

In addition, as a state-owned enterprise, we generate tax revenues: in 2024, we paid KZT 2,086 billion in taxes, which was about 17% of all tax revenues of the national budget.

### Payments to the Government of Kazakhstan, KZT billion

Name	2021	2022	2023	2024
Dividends	88	174	1,269 <sup>21</sup>	737
Other distributions to shareholder	68	132	133	568
Taxes paid to the budget of the Republic of Kazakhstan <sup>22</sup>	1,167	1,696	1,993	2,086
Others	0.6	0.1	67	50
<b>Total</b>	<b>1,324</b>	<b>1,999</b>	<b>3,461</b>	<b>3,441</b>

The Fund consistently improves transparency and openness in taxation. Since 2024, Pillar Two rules have been in effect in a number of countries where the Group operates. These rules are an international set of measures aimed at preventing tax base erosion. The rules apply to the entire Group of the Fund.

The Fund is closely monitoring the implementation of these rules, making the necessary calculations and preparing the relevant reports. The Tax Department is at the centre of this process, ensuring compliance with the new requirements.

**GRI 3-3** We are aware of the high level of responsibility associated with compliance with Pillar Two rules and are making every effort to ensure their proper implementation.



<sup>21</sup> In addition to payments based on the results of 2022, in the period from October to November 2023, in accordance with the Government Resolution dated 20 October 2023, the Fund made a dividend payment to the Shareholder in the amount of KZT 1,026.7 billion from the retained earnings of 2021.

<sup>22</sup> Excluding personal income tax.

# Investments in the development of the economy and society

**GRI 3-3  
GRI 203-1  
GRI 203-2** Our investment portfolio includes about 130 projects in various sectors of the economy totalling KZT 53 trillion. These are projects aimed at developing infrastructure, improving energy efficiency, supporting innovation and technology, as well as in the social sphere, contributing to Kazakhstan's long-term sustainable growth.

Our priority is to invest in the country's infrastructure and social development. In the sectors where private business faces barriers to independent project implementation, we act as a co-investor. While sharing investment risks, we also ensure effective interaction with government authorities and comprehensive support for strategically important initiatives.

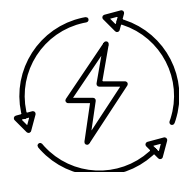
Our investment activities play an important role in the regions where we operate, providing:

- social benefits: job creation, improved quality of life;
- economic development: expansion of the regional economy, income growth, development of small and medium-sized businesses;
- human capital development: attraction and development of specialists, their participation in new technological industries;
- economic diversification: reducing dependence on certain sectors and creating new opportunities for growth.

**GRI 3-3  
GRI 203-1  
GRI 203-2** In 2024, the Fund's Board of Directors approved 46 major investment projects worth over KZT 33.3 trillion. Most of them were initiated under national programmes and cover key sectors of the economy. The projects contribute to the socio-economic development of the regions and help attracting foreign investment in priority sectors of the economy.

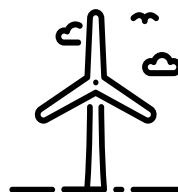
We plan to finance investment projects using our own funds, as well as by attracting investments and debt financing. According to preliminary estimates, the amount of foreign direct investment (including debt financing from international financial institutions) in these projects will be more than KZT 13 trillion. It is planned to create 53,000 new jobs.

## Portfolio of major investment projects of the Fund



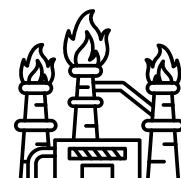
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Conventional generation



9

RES



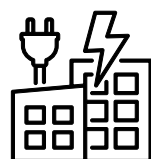
7

Oil and gas refining



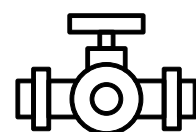
7

Transport, communications



3

Energy infrastructure



3

Gas transmission infrastructure



2

Oil and gas chemistry



5

Others



## KEY AREAS OF INVESTMENT PROJECTS

**GRI 3-3** The Fund implements investment projects in various sectors of the economy, providing people with essential services and developing infrastructure that is critical for sustainable economic growth. Our projects contribute to wider access to gas and water, improving social infrastructure, creating a comfortable living and working environment, and stimulating the development of small and medium-sized businesses.

Particular attention is paid to infrastructure initiatives in areas such as energy, telecommunications and transport. We strive to implement sustainable and effective solutions that meet the growing needs of society and industry and ensure the long-term development of the country.



## CONSTRUCTION OF SOCIAL INFRASTRUCTURE

The development of social infrastructure is a priority of the Fund's investments. We strive to create a high living conditions, first and foremost for the younger generation.

We continue to implement the Comfortable Schools national project aimed at creating comfortable conditions for students. The project provides for the separation of junior and senior school blocks equipped with modern classrooms for effective learning, as well as the introduction of enhanced security measures to ensure a comfortable and protected educational environment.

As of the end of 2024

**104**

**schools have been completed in 3 megacities and 16 regions of the country**

In 2024, a Bitrix project management information system with integration into the e-Qurylys portal was implemented for the Comfortable School project, which allows 24/7 tracking of construction progress, thus ensuring transparency of the process.

**GRI 2-29** During the development of the project, an open discussion is held with the general public on architectural solutions of facades, design, as well as volume-planning solutions of schools. The design and estimate documentation takes into account the wishes to increase the areas for changing clothes and storing personal belongings, to create comfortable spaces for students to stay outside classrooms and other important aspects aimed at improving the convenience of the educational environment.



## ENSURING ENERGY SECURITY

Energy projects hold a prominent place in the Fund's investment portfolio and are aimed at strengthening the country's energy security. These projects are being implemented in the Aktobe, Atyrau, Turkestan and Zhambyl regions, as well as in Astana.

In the reporting period, work continued on the conversion of Almaty CHPP-2 to gas, which will contribute to the reduction of air pollution in Almaty.

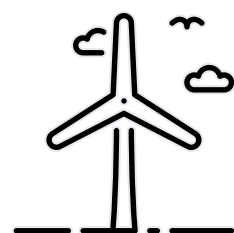
We completed rebuilding power unit No.1 at Ekibastuz GRES-1 power plant. The upgraded 540 MW unit has improved energy efficiency and reduced pollutant emissions, which helps minimise the environmental footprint.

The Ekibastuz GRES-2 expansion and reconstruction project continues with the installation of units No.3 and No.4, which will enhance the stability and reliability of the national grid.

To solve the problem of energy deficit, smooth the high energy consumption during the peak hours in the southern zone, and create conditions for the integration of renewable energy sources into the national energy system, we are continuing work on a project to build a power plant based on a combined cycle gas turbine (CCGT) with a capacity of up to 1,000 MW in the Turkestan region. In addition, to enhance the reliability of power supply, we have been working on the unification of the power system of Western Kazakhstan with the Unified Power System of Kazakhstan.

In 2025, we will continue to implement projects aimed at improving the reliability of energy supply to the country's industrial and municipal sectors, ensuring a low-carbon development strategy, supporting, developing and integrating renewable energy sources, increasing Kazakhstan's export potential, energy security and energy independence.





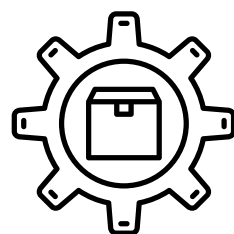
## DEVELOPMENT OF RENEWABLE ENERGY SOURCES

In the context of the emissions reduction commitments enshrined in our Low Carbon Development Framework, projects to introduce renewable energy sources and phase out traditional coal-fired power plants to gas are of particular strategic importance, helping to reduce the environmental burden and improve energy efficiency.

Together with our partners, we plan to introduce about 6.3 GW of renewable energy sources by 2030. These projects are planned to be implemented in partnership with the global leaders with extensive expertise in implementing similar projects: Total Eren, Masdar, China Power International Holding Ltd., Power China and others.

Intergovernmental agreements were signed between Kazakhstan and PRC jointly with China Power Investment Holding and China Energy on RES construction projects. Work was also carried out on the Semipalatinsk HPP construction project.

In 2024, together with international partners we laid the foundation of a plant for the production of wind turbine components in the Zhambyl region. It is planned that the project will provide wind components for wind power plants to be built in Kazakhstan.



## HIGHER VALUE-ADDED PRODUCTS

A number of our projects open up new opportunities in various sectors of the economy and create modern jobs. In particular, the development of the oil and gas and petrochemical industry has a multiplier effect and can spur the development of related industries. For example, the Kazakhstan Petrochemical Industries Inc. plant, launched at the end of 2022, not only met the demand for polypropylene in the domestic market in 2023, but also facilitated the activities of small and medium-sized enterprises producing polypropylene products for the construction and medical industries, automotive industry, and food industry.

At the moment, we are simultaneously implementing seven projects aimed at increasing product conversion. Design work is currently underway on the construction of gas processing plants, a gas separation complex and a polyethylene production plant. Implementation of the polyethylene production project will allow us to attract advanced foreign technologies to the country, and the project's products will become raw materials for more than 50 types of polymer products for further processing.



## Construction of the first integrated gas chemical facility in Atyrau region

### *(Phase II of polyethylene production)*

The project is implemented within the framework of the National Project Sustainable economic growth aimed at improving the welfare of Kazakhstanis and meets the long-term strategic objectives in the oil and gas chemical sector. Its key goals include improving the efficiency of the value chain, diversifying the business and expanding the portfolio of hydrocarbon products.

The facility is part of Reform 8 (Transition from raw material orientation of the country's economy to production of high value-added products) under Area 5 (Oil and Gas Chemical Industry) of the Concept of Development of the Fuel and Energy Complex of the Republic of Kazakhstan 2023–2029, as well as within the framework of the Comprehensive Plan for the Development of Major Oil and Gas and Oil and Gas Chemical Projects 2023–2027.

This is the first project of this scale in Kazakhstan's oil and gas chemical industry. The production capacity of the future plant will be about 1% of all polyethylene production capacity in the world (global polyethylene production capacity in 2022 is 134 million tonnes).

It is planned to produce 10 most popular grades of polyethylene using American technologies of CPChem and Univation (high-density polyethylene HDPE and low-density polyethylene LLDPE using licensed technology MARTech ADL® of CPChem and Unipol® of Univation), 40% of which are of premium class.

Polyethylene is the base for production of number of products widely used in the national economy: pipes for gas, hot and cold liquids, films of all grades (food, packaging, bags, etc.), for the manufacture of various containers of large and small sizes, pallets, crates, etc.

Finished products are planned to be sold both on the domestic market and for export. Target export markets include CIS countries, China, Turkey and European countries, where polyethylene consumption is expected to grow, including at the expense of imports. Kazakhstan is located at the crossroads of transport corridors of Asia and Europe and has favourable trade, economic and strategic positions.

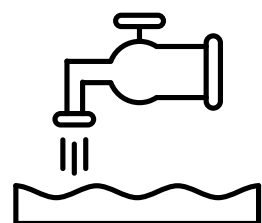
Taking into account technical complexity, high capital intensity and a number of other factors, this Project is being implemented in partnership with big companies in the industry.

### The effect of the project implementation:

- creation of new jobs for the construction/operation period: ~8,000 people (average)/~721 people + ~3,000 people for related industries;
- taxes to the RK budget: US\$~4 billion (for the period of operation);
- Dividends and payments in favour of the Kazakh party: ~\$11.4 billion;
- attracting foreign investments through contributions to authorised capital and loans totalling over US\$ 8 billion;
- contribution to the country's GDP per year from the Polyethylene project is estimated at ~1.2%;
- export revenue in 2029 will already be KZT ~600 billion with further growth to KZT 1.2 trillion by 2035;
- multiplier effect (project products are raw materials for more than 50 types of polymer products for further processing);
- development and high multiplier effect (1:7) for related industries.

### Effect of implementation:

- transfer of advanced technologies;
- new production with recycling;
- creation of basic petrochemical products for the development of polymer products in Kazakhstan;
- increasing the country's export potential;
- import substitution;
- transition of the country from raw material orientation and obtaining products with high added value.

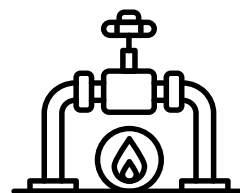


## ACCESS TO CLEAN DRINKING WATER

In 2024, we continued implementing investment projects that will improve access to clean drinking water, which not only improve people's quality of life, but also create favourable conditions for economic development and social stability in the regions.

To solve the problem of water supply to residents and enterprises of Zhanaozen, as well as to reduce the burden on the social welfare sector of Mangistau region, we are implementing a project to build the Kenderli desalination plant. With a capacity of 50,000 cubic metres per day, the plant will provide an uninterrupted supply of drinking water to the residents of Zhanaozen as early as 2025.

An additional benefit of the project will be a reduction in the load on the worn-out Astrakhan–Mangyshlak water pipeline, which was commissioned in 1988.



## GASIFICATION FOR SOCIAL DEVELOPMENT

One of our most large-scale and socially important areas of work is gasification of the country's regions. We are consistently modernising the existing infrastructure and building new facilities to ensure reliable and uninterrupted gas supply. In addition, we are converting industrial facilities and businesses to natural gas, reducing the environmental impact.

The Fund contributed to increasing the country's gasification rate to 62%, providing access to gas for 12.7 million people in Kazakhstan.

In 2024, we continued working extensively on developing gas infrastructure and improving the industry's efficiency, including improving the tariff policy and operating model of the gas sector.

In particular, by the end of 2024, the 2-string of the main gas pipeline Almaty–Baiserke–Talgat with the length of 62.4 kilometres was built and put into operation. As a result, 300,000 residents from 107 villages got access to gas.

The construction of the Taldykorgan–Usharal gas trunkline, with a total length of 302 kilometres. Its launch is scheduled for 2025 and will be the next step towards expanding gas supply coverage to remote regions of the country.



## The Taldykorgan–Usharal gas trunkline construction project to improve gas supply and development of Zhetisu region

The investment project Construction of the Taldykorgan–Usharal gas trunkline is implemented by the National Company QazaqGaz on behalf of the Head of State. The project is included in the Action Plan of the Government to ensure economic growth in 2024. Construction of the new gas pipeline was started in August 2024.

This facility is of great economic importance for the region: by the end of 2025

# 66

settlements of Aksu, Sarkand and Alakol districts, where

# 124,000

residents live, will have access to natural gas.

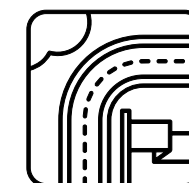
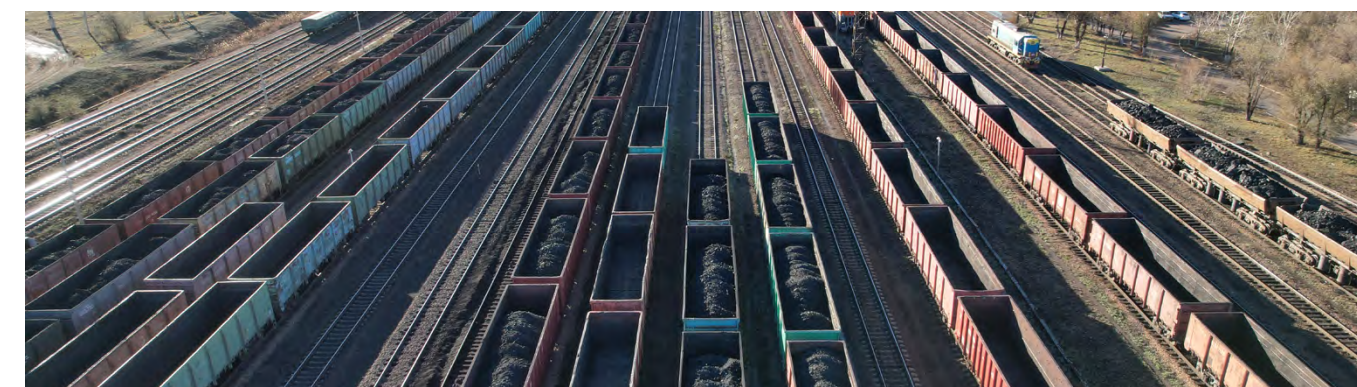
As a result of the project implementation, the level of gasification of the region will increase by 42.4 p.p. to 90%.

In addition, thanks to the gasification of settlements in the region, business activity is expected to grow and small and medium-sized businesses will develop, which in turn will create new jobs.

As part of further measures to ensure uninterrupted gas supply, it is planned to increase the length of gas trunklines and distribution networks to 92,000 kilometres.

To preserve the availability of gas for socially vulnerable categories of citizens in Shymkent city and West Kazakhstan region, we implemented a pilot project Social Wallet, which provides gas discounts to recipients of state aid. Thanks to the integration of the Social Wallet with the eGov database, the system automatically identifies citizens in need and sends them notifications on the availability of gas discounts. To date, more than 8,000+ families have successfully utilised the discount. It is planned to scale this mechanism to all regions of Kazakhstan. The effect of providing gas discounts through the Social Wallet will save people about KZT 1 billion per year and will also be an important step towards the gradual introduction of market pricing in the domestic market.

We are actively introducing modern technological solutions into the gas supply system, focusing on digitalisation. For example, we are digitising distribution networks and subscribers with the installation of smart meters, which allows us to control the collection of meter readings and increase the transparency of gas metering.



## OPEN TRANSPORT CORRIDORS AND LOGISTICS

The Fund plays a key role in the development of the country's transport system, ensuring reliable connections between regions. Through NC Kazakhstan Temir Zholy JSC (KTZ), we provide affordable and safe transport services, which are particularly important for remote areas where other modes of transport are limited.

The railway network covers 138 routes and totals 21,100 km of track. In terms of the length of its 1,520 mm gauge railways, Kazakhstan ranks third among the CIS and Baltic countries. Affordable fares make travel between cities and towns comfortable and accessible for millions of citizens.

In 2024, operational freight traffic reached a record high of 272.1 billion tonnes-km (262 billion tonnes-km in 2023).

Work is underway on a number of major infrastructure projects:

- Construction of a second track on the Dostyk–Moyinty line (836 km), which will increase the route's capacity fivefold, from 12 to 60 trains per day;
- The Almaty bypass railway line project, which will reduce the load on the Almaty railway junction by 40% and speed up freight delivery to 24 hours.

Both projects are scheduled for completion in 2025.

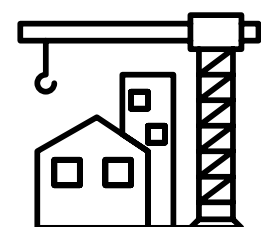
Overall, 13,796,000 people were our passengers in 2024 (13,681,000 in 2023).

**GRI 203-2** The “Women’s Carriage” programme is expanding: in 2024, special carriages ran on 11 routes and were used by about 242,000 women (161,000 female passengers in Kazakhstan in 2023). All journeys are accompanied by female conductors, and comfortable and safe conditions are in place for female passengers.

We are facing ambitious tasks to strengthen transit potential and create a transport framework for Eurasia. By 2030, we will have to build and modernise 5,000 km and repair 11,000 km of railway lines.

In 2025–2026, it is planned to start construction of 366 km of new railway tracks, lay 2,267 km of autoblocking and modernisation of 697 km of existing tracks. It is also planned to complete a railway line bypassing Almaty, and a container hub will be created on the territory of the Aktau port.

In February 2024, the transport and logistics terminal in Xi’an began operations, which opened up access to new markets for exporters from Kazakhstan.

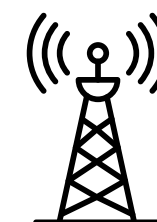


## CONSTRUCTION AS A PILLAR OF THE ECONOMY AND THE WELFARE OF THE PEOPLE

The development of the construction industry is key to creating a comfortable urban environment, sustainable economic growth and improving the quality of life of the population. The Fund actively promotes the development of Kazakhstan’s construction sector through its Samruk-Kazyna Construction JSC. The company’s operations are aimed at:

- increasing the availability of housing to the population through the commissioning of new residential facilities;
- creating favourable and comfortable living conditions through the implementation of the renovation programme for dilapidated and emergency housing;
- renovating the architectural appeal of the city;
- improving the investment climate in housing construction and territorial development.

In 2024, priority was given to the implementation of the pilot national project Comfortable School. Read more about it in the Construction of Social Infrastructure block.

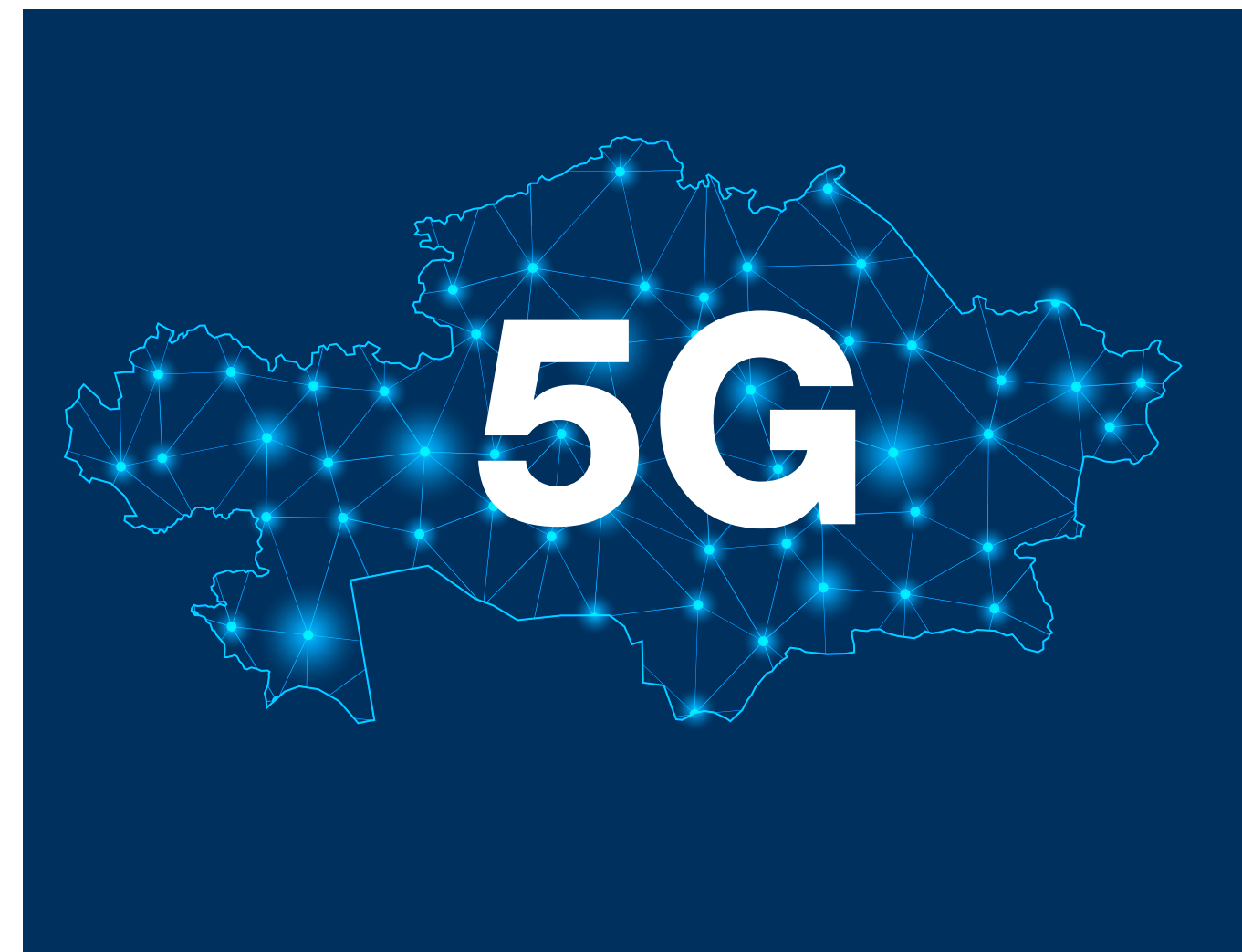


## DEVELOPING TELECOMMUNICATIONS FOR SOCIAL PROGRESS

We provide modern telecommunications services through our portfolio company Kazakhtelecom JSC. The Company’s extensive infrastructure includes more than 91,000 kilometres of fibre-optic networks and over 14,000 base stations, providing fixed-line coverage throughout the country.

We have managed to build one of the most modern, technologically advanced and extensive mobile communications networks in Kazakhstan over the past 20 years.

In 2024, the implementation of the strategically significant 5G network deployment project continued, with around 3,000 5G base stations deployed across the country by the end of 2024.



## Introducing and developing fifth-generation cellular communication (5G/IMT) in the Republic of Kazakhstan

A consortium of Kcell JSC (Kcell) and Mobile Telecom Service LLP (MTS) won the auction for the 3.6–3.8 GHz frequency band for 5G held in December 2022. The companies invested KZT 156.1 billion in 5G frequencies, enabling them to significantly improve their frequency asset bases to manage and monetise the growing traffic demand.

The partnership is currently actively developing its 5G network, launching base stations and expanding coverage. At the same time, a programme to promote and commercialise 5G services is in place.

Investments: 2024 – KZT 32.6 billion (KZT 108 billion in 2023).

### Benefits of 5G:

- Lower costs for manufacturers – 5G enables process automation, increased efficiency and lower costs.
- Market access and business opportunities – online commerce and digital platforms, financial and cloud technology development.
- Digitalisation of transport and logistics – autonomous vehicles, optimisation of freight transport, reduction of accidents.
- Improving the quality of life – improving the health, safety and comfort of the population (telemedicine, smart cities, fast internet in remote areas).
- Development of human capital – increase of qualified personnel, growth of labour productivity (digital education, new competences, flexible forms of employment, remote work opportunities).

The introduction of 5G facilitates accelerated digitalisation, improves the quality of life, develops business and makes regions more competitive. At the same time, the full-fledged implementation of 5G requires further infrastructure development and investment attraction.

In addition, cloud video surveillance projects in educational institutions were implemented in a number of regions in 2024. The purpose of these projects is to improve public safety and law and order in educational institutions.

### Effect of implementation:<sup>23</sup>

Estimated contribution to GDP in 2024 is

**29**

KZT billion

(KZT 6 billion in 2023)

**5.7**

KZT billion

(In 2023, local content was KZT 81.7 billion (of which KZT 78 billion in frequency fee))

### Support for SMEs and local suppliers in 2024

**23**

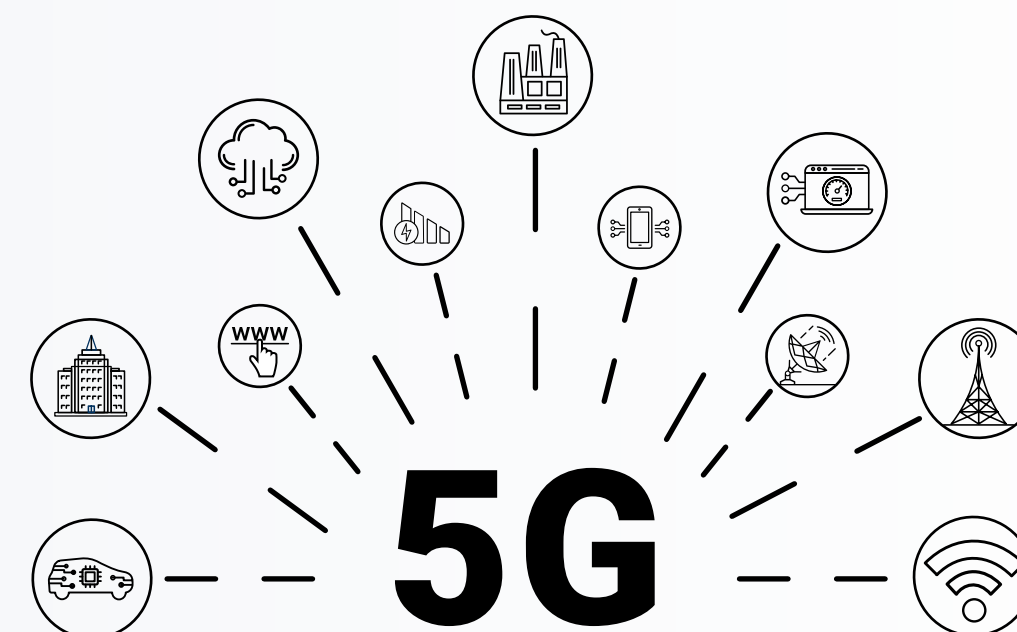
suppliers

received orders worth

**6.7**

KZT billion

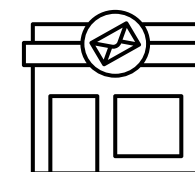
(In 2023, 12 suppliers received orders worth KZT 7.1 billion)



<sup>23</sup> Due to the transfer of Mobile Telecom-Service LLP to a Qatari investor, the data for Kcell JSC is shown below.

In the reporting period, implementation of the Trans-Caspian Fibre Optic Communication Line (FOCL) project continued<sup>24</sup>. The FOCL along the Kazakhstan-Azerbaijan route will create a digital corridor between Europe and Asia, as well as enable Kazakhstan to:

- reserve existing data transmission routes;
- access new international markets;
- create an international digital hub within the country;
- boost communication channel capacity and improve broadband service quality.

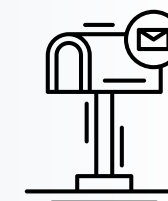


## POSTAL INFRASTRUCTURE FOR SOCIAL WELFARE

Portfolio company Kazpost JSC acts as the national operator of postal services in Kazakhstan and has the largest branch network in the country, covering almost the entire territory, including districts and rural settlements (about 3,000 post offices). Kazpost JSC provides a wide range of services to the public.

### Service areas and results

**Postal services:**  
delivery of letters and parcels, courier mail, postal money transfers, distribution of printed periodicals

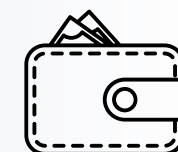


More than 300,000 parcels and letters are processed daily.

Over 7.8 million parcels were processed for 2024, an increase of 117% on the previous year.

The network of self-service terminals was expanded.

**Financial services:**  
payment acceptance, cash and settlement services, payment of pensions and allowances, currency exchange operations, deposits, transfers, card issue



Kazpost provides access to financial and postal services in remote and rural areas. In 2024, government services were available in 200 rural communities, covering more than 900,000 people.

698,000 recipients of pensions and allowances on a monthly basis. At the same time, Kazpost delivers pensions and allowances to 100,500 Kazakhstani citizens, including 1-2 group invalids, participants and invalids of the Great Patriotic War and citizens over 80 years old.

The deposit portfolio totalled KZT 233 billion (a 10-fold increase compared to 2023). Internet banking for legal entities was introduced, which significantly simplifies account management.



<sup>24</sup> The project is implemented by CASPINET B.V. joint venture (50% owned by Kazakhtelecom JSC, 50% owned by Azertelecom Int. LLC).

The development of logistics infrastructure and postal services remains a key focus area for Kazpost JSC. In 2024, three new logistics centres were put into operation in Almaty, Astana and Aktobe, which helped speed up the processing and distribution of items. Thanks to the introduction of an automated sorting system, it was possible to reduce the processing time by 30%.

The network of self-service terminals is actively expanding. 500 new OMNIC parcel terminals were installed, making delivery even more convenient for customers.

QazPost Super App, a digital ecosystem combining parcel tracking, payment and financial transaction services, was introduced. Benefits of the new services: providing convenient and fast access to postal, financial and government services (bill payments, transfers, receipt of pensions and benefits, etc.) in a single app; reducing physical and geographical distance for rural or remote regions where branches may be far away or operate with limited schedules.

In the reporting period, co-operation was established with the world's largest postal and logistics companies, such as Omniva (Estonian Post), Ozon, Wildberries and YTO Express, which allowed us to significantly increase the volume of shipments and improve the conditions of goods transit.

With direct shipments from Pinduoduo, AliExpress and Alibaba.com, international shipping has become even faster and more convenient for customers.

In 2025, we face ambitious tasks: expanding our logistics infrastructure and digital services, introducing new solutions in e-commerce and financial services, and deepening international co-operation to enhance competitiveness.



## AFFORDABLE AIR TRAVEL FOR ALL CATEGORIES OF CITIZENS

The air carrier, which is a member of the Fund's structure, QAZAQ AIR JSC, provides services of subsidised socially important air transportations in the Republic of Kazakhstan.

**GRI 203-2** The regional route network of QAZAQ AIR JSC in 2024 includes in-demand, socially important routes<sup>25</sup>, subsidised by the Government, for the following destinations: Astana–Petrovsk; Almaty–Kokshetau; Zhezkazgan–Ust-Kamenogorsk; Zhezkazgan–Shymkent; Aktobe–Turkestan; Kostanai–Turkestan.

<sup>25</sup> Subsidised socially important routes flights that are considered important for ensuring transport accessibility of the population, but may not be profitable for the carrier (due to low occupancy, remoteness and other factors).

**GRI 203-2** The airline offers discounts to seriously ill children, children with disabilities and their travelling companions, and there is also a special discounted fare for passengers aged 16 to 22 and over 60.

In 2024, QAZAQ AIR's 5 aircraft carried 600,000 passengers, a record high since operations began in 2015.

The airline strengthened its status as an interregional carrier by increasing flight frequencies on a number of domestic routes, as well as on international cross-border flights to Omsk, Novosibirsk and Yekaterinburg.

