

## ANNEX 3.

### The Progress Report on Assets Withdrawal of Samruk-Kazyna JSC and its Subsidiaries as part of the implementation of Government Decree of the Republic of Kazakhstan of December 29, 2020, No.908, based on the results of 2022

On August 02, 2022, the Government of the Republic of Kazakhstan by Decree No. 523 introduced amendments and additions to Decree of the Government of the Republic of Kazakhstan dated December 29, 2020, No. 908 "On Some Issues of Privatization for 2021-2025" (hereinafter - DGRK No. 908), according to which the number of assets of the Samruk-Kazyna JSC group (hereinafter - the Fund) increased from 105 to 253, of which:

- 30 organizations (plus 201 Subsidiaries in the "perimeter") for transfer to the competitive environment, including six large assets of the Fund to be withdrawn for IPO/SPO and one asset through an open two-stage tender (QazaqAir JSC), and 23 small assets of Portfolio Companies to be transferred to the competitive environment in various ways);
- 22 assets, "for which the terms, methods, as well as other conditions for their realization, liquidation, reorganization, liquidation are determined by the Management Board of the Fund" (divestment).

In addition, now the privatization plan stipulates specific deadlines on some assets for their transfer to the competitive environment: JSC NC KazMunayGas in 2022; Passenger Cars Building Plant LLP<sup>15</sup> - in 2022-2023; QazaqAir JSC - in 2023; Air Astana JSC, Samruk-Energy JSC and KEGOC JSC, KMG International N.V. - in 2023-2024; JSC NC QazaqGaz, LLP JV Alaigyr - in 2024-2025; JSC NC Kazakhstan Temir Zholy, ShalkiyaZinc JSC and Chim-Plus LLP - in 2025.

At the moment, measures have been completed for 7 assets (Vostokmashzavod JSC, Kazakhstan Solar Silicon LLP, Astana Solar LLP, KazSilicon MC LLP, Caustic JSC, Passenger Car Construction Plant LLP, JSC NC KazMunayGas) included in Annexes 2 and 5 to DGRK No.908, of which in 2022:

#### 1) The IPO of JSC NC KazMunayGas (hereinafter – KMG) has been completed

In the period from November 09 to December 02, 2022, a collection of applications from potential investors was organized, according to the results of which, on December 05, 2022, the Board of Directors of the Fund and the Government of the Republic of Kazakhstan, as the Sole Shareholder of the Fund, decided to dispose 18 303 584 ordinary shares of the company, which is about 3% of the total number of outstanding shares.

The number of satisfied applications amounted to about 129.9 thousand, of which 99.1% of applications were submitted by citizens of the Republic of Kazakhstan, the total volume of placement amounted to KZT153.8 billion. Thus, on December 07, 2022, the settlement with KMG investors was completed, and on December 08, 2022, trading in KMG shares on the KASE and AIX exchanges began.

Since the IPO of KMG shares, the total trading volume on two trading platforms – KASE and AIX – amounted to more than KZT64 billion.

In general, the dynamics of KMG stock prices corresponds to the forecasts of analysts of investment companies, most of which provided for the price growth potential within 12 months after the IPO.

#### 2) Passenger Car Building Plant LLP was realized

On December 13, 2022, the Passenger Car Building Plant Sale and Purchase Agreement was signed between Kaztemirtrans JSC and the strategic partner, Stadler. The Agreement entered into force after receiving the decision of the State Commission on the approval of the realization method.

#### 3) For 9 non-strategic assets included in Annex 6 to DGRK No. 908, measures have been taken to withdraw from the structure of the Fund, including:

1. sale and purchase agreements were signed for 4 assets: Karagandy CCI LLP, Auyl birlestigine komek LLP, Kazakhstan Petrochemical Industries Inc. LLP, Silleno LLP;
2. 3 assets were liquidated: Indox Samruk Kazakhstan LLP, Karpovsky Severny LLP, N Block B.V.;
3. 2 assets were reorganized: INSTAFON LLP and Kcell Solutions LLP by joining KAZNET Media LLP

## Plans for 2023 as part of the implementation of Decree of the Government of the Republic of Kazakhstan dated December 29, 2020, No. 908

### I. In 2023, it is planned to transfer the following assets directly owned by the Fund to the competitive environment: QAZAQ AIR JSC through the open two-stage tender and SPO of KEGOC JSC.

**1) QAZAQ AIR JSC** (hereinafter - QA), in accordance with DGRK No. 908, is subject to realization through the open two-stage tender in 2023.

On April 12, 2023, based on the results of the open tender for consulting services procurement held by QA, the independent consultant has been identified to support the QA transaction.

In the near future, together with the independent consultant, pre-sale preparation and transfer of QA to the competitive environment will be carried out.

**2) Kazakhstan Electricity Grid Operating Company JSC, KEGOC** (hereinafter – KEGOC) in accordance with DGRK No. 908 is subject to transfer to the competitive environment in 2023-2024 through the SPO. The Fund plans to hold the KEGOC SPO already in the current 2023.

Key measures at the moment are engagement of consultants for the transaction and the appraiser, making changes to the prospectus for the issue of KEGOC shares, coordination and approval of the price, parameters of the transaction structure by the authorized bodies of the Fund and the Sole Shareholder of the Fund.

### II. In 2023, it is planned to transfer 7 assets owned by Portfolio Companies to the competitive environment:

**1) Kazakhstan Railcar Building Company LLP.** During 2021-2022, the asset was put up for auction several times through the open two-stage tender. However, due to the lack of bids, all tenders were declared invalid.

In this regard, the deadline for the asset realization has been postponed to 2023. At the moment, the issue of engaging the independent consultant to support the transaction and search for potential investors is being worked out.

**2) Aysir turizm ve insaat (hereinafter - Aysir).** Currently, pre-sale preparation of the asset is being carried out. According to the approved roadmap, the asset is planned to be realized in 2023.

**3) KazMunayGas-Service LLP.** Currently, the method of withdrawal of this LLP company is not defined. In 2016-2021, work was carried out on the realization and restructuring of the Company assets and property. At the moment, there are no other assets (stock of shares and/or equity interests of legal entities) on the balance sheet of the KMGS, except for 75% of the shares in Aysir. According to KMG, the asset withdrawal is possible only after the Aysir realization.

**4) KazMunayGas-Service NS JSC.** During 2022, the asset was put up for electronic tender several times, which were declared invalid due to the lack of applications. In this regard, the deadline for the asset realization has been postponed to 2022. Currently, alternative ways of transferring the asset to the competitive environment are being worked out.

**5) Dosjan Temir Zholy JSC.** According to the roadmap, the asset is planned to be realized in 2023. Pre-sale preparation activities are being carried out. At the moment, work is underway to engage the independent consultant to support transactions for this asset realization.

**6) Batys Transit JSC.** According to the roadmap, the asset is planned to be realized in 2023. At the moment, measures are being taken to determine the method of the asset realization.

**7) KMG Systems & Services LLP.** According to the roadmap, the asset is planned to be realized in 2023. Pre-sale preparation activities are being carried out.