekibastuz GRES-1 LLP
December 31, 2024	In compliance with the Republic of Kazakhstan's Law on Electric Power Industry, AlmatyEnergoSbyt LLP has undergone reorganization through a merger with Alatau Zharyk Company JSC.
during 2024	A total of 67 energy efficiency initiatives have been implemented across the Group, resulting in savings exceeding KZT 1.2 billion (according to preliminary data).
during 2024	54 efficiency improvement proposals have been approved, delivering a total economic benefit of KZT 594 million (based on operational data).
12 months of 2024	Against the backdrop of rising tariffs and enhanced operational efficiency, the Group achieved a record level of financial income amounting to KZT 9.6 billion, a significant increase compared to previous periods. Revenue growth has been substantial, with a 1.5-fold increase compared to 2023 (KZT 6.5 billion), a 3.5-fold increase compared to 2022 (KZT 2.75 billion), and a 3.7-fold increase compared to 2021 (KZT 2.6 billion).

Date	Event
	The 1 GW wind farm project with an energy storage system, in partnership with Total, is progressing.
February 2, 2024	The President of Kazakhstan has signed a decree ratifying the intergovernmental agreement between the Republic of Kazakhstan and France.
October 28, 2024	In accordance with Government Resolution No. 898, the additional agreement No. 1 to the Investment Agreement has been approved.
	The additional agreement No. 1 to the Investment Agreement has been formally signed.
	The renewable energy project in the Almaty and Karaganda regions has been expanded to 810 MW in collaboration with Power China.
July 26, 2024	A Joint Development Agreement (JDA) has been signed between Qazaq Green Power PLC and Power China for the expansion of the renewable energy project to 810 MW in the Shelek corridor.
	An 800 MW renewable energy project is being developed in partnership with China Energy Overseas Investment Co. (Energy China).
October 15, 2024	A Joint Development Agreement (JDA) for this project has been signed between the company and Energy China.
November 12, 2024	At COP29 in Baku, Azerbaijan, a Joint Development Agreement (JDA) was signed between the company and Energy China for the development of a wind farm project, alongside an intergovernmental agreement between Kazakhstan and China.
	A 1 GW wind farm project with an energy storage system, developed in collaboration with MASDAR
12-15 November 2024	An Investment Agreement (IA) and Power Purchase Agreement (PPA) for the 1 GW wind farm project with energy storage, in partnership with MASDAR, were signed at COP29.
	The 1 GW wind farm project with energy storage, in collaboration with China Power International Holding (CPIH)
March 5, 2024	A project company, Astana Green Energy Holding Ltd., has been registered at the Astana International Financial Centre (AIFC).
November 12, 2024	An intergovernmental agreement between Kazakhstan and China has been signed, covering two major projects with international investors — CPIH and China Energy.
	A 400 MW wind farm project, developed in partnership with PetroKazakhstan (CNPC)
July 2, 2024	A Framework Agreement (FA) between Samruk-Kazyna JSC and CNPC was signed during the Kazakh-Chinese Business Council.
August 23, 2024	A Principles Agreement has been signed between the company, KazMunayGas JSC, and PetroKazakhstan.
December 31, 2024	The installation of a wind measurement mast in the Ulytau region has been completed.
	The "Construction of a 1 GW renewable energy project in partnership with Unigreen Energy" project has been approved, and its roadmap has been finalized.
January 19, 2024	The road map of the project was approved.

Date	Event
4^{th} quarter of 2024	The development of SVM for the CAP 60 MW and KEGOC 185 MW projects has been completed.
December 31, 2024	A protocol has been signed to define the second phase of the project with a total capacity of 500 MW.
	The "Construction of a Combined Cycle Gas Turbine (CCGT) Power Plant with a capacity of approximately 1100 MW in the Kyzylorda region" project, in collaboration with Urbacon Concessions Investments WLL (UCC), has been approved.
February 14, 2024	A Heads of Agreement (HoA) has been signed between the Ministry of Energy of the Republic of Kazakhstan, Samruk-Kazyna JSC, and Urbacon Concessions Investments WLL (UCC).
March 20, 2024	An intergovernmental agreement between the Government of Kazakhstan and the Government of the State of Qatar has been signed.
October 30, 2024	The intergovernmental agreement (IGA) has been ratified by the Law of the Republic of Kazakhstan No. 133-VIII, which ratifies the Agreement between the Government of the Republic of Kazakhstan and the Government of the State of Qatar on establishing long-term strategic partnership for the development of projects in priority sectors.
December 4, 2024	The Chairman of the Board of Directors of the Company and the President of Power International Holding have signed a Joint Implementation Agreement (JIA) for the project.

6. Key development directions of the Company

On July 19, 2024, the Company's Development Strategy for 2024–2033 was approved in a revised form. The need to update the strategy stems from significant shifts within the industry and the Company itself.

The Company faces the challenge of establishing a balanced development model that optimally aligns the supply of energy resources to domestic consumers with export opportunities, while integrating high economic efficiency, innovative advancements, and leading standards of social responsibility. This framework shapes the Company's strategic vision.

Vision: To be a highly efficient, innovative leader in power industry, fostering a thriving ecosystem for all stakeholders based on principles of reliable partnership, care for people, and environmental stewardship.

Mission: We ensure the nation's energy security and drive an accelerated energy transition, adhering to principles of sustainable development and efficient resource management.

To secure the Company's sustainable growth and achieve long-term objectives, key strategic priorities have been defined, derived from its mission. These priorities represent areas where the Company exerts the greatest influence in addressing relevant socioeconomic challenges.

Energy Security

As a conduit for state policy in the electric power sector, the Company will remain a guarantor of Kazakhstan's energy security. External constraints necessitate the maintenance and expansion of baseload and flexible generation capacity in the near term.

Efficiency

The affordability of electricity and heat at the Company level hinges on operational efficiency. Efficient production of electricity and heat serves as a critical lever for reducing overall costs, thereby enabling more competitive pricing.

Energy Transition

Over the long term, the Company will support national goals for the energy transition, including achieving carbon neutrality by 2060, and will act as a catalyst for renewable energy development, realigning its focus in line with state policy.

Sustainable Development

Systematic management of sustainable development will enable the Company to prioritize sustainability at a strategic level, embedding it into its core operations.

Outcomes of key strategic tasks implementation

6.1 Implementation of investment projects for basic and flexible capacity through international cooperation

On December 31, 2024, the Company's Executive Board approved preliminary results of the pre-feasibility study for the project "Construction of coal-fired power plant GRES-3, Units 1–4". Materials are currently being prepared for submission to the Ministry of Energy of the Republic of Kazakhstan.

6.2 Modernization and reconstruction of existing assets using advanced technologies

-On December 30, 2024, a positive opinion was received from “Gosexpertiza” RSE on the feasibility study for the modernization of Unit No. 3 at Ekibastuz GRES-1 LLP.
-In September 2024, an investment agreement was signed between the Ministry of Energy of Kazakhstan and Ekibastuz SDPP-2 Plant JSC to recover investments for the project “Expansion and Reconstruction of Ekibastuz SDPP-2 Plant JSC with the installation of Unit No. 3.”
-Under the project “Reconstruction of Almaty’s power grids” construction and installation work is underway for laying cable lines and procuring cable and wire products. Commissioning certificates have been signed for the facilities: “Transfer of 6 kV RP-42 power grids to 10 kV with Replacement of existing cable lines” and “Transfer of 35/10 kV Substation No. 133A ‘Orbita’ into a 10 kV DP combined with a 10/0.4 kV Transformer Substation”.

6.3 Timely and high-quality technical maintenance and repairs
-Efforts to modernize and reconstruct worn-out grids reduced the wear rate of Alatau Zharyk Company JSC’s power grids to 88.8%.
-Unit No. 1 at Ekibastuz GRES-1 LLP was commissioned.
6.4 Ensuring supply chain reliability
-In 2024, exports of unprocessed coal to the Russian Federation totaled 9,317 thousand tonnes.
-Technological losses in Alatau Zharyk Company JSC’s networks decreased, yielding savings of KZT 3.656 billion, or a 10.72% reduction from the 2020 loss level of 12.6%.
6.5 Enhancing energy efficiency and adopting energy-saving technologies and processes
-To improve energy resource accounting, 67 initiatives were completed, resulting in energy efficiency measures across the Company’s group that saved over KZT 1.2 billion.
-54 rationalization proposals were approved, delivering an economic benefit of KZT 594 million.
6.6 Optimizing asset management structure
-Under the initiative “Redomiciliation of Forum Muider to the AIFC Jurisdiction,” a court order was obtained in November 2024 from Nicosia (Cyprus) for the merger of Forum Muider B.V. (Netherlands) into Forum Muider Ltd (Cyprus).

6.7 Improving operational efficiency (cost optimization and business process enhancement)
The Company group completed planned stages of long-term projects, including: HR Process Automation, Information Security System Implementation, Production Monitoring System Deployment, Routine Business Process Robotization (RPA), and Investment Project Management System (IPMS) rollout.
At the Head Office, the “Electronic Archive” project digitized paper records, streamlining archivist workflows and reducing document retrieval times.

6.8 Ensuring financial stability

Per the consolidated financial statements for the 12 months of 2024, the Company met its creditors' financial covenants. The Debt/EBITDA ratio was 1.62 (threshold: ≤3.50), and the EBITDA/Interest ratio was 12.23 (threshold: ≥3.00), assessed semi-annually and annually.

6.9 Implementing up-to-date digital solutions and technologies, including artificial intelligence

-Planned stages of the "Horizontal monitoring" project were executed at the Company's head office.

-Automated emissions monitoring systems were installed at: Ekibastuz GRES-1 LLP (Units 7 and 8), Ekibastuz SDPP-2 Plant JSC, and ALES JSC (CHP-1 and WHC).

6.10 Formulating legislative initiatives and Tariff setting

-In 2024, in collaboration with the Ministry of Energy of Kazakhstan, amendments to regulatory acts in the electric power sector were pursued to advance industry development. Key initiatives include:

1)Investment recovery through tenders for constructing next-generation stations with minimal emissions;

2)Inclusion of heating equipment costs and loan remuneration in tariffs for maintaining electric capacity availability;

3)Additional capacity sales within a calendar year (via increased consumer contract volumes and replacement of emergency-offline generation);

4) Extension of the commissioning certificate submission period for flexible generation units from 36 to 48 months.

6.11 Implementation of renewable energy (RES) and hydropower (HPP) investment projects and international cooperation

- For the project "Construction of 1 GW solar power plant with with UNIGREEN ENERGY", a power purchase agreement was signed with PGU-Turkestan LLP, KEGOC JSC, and KAP.

6.12 ***Decarbonization and reduction of carbon footprint***

- Under the project "Analysis of carbon capture and storage (CCS) technology applications and development of carbon chemistry products", a contract was signed with Nazarbayev University JSC. An analytical review of current and emerging CO_2 capture, storage, and utilization technologies from thermal power plant flue gases was completed, along with design documentation for an experimental lab unit for steam-based oxygen-free coal gasification. In 2024, tests on the steam-based oxygen-free coal gasification unit (SOFCG) evaluated selectivity, permeability, and efficiency of advanced membrane materials. The effects of operational and design parameters on steam coal gasification were also analyzed.
- For the initiative "Sale of carbon offsets from RES and HPP facilities and I-REC certificates for additional revenue in Kazakhstan":

    - First Wind Power Plant LLP

- On October 1, 2024, a contract was signed with ESC LLP to sell 53,970 tonnes of carbon offsets at KZT 397 per tonne. The remaining balance is 184,725 tonnes.

  - Energiya Semirechya LLP:

- On May 29, 2024, 182,583 tonnes of carbon offsets for 2023 were credited to Energiya Semirechya LLP's account
- On September 20, 2024, a contract was signed with Knauf Gyps Kapchagay LLP (with DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH) to sell 220 tonnes of carbon offsets at KZT 600 per tonne. The current balance stands at 248,429 tonnes.
- I-REC certificates are being explored as an alternative to carbon offsets, given their strong demand and higher pricing.
- Annual activities were completed for the projects "Use of green financing tools: Issuance of green bonds on KASE and AIX exchanges, following ICMA Green Bond Principles and Climate Bond Initiative standards" and "Securing funding from DFIs and ECAs (international development institutions and export credit agencies)."

6.13 Ensuring stable power supply from renewable energy facilities through energy storage systems

- For the project "1 GW wind power plant with energy storage system in partnership with China Power International Holding Ltd.," a Memorandum of Understanding was signed on November 12, 2024, between the governments of Kazakhstan and China for RES projects. The project is listed among major initiatives.
- For the project "1 GW wind power plant with energy storage system in partnership with Masdar," documents for the Shareholders' Agreement (SHA), Power Purchase Agreement (PPA), and Statement of Intent (SoI) were signed. On November 11, 2024, Qazaq Wind Power LLP was established under the AIFC framework.

6.14 Enhancing corporate governance and compliance

- For the initiative "Preparation of an annual sustainability report per GRI standards," the Integrated Annual Report for 2023 was approved by the Board of Directors on May 31, 2024 (Minutes No. 07/24).
- Under the initiative "Independent corporate governance assessment by the shareholder and mid-term improvement plans (per shareholder deadlines)," the Board of Directors approved the 2024 Corporate Governance Roadmap Report on February 24, 2025 (Minutes No. 03/25). Roadmap execution reached 98% for the reporting period.
- For the initiative "Boosting reputation through annual information and awareness campaigns," all planned activities to enhance reputation via outreach were carried out.
- On December 31, 2025, Sustainable Fitch assigned the Company an ESG rating of "3," with an enterprise score of 52 points, indicating an average ESG profile.
- To build an anti-corruption culture, over 290 training sessions and informational campaigns were conducted, reinforcing ethical standards and zero tolerance for

corruption and bribery. Quarterly updates are shared with the Board of Directors through Compliance Service reports.

6.15 Developing human capital

- Under the initiative "Creating attractive employee conditions", annual professional and corporate training programs were organized. Approved programs include Mentorship, Employee Release, and efforts to foster an inclusive, accessible environment for persons with disabilities across the Company group. Activities to strengthen corporate values were also held.
- The Company's Board approved a List of Key Positions and Talent Pool, updated yearly.

6.16 *Ensuring social guarantees, stability, and security*

- Annual salary indexation was conducted across the Company group. In 2024, employee salaries rose by an average of 16%. Employees receive yearly social benefits, including financial aid (e.g., vacation wellness, childbirth, weddings, funerals), health-resort treatment, medical insurance, anniversary bonuses, New Year gifts for children, and retirement lump sums.

6.17 Reducing occupational injuries with leading health and safety (H&S) practices

- For the project "Automation of hazardous action/condition and incident reporting to minimize accidents," the Board approved a Post-Monitoring Report on the "Safe Production" project.

6.18 Enhancing stakeholder engagement efficiency

- The Integrated Annual Report, prepared per GRI standards, was approved by the Board of Directors on May 31, 2024. An independent assurance report from PricewaterhouseCoopers LLP verified 24 non-financial indicators in the report.
- Fitch Ratings reaffirmed the Company's rating at BB+.

6.19 Implementing modern practices to minimize harm to water, biodiversity, and soil when implementing new projects

- On August 16, 2024, AES Shulbinsk HPP LLP stocked a water body with 22,180 one-year-old sazan (carp) fingerlings.
- On October 8, 2024, AES Ust-Kamenogorsk HPP LLP stocked a water body with 107,931 sazan fingerlings from the current year's brood.

7. Principles of accounting policy

The Company's operations in power and coal sectors in 2024 were conducted in line with approved plans.

To ensure a consistent approach in preparing the report on the financial and economic performance of the Company group, the equity method is applied in consolidation. Additionally, per the current accounting policy, property, plant, and equipment, as well as intangible assets, are recorded at historical cost, without revaluation. Subsidiaries are included in the consolidated financial statements using the acquisition method. Identifiable assets acquired, along with liabilities and contingent liabilities assumed in business combinations, are recognized at fair value on the acquisition date, regardless of the non-controlling interest's share.

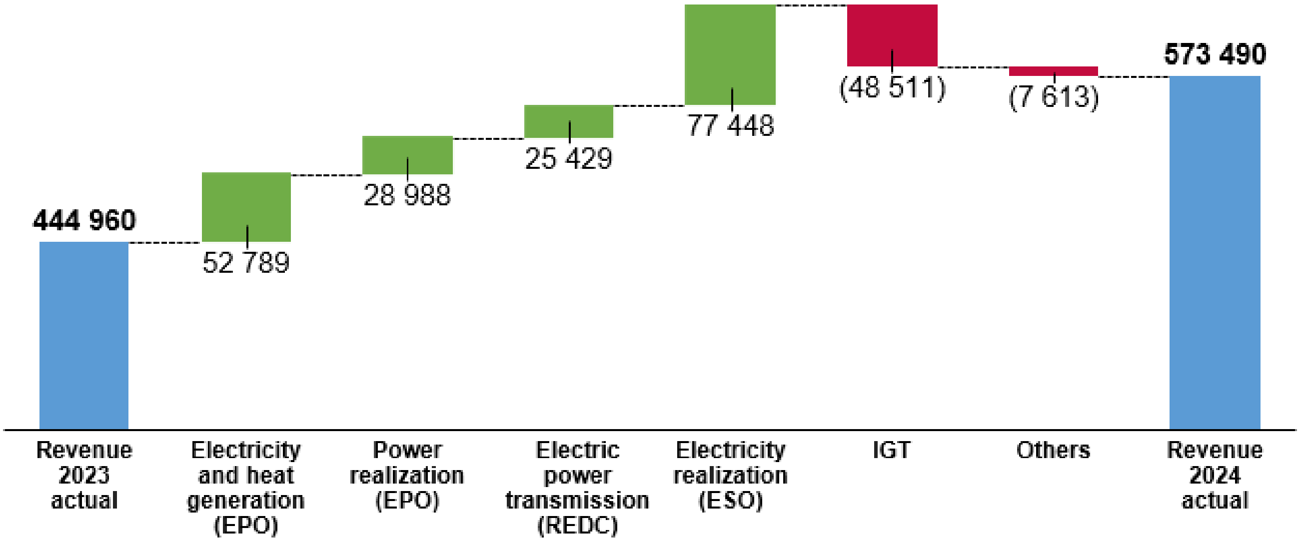
Based on this approach, the equity method excludes intercompany transactions of major entities such as SEGRES-2 JSC and the coal asset company Forum Muider B.V., in which the Company holds a 50% ownership stake, from the consolidated balance sheet. In the consolidated financial results, the profit share from these entities is reflected under "share of profit/loss of entities accounted for using the equity method and impairment of investments".

8. Key financial metrics

No.	Indicator, KZT mln.	2022 (actual)	2023 (actual)	2024 (actual)	2025 (forecast)
1	**Revenue from product sales and services provision**	**381 465**	**444 960**	**573 490**	**691 659**
2	**Cost of goods sold and services rendered**	**288 929**	**329 676**	**371 645**	**479 409**
3	**Gross profit**	**92 536**	**115 284**	**201 845**	**212 250**
4	**Operating profit**	**64 574**	**92 828**	**172 987**	**176 610**
5	**Profit before depreciation, interest, and corporate income tax (EBITDA)**	**141 382**	**159 484**	**226 241**	**266 714**
6	**Profit (loss) before tax**	**46 417**	**63 082**	**147 524**	**147 352**
7	**Corporate income tax expense**	16 111	19 352	34 555	34 009
8	**Net profit (loss) before minority interest**	**30 306**	**43 730**	**112 969**	**113 342**
9	**Minority interest**	**175**	**649**	**461**	712
10	**Net profit attributable to the Group's shareholders**	**30 132**	**43 080**	**112 508**	**112 631**

Note: The breakdown of revenues and cost of goods sold is provided by activity type (not by segments) and is presented without elimination.

Revenues from products sale and provision of services across the Group of Companies in 2024 amounted to KZT 573,490 million:



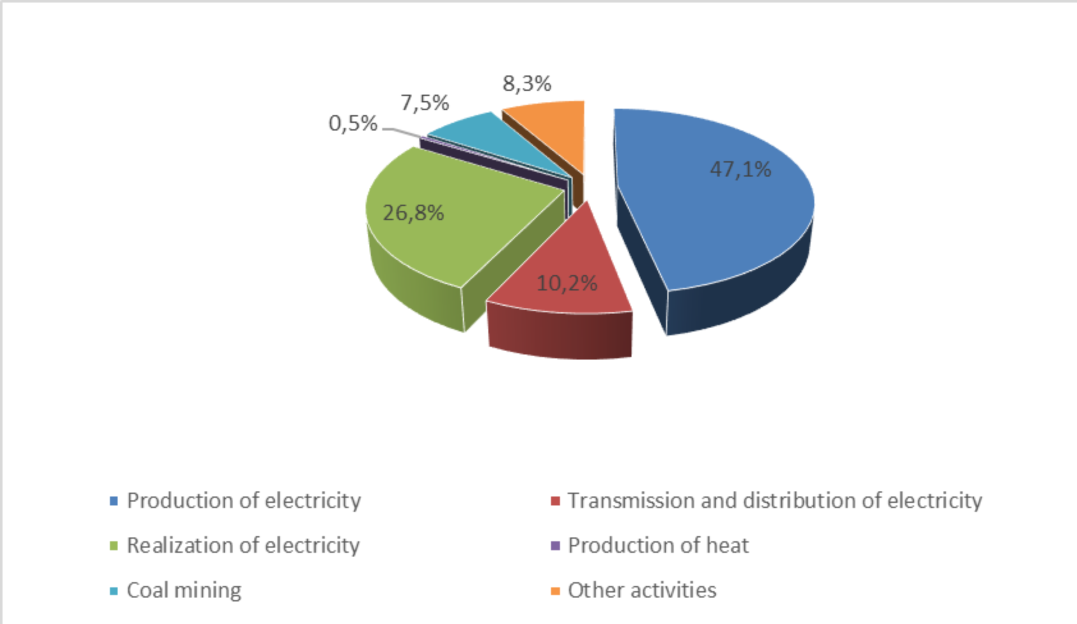
Consolidated revenue growth was driven primarily by the sales segment, where revenue increased due to a 1,651 million kWh (23%) rise in electricity sales volumes and an increase in the electricity sales tariff at the Branch of Alatau Zharyk Company JSC – Energosbyt , from KZT 23.64/kWh to KZT 28.03/kWh.

Revenue from electricity transmission grew due to a 572 million kWh (7%) increase in transmission volumes and a rise in the transmission tariff at Alatau Zharyk Company JSC, from KZT 7.68/kWh to KZT 9.95/kWh.

In the electricity generation segment, revenue rose due to the inclusion of AES Ust-Kamenogorsk HPP LLP and AES Shulbinsk HPP LLP in the consolidation perimeter, higher hydropower plant sales volumes from increased water inflow, an increase in ceiling tariffs for energy-producing organizations (EPOs) effective January 1, 2024, and greater capacity sales volumes following 2024 auctions, further boosted by the consolidation of capacity volumes from AES Ust-Kamenogorsk HPP LLP and AES Shulbinsk HPP LLP.

Revenue in the heat energy production segment also increased, driven by higher sales volumes at ALES JSC and the inclusion of Energy Solutions Center LLP (Ekibastuz CHP) in the consolidation perimeter. Additionally, the heat energy tariff at ALES JSC rose from KZT 4,215/Gcal to KZT 5,195/Gcal.

2024 Revenue structure by main activities



Forecast for the upcoming period: In the 2025 forecast, income from sales is projected at KZT 691,659 mln., an increase of KZT 118,169 million or 21% over 2024 actuals. This growth is driven by higher tariffs for electricity generation and sales, increased capacity volumes and tariffs (from KZT 1,065 thousand/MWmonth to KZT 1,169 thousand/MWmonth), and the commissioning of Unit No. 1 at Ekibastuz GRES-1 LLP.

Revenue from the sale of products and provision of services broken down by producers

Indicator, mln.tenge	2022 (actual)	2023 (actual)	2024 (actual)	2025 (actual)
Revenue from the sale of products and provision of services	**381 465**	**444 960**	**573 490**	**691 659**
Ekibastuz GRES-1 LLP	189 266	186 939	198 847	257 776
Branch of Alatau Zharyk Company JSC – Energosbyt	137 578	168 309	247 127	304 146
ALES JSC	86 220	96 660	125 605	133 983
Alatau Zharyk Company JSC	53 842	67 712	94 009	110 428
Moynak HPP JSC	22 804	21 720	25 768	21 761
Shardara HPP JSC	8 680	8 991	8 602	7 729
AES AES Ust-Kamenogorsk HPP LLP			10 915	11 190
AES AES Shulbinsk HPP LLP			16 603	16 371
First Wind Power Plant LLP	4 987	6 170	6 641	7 918
Bukhtarminsk HPP JSC	4 181	21 837	16 520	24 135
Energy Solutions Center LLP (ECHP)			4 233	10 594
Branch of Energy Solution Center – SSC	1 515	1 595	1 945	3 209
Samruk-Green Energy LLP	409	500	659	755
Intra-group transactions (elimination)	**-128 016**	**-135 475**	**-183 986**	**-218 337**

The largest portion of the Company's revenue from core operations is contributed by Ekibastuz GRES-1 LLP, ALES JSC, Alatau Zharyk Company JSC, and the Branch of

Alatau Zharyk Company JSC - Energosbyt. However, when consolidating revenue, intragroup transactions—primarily related to energy generation and distribution companies—are excluded from the total.

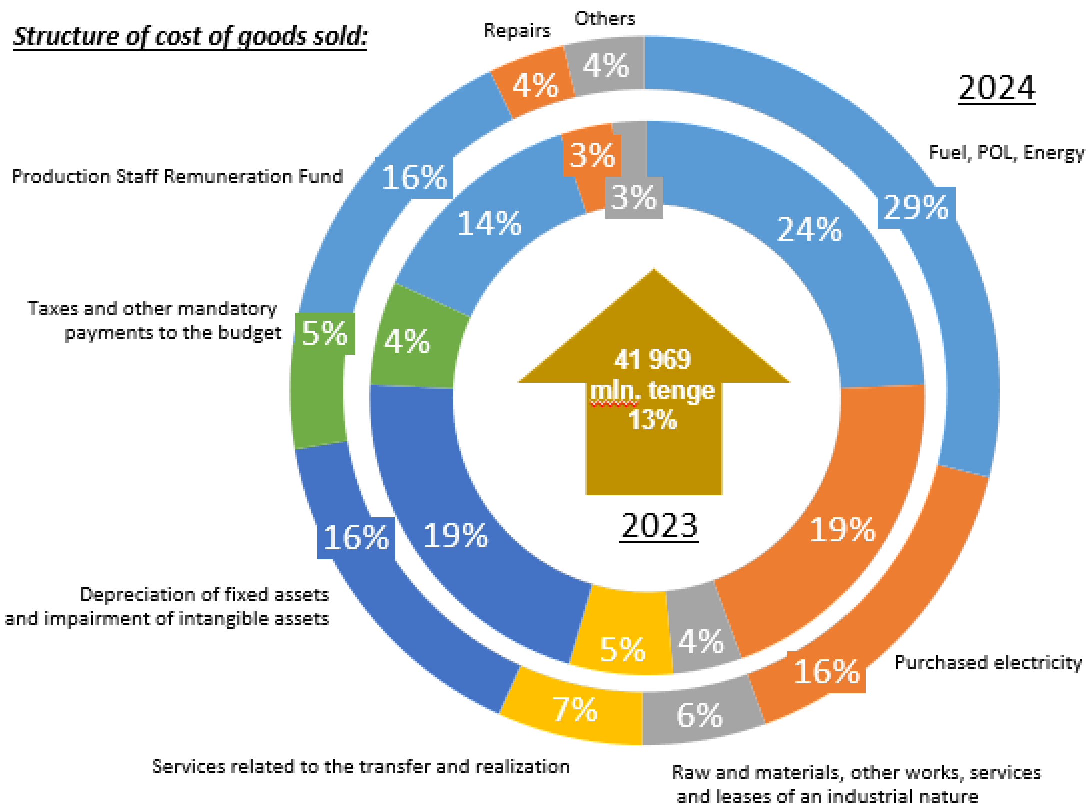
Cost of goods and services provided

Indicator, million KZT	2022 (факт)	2023 (факт)	2024 (факт)	2025 (прогноз)
Fuel	68 247	91 379	107 507	138 644
Wages and related expenses	45 643	53 766	70 084	85 019
Cost of purchased electricity	50 991	56 404	57 128	63 763
Services for maintaining electric capacity availability	8 819	8 848	2 822	20 714
Depreciation of fixed assets and amortization of intangible assets	59 764	62 556	58 033	76 220
Repairs and maintenance	9 950	11 377	12 993	16 757
Electricity transmission services	16 847	16 922	19 828	20 752
Materials	2 181	2 777	3 373	5 425
Water supply	7 106	7 582	10 625	12 092
Grid losses	2	2	0	0
Taxes other than income tax	4 642	4 633	6 055	7 127
Emission fees for environmental impact	7 664	4 435	5 054	9 223
Third-party services	3 385	3 350	11 985	14 507
Other expenses	3 688	5 643	6 159	9 166
TOTAL	**288 929**	**329 676**	**371 645**	**479 409**

In 2024, **the cost of goods** sold and services rendered reached KZT 371,645 million, a 13% increase over 2023 actuals. This increase is driven by higher variable production costs—such as coal, gas, and services from KEGOC JSC—stemming from elevated prices for goods and services, increased expenses on the balancing electricity market (BEM), higher payroll costs for production staff to support social initiatives for subsidiary employees, additional taxes and mandatory budget payments, and rising indexed prices for raw materials and production supplies.

Depreciation for 2024 totaled KZT 58,033 million, down KZT 4,524 million or 7% from the previous year. This reduction is primarily due to extended useful lives of fixed assets at Ekibastuz GRES-1 LLP following their revaluation.

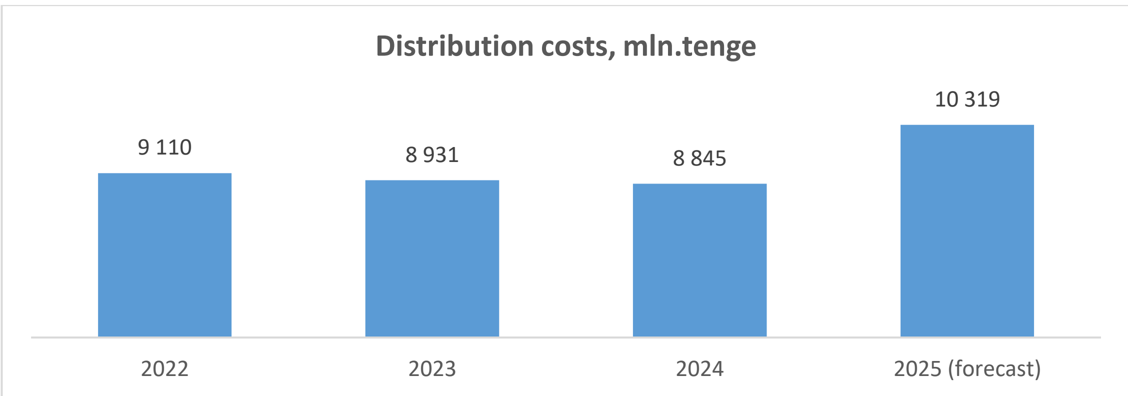
Cost structure by core activities



<u>Forecast for the upcoming period:</u> In 2025, the cost of goods sold and services rendered is projected to increase, driven by rising prices for goods and services, greater purchases of balancing electricity on the BEM, higher payroll expenses for production staff, and growth in production volumes.

Distribution expenses, mln.tenge

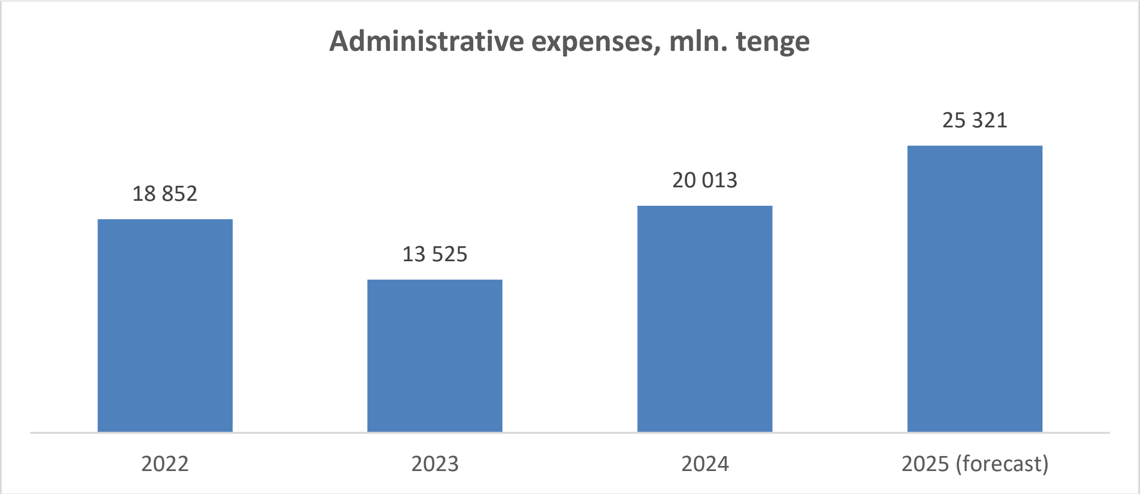
In 2024, distribution expenses amounted to KZT 8,845 million, a decrease of KZT 86 million or 1% from 2023. This decline reflects reduced costs for KEGOC JSC services tied to balancing production and consumption, resulting from a lower tariff.



Forecast for the upcoming period: **Distribution expenses** in 2025 are forecasted at KZT 10,319 million, up KZT 1,474 million or 17% from 2024 actuals. This rise is attributed to increased electricity dispatch volumes from Ekibastuz GRES-1 LLP following the commissioning of Unit No. 1, alongside higher prices for KEGOC JSC services.

Administrative expenses, mln.tenge

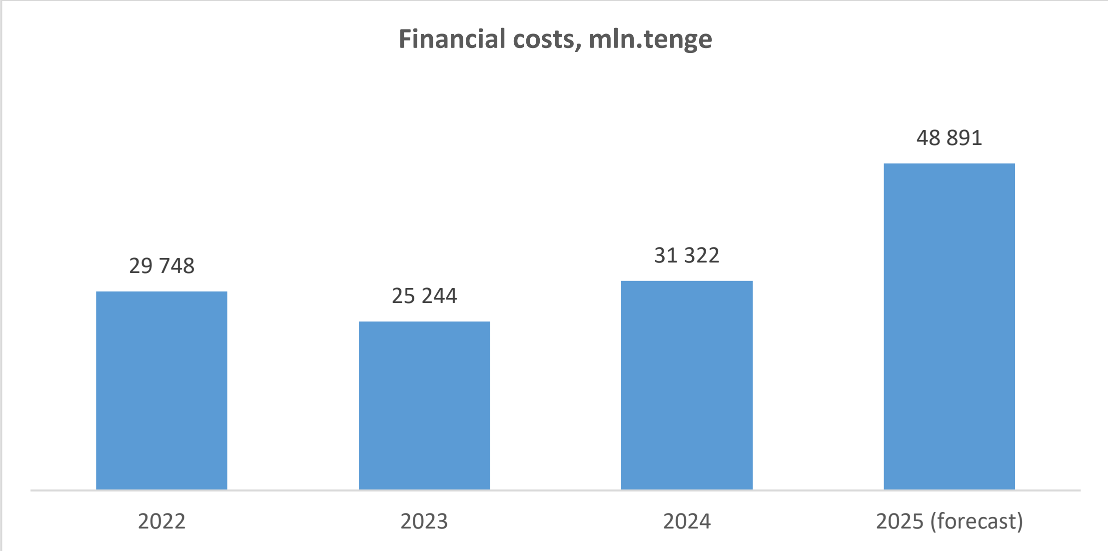
In 2024, administrative expenses totaled KZT 20,013 million, up KZT 6,488 million or 48% from 2023. This increase is largely due to the inclusion of costs from AES Ust-Kamenogorsk HPP LLP, AES Shulbinsk HPP LLP, and Energy Solutions Center LLP (Ekibastuz CHP) within the consolidation perimeter.



Forecast for the upcoming period: In the 2025 forecast, administrative expenses are projected to increase by KZT 5,308 million compared to 2024. This increase is primarily due to the wage indexation as part of the social support program for employees of the subsidiaries. Additionally, the increase is attributable to the inclusion of Energy Solutions Center LLP (Ekibastuz TPP) within the Company's consolidation perimeter. For 2024, these expenses were consolidated for only 5 months.

Financial expenses, mln.tenge

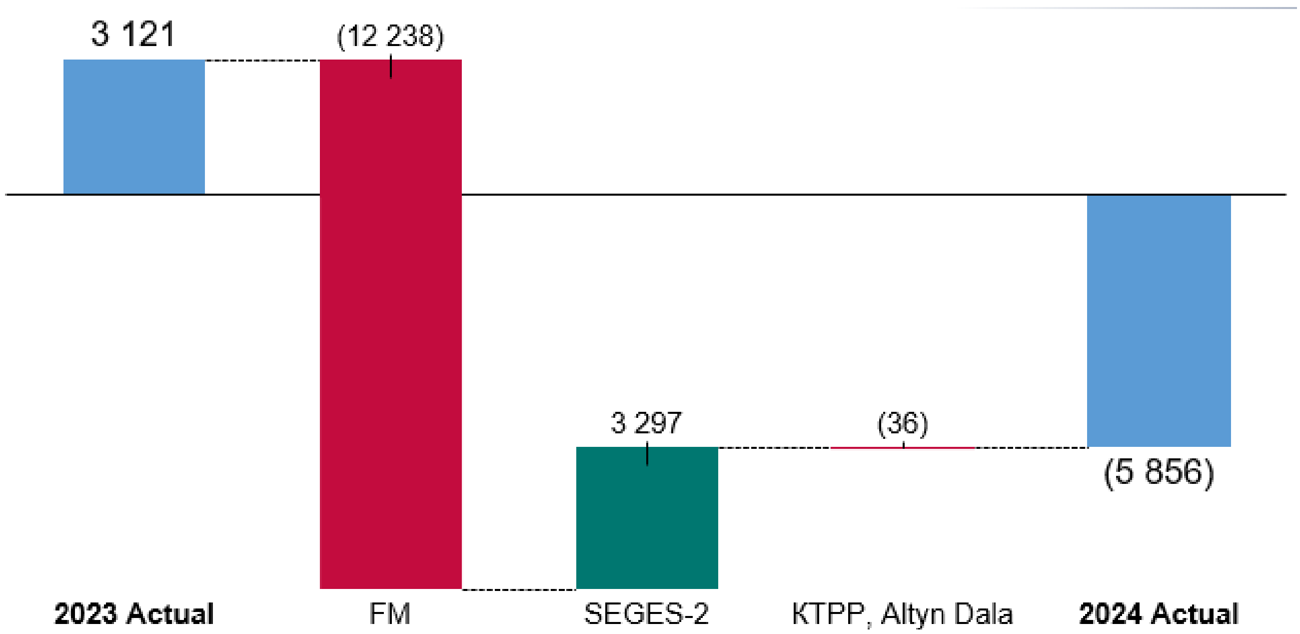
The financial expenses for 2024 amounted to KZT 31,322 million, which is KZT 6,078 million higher than the actual figure for 2023. The increase is mainly due to the recognition of interest expenses related to the loan of Ekibastuz GRES-1 LLP (Block No. 1) in current operating expenses.



Forecast for the upcoming period**:** In the 2025 forecast, financing expenses are expected to amount to KZT 48,891 million. The increase is primarily due to the recognition of expenses related to the loans of **Ekibastuz GRES-1 LLP** (reconstruction and modernization of fuel supply) and **ALES JSC** (gasification of the Almaty energy complex) in current operating expenses.

Share in profit of joint ventures and associates

Indicator, mln.tenge	2022 (acutal)	2023 (actual)	2024 (actual)	2025 (forecast)
Share in profit of joint ventures and associates	**16 103**	**3 121**	**-5 856**	**12 499**



The loss from equity-method investments for 2024 amounted to KZT (5,856) million, a decrease of KZT (8,977) million compared to the same period last year. This reduction was primarily due to Forum Muider B.V., as a result of decreased operating profit driven by lower revenue from core operations (due to a decline in export volume) and higher operating expenses. Additionally, financial expenses (foreign exchange losses) and other non-operating expenses (including the impairment loss of other assets) contributed to the overall increase in the loss.

9. Created and distributed economic value

The economic performance of the company is reflected in the table on created and distributed economic value.
Created economic value reflects the main sources of income generation for the company, specifically income from the production, transmission, and sale of electricity, as well as from coal sales and received remuneration.
The created value is distributed among suppliers and contractors, employees of the company, shareholders and creditors, the government, and local communities.

Distributed economic value	
Payments to suppliers and contractors	Operating expenses include payments to counterparties for materials, product components, equipment, services, rental payments, etc.
Payments to employees	Wages fund, social taxes and ccontributions, pension and insurance payments, medical services for employees, and other employee support programs
Payments to capital providers	Dividends to all categories of shareholders and interest payments to creditors
Payments to the government	Tax contributions
Investments in local communities	Donations to charitable and non-governmental organizations and research institutions, costs for supporting public infrastructure, as well as direct funding for social programs, cultural, and educational activities

As of the end of 2024, the created economic value amounted to 859 billion tenge, and the distributed economic value amounted to 680 billion tenge, resulting in an undistributed economic value of 179 billion tenge. According to the approved Development Plan for 2025-2029, an increase in both created and distributed economic value is projected for 2025.

Mln.tenge

Indicator*	**2022**	**2023**	**2024**	**2025**
	Actual	**Actual**	**Actual**	**Forecast**
Created economic value	**520 350**	**616 994**	**858 823**	**1 057 976**
Revenue from sales	517 254	611 048	849 594	1 045 484
Interest income	3 096	5 946	9 229	12 492
Distributed economic value	**407 694**	**512 531**	**679 952**	**890 456**
Operating expenses	246 973	350 498	443 224	623 652

Indicator*	2022	2023	2024	2025
	Actual	Actual	Actual	Forecast
Salaries and social contributions	63 625	75 794	95 229	109 436
Payments to capital providers	30 453	21 753	49 487	55 797
Payments to the government	66 518	64 308	91 665	101 333
Investments in local communities	125	178	347	238
Undistributed economic value	**112 656**	**104 463**	**178 871**	**167 520**

** - Previously, the indicators were calculated using the accrual method. To exclude non-cash transactions, including depreciation, the current indicators have been calculated based on data from the cash flow statement. The indicators are presented taking into account the ownership shares in joint ventures.*

10. State tariff regulation of the company's activities
Weighted average tariffs for electricity generation

SA name	2022 Actual*	2023 Actual**	2024 Actual***
Ekibastuz GRES-1 LLP	**8,06**	**8,00**	**9,18**
Electricity tariff, tenge/kWh	7,44	7,59	8,12
RK tariff	7,44	7,59	8,12
Capacity tariff, thous.tenge/MW*month	590	590	1 049
Ekibastuz SDPP-2 Plant	**11,39**	**11,46**	**13,65**
Tariff for export, tenge/kWh	13,76	13,76	-
Electricity tariff, tenge/kWh	10,17	10,27	11,76
Capacity tariff, thous.tenge/MW*month	590	590	1 020
ALES JSC	**14,05**	**15,52**	**20,38**
Electricity tariff, tenge/kWh	12,27	13,79	17,81
Weighted average capacity tariff, thous.tenge/MW*month	796	809	1 180
Capacity tariff, thous.tenge/MW*month	590	590	1 062
Individual capacity tariff, thous.tenge/MW*month	3 139	3 139	2 479
Moynak HPP JSC	**21,69**	**23,51**	**21,59**
Electricity tariff, tenge/kWh	12,92	13,65	14,08
Capacity tariff, thous.tenge/MW*month	2 564	2 564	2 564
Shardara HPP JSC	**16,03**	**16,33**	**14,69**
Electricity tariff, tenge/kWh	10,79	11,17	9,84
Capacity tariff, thous.tenge/MW*month	3 868	3 868	3 868
AES AES Ust-Kamenogorsk HPP LLP	**-**	**-**	**5,79**
Electricity tariff, tenge/kWh	-	-	3,57
Capacity tariff, thous.tenge/MW*month	-	-	1 060
AES AES Shulbinsk HPP LLP	**-**	**-**	**8,15**
Electricity tariff, tenge/kWh	-	-	4,55
Capacity tariff, thous.tenge/MW*month	-	-	1 060
Samruk-Green Energy LLP, tenge/kWh****	**20,94**	**23,54**	**27,63**
First Wind Power Plant LLP	**36,84**	**43,36**	**48,47**
Energia Semirechya - 25% share	**22,68**	**24,65**	**28,17**

** The electricity tariff consists of the ceiling tariff and surcharge for RES (Renewable Energy Sources).*
*** The electricity tariff is a weighted average of the ceiling tariff and surcharge for RES until July 1, 2023, and consists of the ceiling tariff and the BEM tariff from July 1, 2023, onward.*
****The electricity tariff consists of the ceiling tariff and BEM tariff.*

*****The electricity tariff for Samruk-Green Energy LLP is a weighted average of the tariffs from four RES stations.*

By Order No. 376 of the Minister of Energy of the Republic of Kazakhstan dated October 23, 2023, ceiling tariffs for the service of maintaining electric capacity availability were set at KZT 1,065 thousand/MWmonth for 2024, and by Order No. 407 of the Acting Minister of Energy dated November 19, 2024, at KZT 1,170 thousand/MWmonth for 2025.
In anticipation of rising production costs (e.g., increased staffing levels, higher fuel expenses, etc.), and to achieve break-even tariff levels, energy-producing organizations (EPOs), pursuant to Clause 11 of the Rules for Approving Ceiling Tariffs on Electricity No. 147 (Order of the Minister of Energy of the Republic of Kazakhstan dated February 27, 2015), submitted an application by September 1, 2023, to adjust the ceiling tariff. Consequently, Order No. 479 of the Ministry of Energy dated December 28, 2023, approved new ceiling tariffs for electricity, effective from January 1, 2024.
As a result, the following ceiling tariffs for electricity (KZT/kWh) were in effect for EPOs throughout 2024:

EPO name	**Approved tariff 01.01.2024-31.08.2024**	**Approved tariff from 01.11.2024**	**Deviation, %**	**Approved tariff from 01.02.2025**	**Deviation, %**
1	**2**	**3**	**4=3/2**	**5**	**6=5/3**
Ekibastuz GRES-1 LLP	8,05	8,27	3%	9,50	15%
Ekibastuz SDPP-2 Plant JSC	13,17	13,17	0%	15,67	19%
ALES JSC	17,82	17,82	0%	20,93	17%
AES AES Shulbinsk HPP LLP	4,14	4,14	0%	5,04	22%
AES AES Ust-Kamenogorsk HPP LLP	3,44	3,44	0%	4,29	25%
Shardara HPP JSC	9,82	9,82	0%	9,82	0%
Moynak HPP JSC	12,77	12,77	0%	12,77	0%

Additionally, by Order No. 42-н/k of the Minister of Energy of the Republic of Kazakhstan dated January 27, 2025, ceiling tariffs for electricity for energy-producing organizations (EPOs) were approved, effective from February 1, 2025.

Since 2020, the Company has collaborated with the Ministry of Energy of the Republic of Kazakhstan to establish investment tariffs for stations undertaking major investment projects, namely Moynak HPP JSC, Shardara HPP JSC, ALES JSC, and Ekibastuz GRES-1 LLP.

Parameters of concluded investment agreements, KZT thousand/MW*month

EPO name	**Volume**	**Individual tariff (excl. VAT)**	**Period**
ALES JSC	69,5 MW	4 168,60	2020–2024

Moynak HPP JSC	298 MW	2 563,67	2020–2026
Shardara HPP JSC	61 MW	4 069,3	2020–2028

On December 28, 2021, Ekibastuz GRES-1 LLP signed an investment agreement with the Ministry of Energy of the Republic of Kazakhstan (MoE RK) for the modernization, reconstruction, expansion, and upgrade of Unit No. 1 under a project to restore the unit. The agreement established a tariff of KZT 1,199 thousand/MW*month for the period of 2025–2031, based on a service volume of 476.6 MW.

Throughout 2024, applications were submitted for individual tariffs to support the construction of Units No. 3 and No. 4, reflecting updates to the Rules for Selecting Investment Programs and revised completion timelines—September 2028 for Unit No. 3 and September 2030 for Unit No. 4. The Market Council Presidium approved the updated applications and forwarded them to the MoE RK. Investment Agreement No. 41 was signed with the MoE RK for the implementation of Unit No. 3, with a 10-year investment recovery period (Q4 2028 to Q3 2038). The signing of the agreement for Unit No. 4 has been deferred pending resolution of capacity market limit increases. Corporate procedures for concluding a contract to purchase the capacity availability maintenance service with Settlement and Financial Center for Renewable Energy Support LLP were completed. A contract was signed with Settlement and Financial Center LLP to purchase the capacity availability maintenance service for Unit No. 3.

Tariffs for heat production

tenge/Gcal

Name	**2022 actual**	**2023 actual**	**2024 actual**	**2025 forecast**
ALES JSC	3 782	4 215	5 195	5 394
“Ekibastuz SDPP-2 Plant JSC	812	874	902	929
Ekibastuz GRES-1 LLP	221	189	183	178
Energy Solutions Center LLP (Ekibastuz CHP)	-	-	6 018	6 654

As a natural monopoly entity, legislation mandates the approval of long-term (over 5 years) ceiling tariff levels for organizations producing heat energy, incorporating an investment component and annual cost indexation. These ceiling tariffs are approved by the Committee for Regulation of Natural Monopolies (CRNM). However, tariff increases initiated by the natural monopoly entity (NME) are limited to once per year, and there are risks of tariffs remaining unchanged despite rising station costs due to objective factors.

Given the social significance of heat energy prices, the CRNM pursues a state policy of curbing tariff increases, resulting in unprofitable heat energy production activities.

As of January 1, 2023, the tariff for heat energy at ALES JSC was KZT 4,003.36/Gcal. Following collaboration with the Department of the Committee for Regulation of Natural Monopolies (DCRNM), new heat energy tariffs were approved, reflecting higher prices for strategic goods (coal, fuel oil) and increases in average monthly wages:

- From August 1, 2023: KZT 4,550.44/Gcal, a 13.7% increase over the previous tariff;
- From January 1, 2024: KZT 5,063.54/Gcal, a 26.5% increase over the 2023 tariff;
- From September 1, 2024: KZT 5,412.67/Gcal, a 36.8% increase over the 2023 tariff (with an average annual tariff in 2024 of KZT 5,195/Gcal);
- From January 1, 2025: KZT 5,394.18/Gcal.

In 2025, ALES JSC and the Company plan to continue working with the DCRNM to ensure break-even operations for heat energy production.

Tariffs for electricity transmission services

tenge/kWh

Name	2022 actual	2023 actual	2024 actual	2025 forecast
Alatau Zharyk Company JSC	6,58	7,68	9,95	10,6

By Joint Order No. 64-OD of the Department of the Committee for Regulation of Natural Monopolies under the Ministry of National Economy of the Republic of Kazakhstan for Almaty city, dated July 25, 2024, and Order No. 92-OD of the Department for Almaty region, dated July 26, 2024, amendments were made to the Joint Order No. 126-OD for Almaty city and No. 154-OD for Almaty region, both dated November 6, 2020. These original orders approved the ceiling tariff levels and tariff estimates for the regulated service of electricity transmission provided by Alatau Zharyk Company JSC for 2021–2025.

The amendments were enacted pursuant to Clause 1, Article 22 of the Republic of Kazakhstan Law "On Natural Monopolies," following an application submitted by Alatau Zharyk Company JSC under the "Tariff in Exchange for Investment" program. The changes were based on the following factors:

- Increased costs of strategic goods (electricity);
- Adjustments to the approved investment program due to the implementation of state programs and documents of the state planning system, as approved by the authorized body;
- Growth in the volume of regulated services provided;
- Acquisition or trust management of assets used in the technological cycle of delivering regulated services by natural monopoly entities;
- Changes in the average monthly nominal wage per employee by economic activity type in the region (city), based on statistical data for the year.

As a result of these amendments, the ceiling tariff levels for regulated services of Alatau Zharyk Company JSC for 2024–2025 were approved as follows:

- From January 1, 2024: KZT 8.87/kWh (excluding VAT);
- From August 1, 2024: KZT 11.4/kWh (excluding VAT), with an average annual transmission tariff in 2024 of KZT 9.95/kWh;
- For 2025: KZT 10.6/kWh (excluding VAT).

Tariffs for sale of electricity by ESO

Tenge/kWh

Name	2022 actual	2023 actual	2024 actual	2025 forecast
Branch of Alatau Zharyk Company JSC - Energosbyt	20,09	23,64	28,03	
Alatau Zharyk Company JSC				34,14

In December 2023, following coordinated efforts, Order No. 276 of the Minister of National Economy of the Republic of Kazakhstan, dated December 22, 2023, added the Branch of Alatau Zharyk Company JSC - EnergoSbyt to the list of energy supply organizations eligible for targeted support. This enabled the branch to purchase electricity from the Single buyer at KZT 13.00/kWh, preventing losses in 2024 from the gap between tariff-estimated electricity prices and the actual rates charged by the Single buyer.

On October 10, 2024, the Departments of the Committee for Regulation of Natural Monopolies (DCRNM) for Almaty city and Almaty region set a ceiling price for the Branch of Alatau Zharyk Company JSC - Energosbyt at KZT 29.04/kWh—a 3.7% increase—effective from October 15, 2024.

Amendments to the Republic of Kazakhstan Law “On power industry” enacted through the Law “On Amendments and additions to certain legislation on heat power industry, electric power industry and regulated services” on December 31, 2024, led to the termination of AlmatyEnergoSbyt LLP’s operations as an energy supply entity on January 1, 2025. It was merged into the regional electricity transmission company Alatau Zharyk Company JSC. Tariffs previously approved with the DCRNM for Almaty city and Almaty region for the Branch of Alatau Zharyk Company JSC – EnergoSbyt will carry over to Alatau Zharyk Company JSC and take effect on January 1, 2025.

In 2025, Alatau Zharyk Company JSC plans to raise its electricity sales tariff to reflect higher electricity purchase costs from the Single buyer and additional operating expenses.

Coal sales prices

Weighted average price, tenge/tons

Name	2021 actual	2022 actual	2023 actual	2024 actual	2025 forecast
“Bogatyr Komir” LLP	2 292	2 669	3 084	3 215	4 168

Coal sales prices by “Bogatyr Komir” LLP are set independently via a price list for consumers in Kazakhstan, categorized into three groups: power generation at KTZh-adjacent stations, power generation at coal collection stations, and municipal and residential demand.

11. Execution of strategic KPI

№	Description	2022 Actual	2023 Actual	2024 Actual	2025 Forecast
Strategic and analytical 1st level KPI for PC					
1	Net income, mln.tenge	30 132	43 080	112 508	112 631
2	Debt /EBITDA	1,90	1,71	1,66	2,68
3	ROACE, %	5,90	6,45	12,13****	10,29
4	Net assets value (NAV), mln.tenge	442 753	485 969	581 211****	703 524
5	ROI, ratio	-12%	-	-	-
6	FCF*, kzt bln.	42,2	37,0	93,3	26,20
7	ESG-rating*, score	-	24,1	52	≥44
8	Net carbon footprint reduction*, %	-3%	-3,3%	-1%**	
	Reduction in specific CO2-equivalent emissions (relative to 2021 baseline) per total electricity output	-	-	-	≥20%*****
9	Share of in-country value in goods procurement*, %	-	66%	73	57,31%
10	Share of in-country value in works and services procurement, % *, %	-	92%	90	67,38%
11	Leadership behavioral safety audit *	6 274	7 186	7 673	5 400
	Industry efficiency metrics				
12	Electricity market share in Kazakhstan	31,79%	31,31%	33,73%	33,60%
13	LTIFR	0,30	0,36	0,99	0,23
	Key national indicators				
14	Labor productivity, thous.tenge/person	13 273	47 855***	56 234	60 827
15	Capital expenditures, thous.tenge	100 579 914	132 145 871	229 787 273	360 587 304
16	Renewable electricity generation volume, thousand kWh	417 371	554 379	577 875	556 091
17	Gross foreign direct investment inflow, USD billion	0,043	0,014	0,129	1,59

*Data for these KPIs introduced starting in 2023.
** Estimated value set equal to the plan. Actual value calculated after receiving verified greenhouse gas inventory reports (per RK Environmental Code, due by April 1 for the prior calendar year).
*** For comparability, the 2023 actual "Labor productivity" KPI was recalculated using the new methodology, as reflected in the Company's 2024–2028 Development Plan.
**** Reflects equity retrospectively restated for 2023 based on the 2024 audit results.
***** Data for these KPIs introduced starting in 2025.

Overall, the Company's strategic performance indicators show a positive trend from 2022 to 2025. Key growth drivers include increased electricity and capacity sales volumes in the domestic market, higher tariffs at subsidiaries and affiliates, securing individual capacity tariffs, reduced specific fuel and water consumption for operational needs, optimized energy resource costs through conservation measures, and a lower debt burden. However, a rise in debt levels is planned for 2025 due to the execution of investment projects.

12. Analysis of capital expenditures by earned value method

Mln.tenge

№	SA	2022	2023	2024	2025
		actual	**actual**	**actual**	**forecast**
	TOTAL	**100 580**	**132 146**	**229 787**	**360 587**
1	Investment projects, including:	**58 372**	**80 393**	**136 375**	**193 275**
1.1	Restoration of Unit No. 1 with installation of new electrostatic precipitators	32 681	71 113	38 540	-
1.2	Modernization of Unit No. 3 at Ekibastuz GRES-1 LLP	-	-	679	-
1.3	Expansion and reconstruction of SDPP-2 Plant JSC with installation of Unit No. 3	10 209	121	373	17 611
1.4	Development of a feasibility study (FS) for the construction of Unit No. 4 at Ekibastuz ESDPP-2 Plant JSC	-	-	145	19
1.5	Transition to cyclic-flow technology (CFT) for coal mining, transportation, blending, and loading at the Bogatyr open-pit mine of the Ekibastuz coal field	7 896	5 373	1 426	-
1.6	Construction of Kokozek Substation	354	-	2 433	-
1.7	Construction of Turksib Substation	-	-	521	945
1.8	Reconstruction of Substation 220/110/10 kV No. 7 (AHBK)	2	-	-	1 620
1.9	Reconstruction of power grids	-	1 928	3 930	-
1.10	Modernization of CHP-2 with minimized environmental impact, including feasibility study development and expertise review	560	1 683	63 244	105 731
1.11	Expansion of CHP-1 with construction of a combined-cycle gas turbine (CCGT) unit with a capacity of 200–250 MW	271	3	-	-
1.12	Reconstruction of Almaty CHP-3 using CCGT technology, increasing station capacity to 450 MW	334	123	24 550	52 699
1.13	Construction of a wind power station in the Shelek Corridor, with a capacity of 60 MW and potential expansion to 300 MW	4 944	49	2	-
1.14	Construction of 50 MW Ereymentau Wind Power Plant	1 065	-	-	-
1.15	Expansion of the existing Ereymentau-1 Wind Power Station (45 MW) with two additional wind turbines of 2.5 MW each	56	0,06	-	-
1.16	Development of a pre-feasibility study (Pre-FS) for the Semey Hydropower Plant	-	-	364	-
1.17	Construction of a coal-fired thermal power station in Kokshetau	-	-	-	4 106

1.18	Construction of a coal-fired thermal power station in Semey	-	-	-	3 260
1.19	Construction of a coal-fired thermal power station in Ust-Kamenogorsk	-	-	-	3 152
1.20	Implementation of renewable energy projects with a total capacity of 1 GW (Altyn Dala)	-	-	13	2 065
1.21	Other projects	2	-	155	2 066
2	Maintenance of operational assets	**41 052**	**49 555**	**89 715**	**152 403**
2.1	Bogatyr Komir LLP (50%)	7 995	6 824	7 785	12 851
2.2	Ekibastuz SDPP-2 Plant JSC (50%)	1 985	2 483	6 022	3 316
2.3	Ekibastuz GRES-1 LLP	9 859	12 957	28 738	60 644
2.4	Alatau Zharyk Company JSC	11 289	14 173	22 924	35 565
2.5	ALES JSC	9 563	11 947	16 860	24 134
2.6	Moynak HPP JSC	103	574	1 145	1 458
2.7	Shardara HPP JSC	54	22	130	261
2.8	Branch of Alatau Zharyk Company JSC – Energosbyt	85	77	87	90
2.9	Samruk-Green Energy LLP	22	21	27	132
2.10	First Wind Power Plant LLP	96	476	767	1 165
2.11	Ereymentau Wind Power LLP	-	-	-	-
2.12	Energiya Semirechya LLP (25%)		0,3	4	-
2.13	Energy Solutions Center LLP	-	-	-	6 476
2.14	Shulbinsk HPP	-	-	3 509	5 001
2.15	AES Ust-Kamenogorsk HPP	-	-	1 717	1 310
3	**Maintenance of administrative assets**	**1 157**	**2 198**	**2 967**	**12 107**
4	**Others**	**-**	**-**	**731**	**2 803**

Projects completed in 2021

No projects were completed in 2021.

Projects completed in 2022

On July 21, 2022, under the project “Construction of a 60 MW wind power station in the Shelek Corridor with potential expansion to 300 MW” an acceptance certificate for commissioning was received from the State Institution “Department of Construction, Architecture, and Urban Planning of Enbekshikazakh District”. The project will generate approximately 226 million kWh of electricity annually using renewable energy sources.

Projects completed in 2023

- Kokozek Substation Project:
  Equipment installation at the 110 kV open switchyard of the Kokozek Substation was completed, with 102 supports for the 110 kV overhead line erected. The substation began operations on October 9, 2023.
- Transition to automated conveyor cyclic-flow technology for coal mining at the Bogatyr open-pit mine:
  Commissioning and testing of the complex were finalized in Q3 2023. An acceptance certificate for commissioning, dated December 19, 2023, was

registered on December 22, 2023, by the Ekibastuz Department of Registration and Land Register, a branch of the Pavlodar Region's NJSC "Government for Citizens".

Projects completed in 2024

- Restoration of Unit No. 1 with installation of new electrostatic precipitators at Ekibastuz SDPP-1:
  On December 23, 2024, an acceptance certificate was signed for commissioning Unit No. 1.

Projects underway in 2025

No investment project completions are scheduled for 2025.

13. Liquidity and financial stability indicators

Compliance with covenants from external creditors:

Covenant	Standard	2021 actual	2022 actual	2023 actual	2024 actual	Note
Debt/EBITDA (EBRD, ADB)	**Not more than 3,5**	**2,70**	**2,14**	**1,74**	***1,62***	***Complies***
EBITDA/Interest (EBRD, ADB)	**Not less than 2,2**	**5,00**	**5,92**	**10,8**	***12,23***	***Complies***
Debt/Equity (KDB)	**Not more than 2,0**	**0,59**	**0,50**	**0,43**	***0,49***	***Complies***

Description	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
Debt/EBITDA	3,31	2,96	2,41	1,90	1,71	1,66
Debt/Equity	0,56	0,54	0,59	0,50	0,43	0,49
Current liquidity	0,70	0,75	0,53	0,57	1,04	1

By the end of 2024, the Company met both financial and non-financial covenants with creditors, monitored on a semi-annual basis. The Company also achieved the financial stability ratios targeted by its shareholder for 2024.

Debt burden growth

As of the end of 2024, the Company's consolidated nominal debt reached KZT 403.3 billion, an increase of KZT 93 billion from 2023's KZT 310.3 billion. This rise in nominal debt in 2024 was driven by loans secured for investment projects, including the CHP-2 project by ALES JSC and initiatives by Ekibastuz GRES-1 LLP.

To mitigate currency and inflation risks in 2024, the Company implemented the following measures:

- In September 2024, to address interest rate risk, Ekibastuz GRES-1 LLP partially prepaid a loan from Halyk Bank of Kazakhstan JSC amounting to KZT 34.7 billion, reducing the interest rate from 16.5%–18.75% to 16.25%.

Credit rating (Fitch Ratings)

On October 14, 2024, Fitch Ratings reaffirmed the Company's long-term credit ratings in foreign and local currency at "BB+" with a "Stable" outlook.

14. Contingent and contractual obligations and operational risks

Operating environment

On February 24, 2022, Russia initiated a military operation in Ukraine. In response to the invasion, the United States, the European Union, and several other countries imposed extensive sanctions on Russia, including barring Russian banks from the SWIFT system. Russia is Kazakhstan's largest trading partner and a critical transit route, notably through the Caspian Pipeline Consortium (CPC), which handles up to 80% of Kazakhstan's oil exports. The concentration of exports via the CPC is expected to remain significant in the medium term due to its cost advantages. Kazakhstan is pursuing diversification efforts, including routes through the Caspian Sea to Baku and initial non-CPC exports to Germany, though these account for approximately 2% of annual CPC volumes.

In November 2024, Fitch Ratings affirmed Kazakhstan's long-term foreign currency Issuer Default Rating (IDR) at "BBB" with a stable outlook. According to Fitch, Kazakhstan's "BBB" IDR is underpinned by a substantial external buffer, the third-largest sovereign net foreign assets (SNFA) position among "BBB"-rated peers, providing financing flexibility bolstered by accumulated oil revenue savings. These strengths are offset by a heavy reliance on commodities, export concentration risk, elevated inflation—partly reflecting a less developed macroeconomic policy framework compared to "BBB" peers—and weaker governance indicators.

Kazakhstan is expected to remain highly dependent on crude oil and oil condensates, which constitute over half of its exports. Additionally, nearly 80% of Kazakh crude oil is exported through Russia via the CPC, posing geopolitical risk. This share is likely to persist due to cost benefits, despite some recent diversification of routes.

Overall, the economy of the Republic of Kazakhstan continues to exhibit characteristics typical of emerging markets. These include, but are not limited to, a national currency that lacks free convertibility outside the country and a low level of securities market liquidity.

As of the date of this report, the official exchange rate set by the National Bank of the Republic of Kazakhstan was KZT 499.74 per USD 1, compared to KZT 523.54 per USD 1 as of December 31, 2024 (December 31, 2023: KZT 454.56 per USD 1). Inflation remained relatively stable throughout 2024, reaching 8.6% in December 2024, down from 9.8% in December 2023. Economic growth slowed to 3.8% in 2024 from 5.1% in 2023. Analysts project GDP growth to accelerate to 5% in 2025.

The economic environment significantly impacts the Group's operations and financial position. Management is taking necessary steps to ensure the Group's operational resilience. However, the future implications of the current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual outcomes.

Furthermore, the electric power industry in the Republic of Kazakhstan remains subject to political, legislative, fiscal, and regulatory changes within the country. The prospects for economic stability in Kazakhstan depend heavily on the effectiveness of economic measures implemented by the Government, as well as developments in legal, regulatory, and political frameworks—factors beyond the Group's control.

The Group's management monitors ongoing economic and political developments and takes actions deemed necessary to maintain the stability and growth of the Group's business in the near term.

To assess expected credit losses, the Group utilizes forward-looking information, including macroeconomic forecasts. However, as with any economic projections, the assumptions and likelihood of their realization carry a high degree of uncertainty, meaning actual results may differ materially from forecasts.

Tax legislation

Kazakhstan's tax legislation and practices are in a state of continuous evolution, making them subject to varying interpretations and frequent changes, some of which may have retrospective effect. In certain instances, to determine the taxable base, tax legislation references International Financial Reporting Standards (IFRS) provisions. However, the interpretation of these IFRS provisions by Kazakhstan tax authorities may differ from the accounting policies, judgments, and estimates applied by management in preparing this consolidated financial statements, potentially resulting in additional tax liabilities for the Group. Tax authorities retain the right to conduct retrospective audits covering a five-year period following the end of the tax year.

Since July 2020, the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter "SRC") has implemented a pilot project introducing horizontal monitoring, which ran until December 31, 2023. As part of this pilot, in 2021–2022, the SRC reviewed historical tax data for Ekibastuz GRES-1 LLP and the Company (Head office) over a five-year period. Following this review, tax audits were conducted, and notices of tax audit findings were issued. Key violations identified included deductions related to loan interest expenses and underreported corporate income tax (CIT) at the source of payment. The Group contested these findings, filing lawsuits and appeals with courts and the Appeal Commission of the Ministry of Finance of the Republic of Kazakhstan. In December 2023, the Appeal Commission ruled in favor of the Group regarding the Corporate Center's main disputed amounts. On August 14, 2024, the Supreme Court issued a ruling in favor of Ekibastuz GRES-1 LLP concerning deductions for loan interest tied to the "Restoration of Unit No. 1" project and dividend payment obligations, but ruled in favor of the tax authority regarding deductions for loan interest used to acquire bonds. Consequently, Ekibastuz GRES-1 LLP paid a fine and penalty totaling KZT 502 million, covered by a previously recognized provision.

The Group's management believes its interpretations of the relevant legislation are appropriate and that the Group's tax position is well-founded. In management's opinion, the Group will not incur material losses from current or potential tax claims beyond the provisions recognized in this consolidated financial statements.

General Prosecutor's Office audit

In 2024, the Prosecutor's Office conducted an audit of Ekibastuz GRES-1 LLP and, in 2023, of Ekibastuz SDPP-2 Plant JSC, to assess compliance with legislation on procurement by certain quasi-public sector entities, taxation, the legality of expenditure, and anti-corruption measures. Following the audit, a report on the findings was issued. Disagreeing with the conclusions outlined in the report, the Group submitted a substantiated objection and comments to the General Prosecutor's Office. In response to the Notice to Eliminate Legal Violations, and taking into account the Group's objections and comments, the Group developed an Action Plan to address the General Prosecutor's

Office Notice to eliminate legal violations. This Action Plan was submitted to the General Prosecutor's Office. The Group's management believes its interpretations of the relevant legislation are appropriate and that the Group's legal position is well-founded. In management's opinion, the Company will not incur losses as a result of the prosecutor's audit and, therefore, sees no need to establish provisions.

Insurance

The insurance market in the Republic of Kazakhstan is in an early stage of development, with many types of insurance widely available in other countries not yet accessible in Kazakhstan. The Group lacks comprehensive insurance coverage for its production facilities, business interruption losses, or third-party liabilities for damage to property or the environment resulting from accidents or the Group's operations. Until the Group secures full insurance coverage, there remains a risk that the loss or damage of certain assets could have a material adverse impact on the Group's operations and financial position.

Environmental compliance matters

Currently, the Republic of Kazakhstan is tightening its environmental legislation and reevaluating the stance of its governmental bodies on ensuring compliance. In 2021, a new Environmental Code came into effect in the Republic of Kazakhstan, regulating public interactions between humans and nature (environmental relations) arising from activities by individuals and legal entities that impact or may impact the environment. Beyond increasing industrial enterprises' accountability for environmental pollution, the Environmental Code introduces a waste management hierarchy and mandates requirements for mitigating operational impacts.

The Code's provisions require obtaining Integrated Environmental Permits (IEPs) starting in 2025 for the fifty Category I facilities with the highest aggregate emissions of pollutants into the environment (hereinafter "Top-50"). This requirement is contingent upon implementing Best Available Techniques (BAT) at production sites, issued by the Committee for Environmental Regulation and Control under the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan. Four of the Group's facilities—Ekibastuz GRES-1 LLP, ESDPP-2 Plant JSC, and ALES JSC (CHP-2 and CHP-3)—are included in the Top-50 list.

For energy-producing organizations (EPOs), a Best Available Techniques Reference Document titled "Fuel combustion at large-scale installations for energy production" (hereinafter "BAT Reference Document") was developed and approved by Government Decree of the Republic of Kazakhstan dated January 23, 2024. The basis for obtaining an IEP is the BAT Reference Document's conclusion, approved by Government Decree dated March 11, 2024.

The Group's management is currently assessing the impact of BAT implementation on future operating and capital expenditures, as recovering these investments through ceiling tariffs could distort electricity tariff structures. However, amendments to Government Decree No. 1131 dated December 27, 2024, "On Approving the List of Fifty Category I Facilities with the Highest Aggregate Emissions of Pollutants into the Environment as of January 1, 2021," have postponed the BAT implementation deadline for EPOs from 2025

to 2031. This extension provides conditions for initiating BAT-related measures at EPOs starting in 2031.
Other Environmental Code provisions applicable to certain Group enterprises include the installation of automated emissions monitoring systems and waste management protocols. Until a comprehensive assessment is completed, the financial implications of these new requirements under Kazakhstan's Environmental Code cannot be fully quantified. However, compliance costs are expected to rise, either through additional investments needed for waste management and monitoring processes or through increased fees for waste generation.
Under the newly enacted Environmental Code provisions, enterprises bear obligations to remediate the environmental impacts of operating facilities that negatively affect the environment. Remediation requirements vary by the category of production facilities and construction sites, determined based on the nature of the facilities, their environmental impact, and the enterprises' scope of activities. In 2022, the Group recognized additional obligations related to remediating the environmental impacts of its facilities' operations.
Under the current version of the Environmental Code, the Group is required to provide financial assurance for remediating the impacts of Category I facilities by July 1, 2029. Financial assurance may take the form of a guarantee, a pledged bank deposit, a property pledge, or insurance. It can be provided through one or a combination of these options, at the discretion of the Category I facility operator, provided that the share of financial assurance via a pledged bank deposit meets the following thresholds:

1. After ten years from the facility's commissioning date (for facilities operational as of July 1, 2026, until 2036) – at least 50% of the total financial assurance amount;
2. After twenty years from the facility's commissioning date (for facilities operational as of July 1, 2026, until 2046) – 100% of the total financial assurance amount.

The operator of a Category I facility is obligated to maintain continuous financial assurance until all obligations related to remediating the operational impacts of such a facility are fully discharged. The amount of financial assurance is determined according to a methodology approved by the authorized environmental protection agency, based on the estimated cost of remediation works for the Category I facility's operational impacts, and must be recalculated every seven years.
Given the deferred deadline for providing financial assurance for remediating the impacts of Category I facilities, the Group continues to analyze potential financial assurance options and monitor changes in regulatory requirements concerning financial assurance.
The Group conducts periodic assessments of its environmental obligations at least annually. As obligations are identified, they are promptly reflected in the financial statements. Potential obligations arising from changes in existing legislation, regulations, or judicial precedents cannot be estimated with sufficient reliability, though they could prove significant. Management believes that, under the current system for monitoring compliance with applicable environmental legislation, there are no material environmental obligations related to environmental damage beyond those recognized or disclosed in these financial statements.
Under environmental legislation, the Group has legal obligations to acquire additional greenhouse gas emission quotas. Carbon quotas have been allocated to the Group through 2025, based on planned electricity generation and specific greenhouse gas emission

coefficients per unit of output. Due to increased electricity production at Ekibastuz GRES-1 LLP and ESDPP-2 Plant JSC, a shortfall in greenhouse gas emission quotas is anticipated for 2024.
The Group is currently undertaking the inventory and verification of greenhouse gas emissions for 2024. Applications for additional carbon quotas for greenhouse gas emissions, in accordance with the Environmental Code of the Republic of Kazakhstan, are expected to be submitted after April 15, 2025.

Provision for ash dump remediation

Under the Environmental Code, the Group also has a legal obligation to remediate ash dump sites, which serve as landfills for waste from the Group's operational activities. As of December 31, 2024, the carrying amount of the provision for ash dump remediation was KZT 3,739,351 thousand (December 31, 2023: KZT 3,143,439 thousand). The assessment of the existing provision for ash dump remediation is based on the Group's interpretation of current environmental legislation in the Republic of Kazakhstan, supported by feasibility studies and engineering assessments in line with prevailing standards and methods for restoration and reclamation works. This assessment is subject to change upon completion of subsequent environmental research and revisions to existing reclamation and restoration programs.

Impact of environmental, social, and governance (ESG) factors – accounting for climate change and related risks

The Group aligns with the global community's concerns regarding climate change and supports international efforts to reduce greenhouse gas emissions, enhance energy efficiency, transition to renewable energy sources, and phase out carbon-intensive fuels. The strategic goal of Samruk-Kazyna, the Group's parent company, is to reduce its carbon footprint by 10% by 2032 compared to 2021 levels, with an ambition to achieve carbon neutrality by 2060. Carbon neutrality does not preclude greenhouse gas emissions entirely; emissions that cannot be eliminated must be offset.
In assessing identified climate change-related risks, the Group has evaluated their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and disclosures in the consolidated financial statements. The following areas are primarily exposed to climate change-related risks:
a) The Group has initiated projects to construct new combined-cycle gas turbine (CCGT) units at Almaty CHP-2 and CHP-3, aimed at replacing existing coal-fired equipment with modern, environmentally friendly CCGT power units; and
b) The Group has assessed and recognized provisions for the remediation of operational facilities and restoration of environmental damage in response to recently introduced regulatory requirements under the Environmental Code.

Modernization of Almaty CHP-2

In 2023, under the project "Modernization of Almaty CHP-2 with minimized environmental impact," an EPC contract was signed, along with loan agreements with the Asian Development Bank (ADB) and the Development Bank of Kazakhstan (DBK), supplementing a loan agreement with the European Bank for Reconstruction and Development (EBRD) signed in 2022. On July 5, 2023, the first advance payment under

the EPC contract was made. The Group's management plans to complete the conversion of CHP-2 to gas by December 31, 2026.
In 2024, initial drawdowns of loan funds were executed under the agreements with the EBRD and ADB. The nominal debt of ALES JSC to the EBRD and ADB as of the end of 2024 stood at KZT 59.2 billion. Under the EPC contract, geological surveys of the construction site were conducted, supporting infrastructure was prepared, and all preparatory works were completed. Work is underway to prepare the pile foundation for the main buildings and construct a retaining wall. The foundation for the first gas turbine unit is scheduled for completion in May 2025. On December 30, 2024, the first set (of three) of a Siemens gas turbine was shipped by the supplier from Hamburg, with delivery to the construction site expected in June 2025. Deliveries of hot water boilers and heat recovery steam generators from China are planned to begin in August 2025. An Investment Agreement with the Ministry of Energy of the Republic of Kazakhstan was signed on December 30, 2024.

Modernization of Almaty CHP-3

ALES JSC is implementing the project “Reconstruction of Almaty CHP-3 (with construction of a CCGT unit of at least 450 MW)” (hereinafter “the Project”). The Project timeline spans 2022–2026. The Project's objective is to reconstruct Almaty CHP-3 by replacing existing coal-fired equipment with modern, environmentally friendly combined-cycle gas turbine (CCGT) units and building a new, higher-capacity CHP with flexible operating capabilities on the existing site to partially address the shortage of flexible generation capacity in Kazakhstan's Southern Zone.
A Capacity availability maintenance service agreement was signed with Settlement and Financial Center for Renewable Energy Support LLP for the construction of new flexible-mode generating units. In 2023, an EPC contract was executed, and efforts to secure financing are ongoing. A contract was signed between the EPC contractor and Ansaldo Energia for the supply of the main gas turbine equipment. Engineering surveys for the Project have been completed, including topographic mapping and drilling works. All preparatory works, building demolition, site leveling, and temporary power supply arrangements for the construction site have been finalized. The contractor is currently constructing several facilities and relocating utilities from the construction footprint.
The reconstruction of Almaty CHP-3 involves replacing existing equipment, which will have exhausted its operational life and be fully depreciated by the time the new station is commissioned, with modern, environmentally friendly CCGT units. Consequently, the Group's management does not anticipate significant adverse impacts on the Group in the near term arising from this Project.

The project Construction of Wind power plant with Total Eren

On November 1, 2023, a Joint Venture Agreement was signed between Total Eren (hereinafter “the Developer”), Samruk-Kazyna, and KazMunayGas National Company JSC (hereinafter also “Co-developers”) for the construction of a 1 GW wind power station (WPS) with an energy storage system in Zhambyl region (hereinafter “the Project”).

On December 19, 2024, a Novation Agreement was executed among the Group, Samruk-Kazyna, KazMunayGas National Company JSC, and KMG Green Energy LLP, under which Samruk-Kazyna transferred all its rights, obligations, and duties under the Joint Venture Agreement to the Group via novation. Under a Guarantee Agreement dated December 19, 2024, between Samruk-Kazyna, the Company, and Total Eren S.A., Samruk-Kazyna acts as guarantor to Total Eren S.A. for the Company's timely fulfillment of obligations, including payments and other financial commitments related to the Project. Concurrently, the Group issued a corporate guarantee to Samruk-Kazyna to reimburse all costs incurred in connection with the Project's implementation.
Under these agreements, the Company is required to acquire or subscribe to a 20% equity interest in the Project company, subject to approval by the Board of Directors and shareholders, at a price not exceeding the actual costs incurred by the Developer and approved by the Co-developers, as stipulated in the Joint Venture Agreement during the Project's development phase up to the transaction's completion. This price will be adjusted proportionally to the equity interest acquired or subscribed to by each Co-developer. As of the reporting date, 100% of the Project company's equity is held by Total Eren.

Capital commitments

The Group has assessed its exposure to seasonal and other emerging business risks but has not identified any risks that could impact its financial performance or position as of December 31, 2024. The Group maintains sufficient resources and funding sources to meet its capital commitments and to support working capital requirements.
As of December 31, 2024, the Group had contractual obligations for the acquisition of property, plant, and equipment totaling KZT 481,295,663 thousand (December 31, 2023: KZT 530,059,552 thousand).

Capital commitments of joint ventures

As of December 31, 2024, the Group's share of long-term contractual obligations related to Forum Muider and ESDPP-2 Plant JSC amounted to KZT 4,576,543 thousand and KZT 574,774 thousand, respectively (December 31, 2023: KZT 3,495,602 thousand and KZT 2,801,004 thousand, respectively).

Operating leases

The table below presents the future minimum lease payments receivable under operating lease agreements for 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 December 31	**142,718,272**	**47,066,104**

Loan covenants

The Group is subject to certain covenants across all its bank loans, bond obligations, the Company's bank guarantees, and a loan from Samruk-Kazyna. Non-compliance with these covenants could result in adverse consequences for the Group, including increased borrowing costs and declaration of default. As of December 31, 2024, the Group was in compliance with its covenants, except for an instance of non-compliance by Bogatyr Komir LLP, as detailed below.

Loans totaling KZT 356,359,510 thousand as of December 31, 2024 (December 31, 2023: KZT 253,520,439 thousand) were subject to a range of financial and non-financial covenants. The next covenant compliance testing date following the reporting date is March 31, 2025. Management does not anticipate any covenant breaches in the upcoming reporting period.

As of December 31, 2024, Bogatyr Komir LLP was non-compliant with maintaining the Debt Service Coverage Ratio and Net Debt/EBITDA under its loan from the Eurasian Development Bank (EDB). Additionally, there was a breach of non-financial covenants related to the timely implementation of the cyclic-flow coal mining and transportation technology project. The covenant breaches by Bogatyr Komir LLP do not affect the classification of the Group's loans. As of December 31, 2024, the long-term portion of loans from the EDB was reclassified to short-term liabilities.

Bogatyr Komir LLP continues to meet its loan servicing obligations in a timely manner, including principal and interest payments. Based on a liquidity analysis as of December 31, 2024, Bogatyr Komir LLP has the capacity to fully repay the debt upon demand. On December 26, 2024, in response to a request from Bogatyr Komir LLP for waivers regarding the covenant breaches, the EDB confirmed that the request is under review. Based on preliminary discussions with EDB representatives, the Group's management expects a favorable decision from the authorized body.

15. Comparative analysis (benchmarking)

Benchmarking is a key component of the Company's management framework. The objective of benchmarking is to compare operational and financial performance metrics with peer international companies to identify the Company's strengths and weaknesses. The following metrics were used for benchmarking:

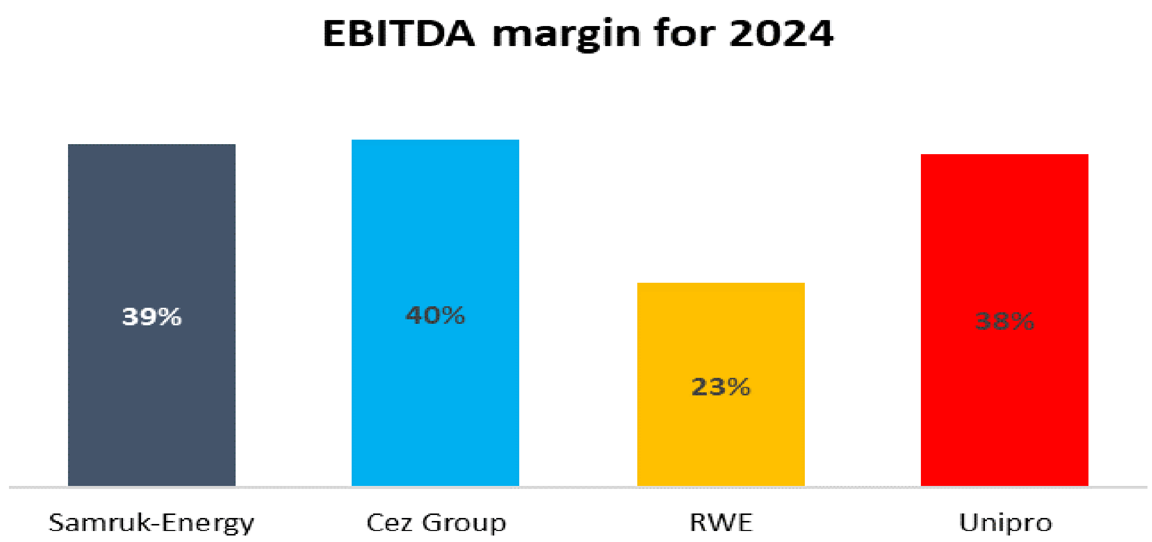
- EBITDA margin;
- Debt/EBITDA;
- Debt-to-equity ratio;
- Return on invested capital (ROIC).

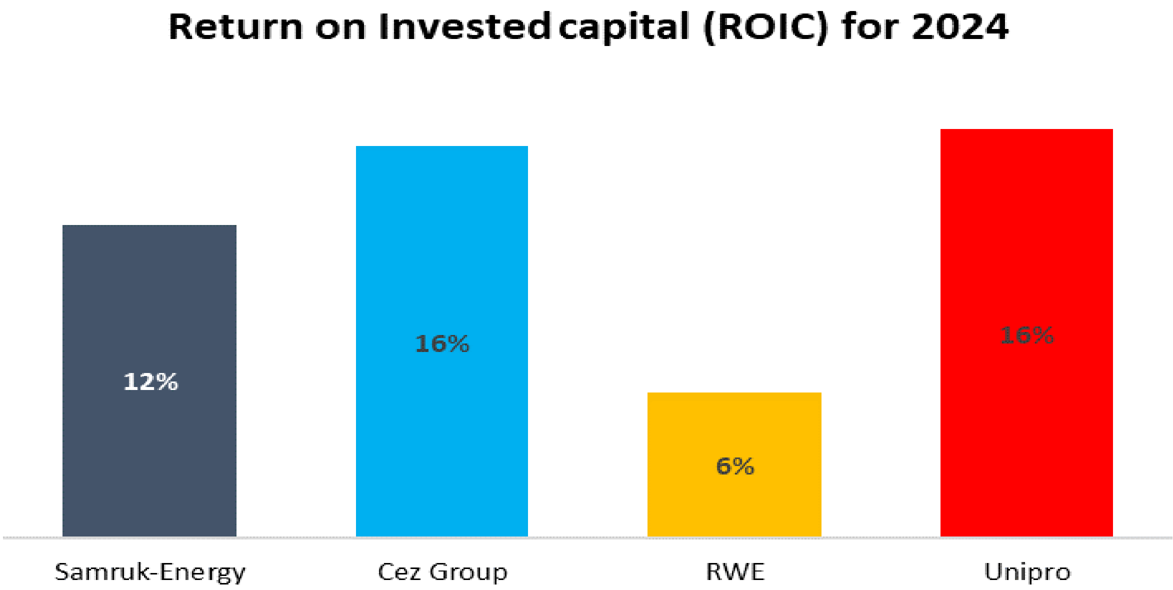
The benchmarking analysis used data from the following peer companies:

- PJSC Unipro (Russia);
- CEZ Group (Czech Republic);
- RWE (Germany).

Benchmarking results:

Criteria	Measure	Status	Min-----------------Benchmarking-----------------Max
EBITDA margin	%		RWE (23); Unipro (38); SE (39); CEZ (40)
ROIC	%		RWE (6); SE (12); CEZ (16); Unipro (16)
Debt/EBITDA	coefficient		Unipro (0,02); SE (1,66); CEZ (1,79); RWE (3,29)
Debt/Equity	coefficient		Unipro (0,005); SE (0,49); RWE (0,56); CEZ (0,98)





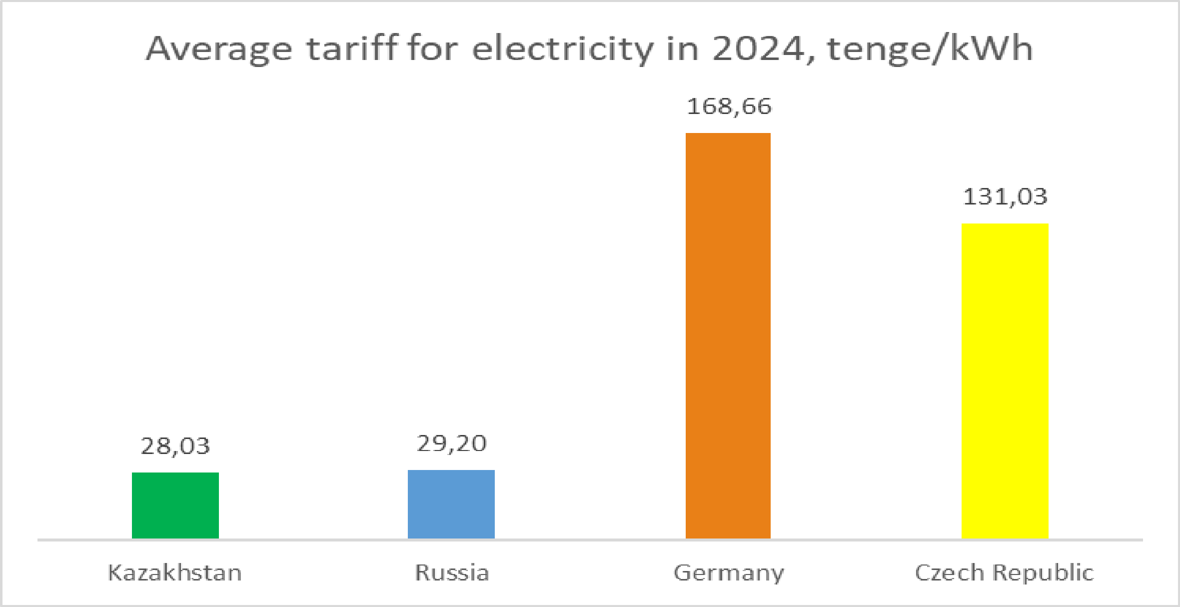
Currently, compared to international peer companies, the Company lags behind in certain metrics.

The **EBITDA margin**, a key indicator of operational efficiency, reflects the Company's ability to generate profit before interest, taxes, depreciation, and amortization. Compared to peers such as Unipro and RWE, the Company demonstrates a high level of operational efficiency with an EBITDA margin of 39%, though it slightly underperforms CEZ Group.

In terms of **Debt/EBITDA** and **Debt-to-Equity** ratios, the Company ranks at an average level relative to CEZ Group and RWE but significantly underperforms Unipro in financial stability.

Regarding **ROIC**, the Company falls below CEZ Group and Unipro, while outperforming RWE by 6%.

It should be noted that, unlike its publicly listed peer companies, the Company is wholly owned by the Government of the Republic of Kazakhstan, positioning it as an instrument of state policy in the electric power sector. Due to the significant aging of Kazakhstan's energy sector infrastructure, the Company has, since 2009, undertaken substantial investment projects to enhance the reliability and continuity of the national energy system. These initiatives have significantly increased invested capital, consequently lowering the return on invested capital. Additionally, the comparatively low electricity tariffs in the Republic of Kazakhstan, relative to the countries of peer companies, further impact ROIC.



Country	Average tariff per kWh*	In tenge/kWh	Average rate for 2024 *
Kazakhstan	28,03 tenge	**28,03 tenge/kWh**	
Russia	5,75 ruble	**29,20 tenge/kWh**	5,08 tenge/ruble
Germany	0,33 euro	**168,66 tenge/kWh**	507,86 tenge/euro
Czech Republic	6,48 koruna	**131,03 tenge/kWh**	20,22 tenge/Czech koruna

**average tariff for end consumers within the Group's category, excluding VAT.*
*** The average exchange rate based on data from the National Bank of Kazakhstan.*
Source: Eurostat, Rosstat