SAMRUK KAZYNA

ANNUAL REPORT

Samruk-Kazyna JSC

2024

Contents

Message from the Chairman of the Board of Directors

DEAR LADIES AND GENTLEMEN!

The year 2024 has become a time of serious global and local challenges, but also a time of new opportunities. We are facing the need for large-scale infrastructure modernization, energy security and development of the transport and logistics system. In this context, the **effective implementation of investment projects** becomes especially crucial.

As of today, the Fund has identified a list of 46 priority projects, with the implementation overseen by the Board of Directors. In 2024, our companies completed the restoration of power unit No. 1 at GRES-1 with an increase in the plant's capacity to 4,000 MW, commissioned gas infrastructure for Almaty CHPP-2 and CHPP-3, and launched a transportation and logistics terminal in Xi'an.

Financial performance showed positive trend, with net income up 39% compared to 2023. The Fund's payments to the Government, including dividends and social projects financed on behalf of the Government, totalled KZT 1.4 trillion. In addition, KZT 2.1 trillion was paid in taxes.

The IPO of Air Astana was held **as part of the task to reduce state participation** in the economy. An agreement was signed for the sale of QAZAQ AIR to the Vietnamese Sovico Group and its local partner. The transaction on sale of Mobile Telecom-Service LLP in favor of Qatari PIH was completed.

Additional measures were taken **to support domestic commodity producers**. As a result, we signed contracts totalling KZT 1.1 trillion with domestic producers, up 76% year-on-year. We made offtake agreements for KZT 191 billion, a 10-fold increase. Stable growth is planned for all indicators across the procurements: by 25% for contracts with domestic producers, up to KZT 210 billion for offtake agreements, and up to KZT 30 billion for e-store orders.

The plans for the current year include commissioning of 7 major investment projects. The launch of the second tracks on the Dostyk-Moynty section is expected ahead of schedule. The Fund plans to complete the railway line bypassing Almaty and launch a container hub at the Aktau port. The Taldykorgan-Usharal gas pipeline will be commissioned ahead of schedule. A desalination plant is planned to go operational in Kenderli village. Pavlodar Petrochemical Plant will produce winter fuel. The annual capacity of the CASPI BITUM plant will rise 1.5 times to 750,000 tonnes.

As part of our corporate social responsibility commitments, Samruk-Kazyna JSC supported about 700,000 Kazakhstani people in the areas of medicine, inclusion and sports. To support regions affected by floods, we allocated KZT 22 billion. In addition, the Fund provided equipment, fuel and lubricants, humanitarian aid, and free transportation of people for a total of about KZT 8 billion.

The initiatives implemented in 2024 laid a strong foundation for future growth. The Fund will continue to work on the implementation of important infrastructure projects, focusing on ensuring stability and enhancing resilience to external risks.

OLZHAS BEKTENOV

Chairman of the Board of Directors of Samruk-Kazyna JSC, Prime Minister of the Republic of Kazakhstan

Message from the Chairman of the Management Board

DEAR LADIES AND GENTLEMEN!

I am delighted to present Samruk-Kazyna JSC Annual Report 2024 and share the key performance indicators for the reporting period.

Financial performance

There is a positive trend in the Fund's financial performance compared to the post-COVID period. Since 2021, the average annual revenue growth has been 13% and EBITDA has grown 5%.

Financial stability indicators are at a comfortable level, and credit ratings are at the sovereign level with a stable outlook.

The Fund strives to implement large-scale investment projects, which resulted in an average annual growth of 29% in fixed capital investments.

Dividends received from portfolio companies are the main source of income for Samruk-Kazyna JSC as a parent company. At the same time, we paid 6 times more to the Government than we received from portfolio companies in 2024.

In particular, the Fund directed KZT 1.4 trillion to the Government, including KZT 737 billion in dividends to the budget, KZT 568 billion in the other funding of social projects, KZT 50 billion in Kazakhstan Khalkyna Public Foundation.

In addition, annual tax payments were about KZT 2 trillion.

Overall, the total payments and contributions made 17 per cent of the total national revenue in 2024.

Investment projects

The Fund's portfolio includes about 130 projects worth KZT 53 trillion in oil and gas, energy, mining, transport and communications sectors.

In 2024, we implemented a range of projects worth KZT 660 billion.

With unit 1 of Ekibastuz GRES-1 rebuilt, the plant operated eight units (up to 4 GW) for the first time in the last 30 years.

A transport and logistics terminal was launched in Xi'an. The terminal will open access to new markets for exporters from Kazakhstan, shorten delivery times and cement Kazakhstan's position as a reliable transit hub in Eurasia.

We completed the construction of gas infrastructure for Almaty energy complex. The launch of the second string of the Almaty-Baiserke-Talgar gas pipeline, 62.4 km long, made it possible to meet the growing demand of the region's residents for gas in the current heating period.

Privatisation

In line with the comprehensive privatisation plan, Air Astana went public in 2024. As a result, US $370 million was raised, of which US $120 million were allocated for further development of the company.

We signed an agreement to sell QAZAQ AIR to the Vietnamese Sovico Group and its local partner. The transaction will contribute to the development of the domestic civil aviation market, including higher competition and expansion of international flights.

The Fund completed the sale of Mobile Telecom-Service LLP to Qatar's PIH. The privatisation will significantly reduce the effective share of the government in the telecommunications market from 49% to 17%.

Procurement

The Fund's procurement policy is designed to support domestic commodity producers. Additional support measures were in place in 2024.

This enabled the conclusion of contracts for KZT 1.1 trillion with domestic producers, up by 76% year on year.

The Fund concluded KZT 191 billion offtake agreements, 10 times more than in 2023.

To ensure transparency, the Fund's procurement database is integrated with the databases of GP, AFM, ACA, ACPD, SAC, NPP Atameken and the Government of Kazakhstan.

In addition, the Fund's procurement system has been recognised for the first time by the EBRD, ADB, OECD and WB as meeting best practice standards.

Digitalisation and artificial intelligence

Samruk-Kazyna implements more than 15 projects using artificial intelligence.

We have neural learning, computer vision and IoT sensors in place at manufacturing facilities.

Eight companies use virtual assistants to meet both production and corporate objectives.

A Social Wallet service has been developed for the targeted assistance beneficiaries. The Social Wallet allows claiming benefits for commodity gas.

Applied science projects

The Samgau Centre for Scientific and Technological Initiatives implements research and applied projects to address production problems.

The portfolio includes 25 projects worth KZT 6.6 billion.

Four projects worth KZT 2.7 billion are planned to be completed by the end of 2025, generating KZT 196 billion in effect over five years.

They include the associated gas processing project at the Akshabulak field in Kyzylorda region, which will boost processing by 33%.

The pulse seismic exploration project prospected additional oil reserves at the Karazhanbasmunai field, thus increasing the resource base by 33%.

Corporate social responsibility

The Fund identified three priority CSR areas.

The first is inclusion. There are 45 rehabilitation centers across the country. More than 3,000 people with disabilities are employed by the Fund's Group of companies. Fourteen inclusion support rooms have been opened, where 650 children are currently in education.

The second priority area covers sports. We have opened 13 sports centers in ten regions.

In the medical area, the National Coordination Centre for Emergency Medicine was launched in Astana with 250 beds. Every year, more than 100,000 residents of remote areas receive medical assistance.

Thus, about 700,000 Kazakhstanis received assistance from Samruk-Kazyna JSC last year alone.

In 2025, we will continue our initiatives in these areas, meeting all objectives and commitments of the Fund.

NURLAN ZHAKUPOV
Chairman of the Management Board
Samruk-Kazyna JSC

PERFORMANCE HIGHLIGHTS OF 2024

PERSONNEL AND HEALTH & SAFETY

HEADCOUNT IN THE FUND'S GROUP, PEOPLE	256,380	(260,658 in 2023)	-1.6%
SHARE OF WOMEN IN THE TOTAL NUMBER, %	26	(28 in 2023)	-7%
LOST TIME INJURY FREQUENCY RATE, LTIF, %	0.13	(0.14 in 2023)	-7%
FATAL ACCIDENT RATE, FAR, %	2.6	(2.5 in 2023)	+4%
PEOPLE WITH DISABILITIES	3,007	(2,881 in 2023)	+5.9%

PRODUCTION PERFORMANCE

OIL AND GAS CONDENSATE PRODUCTION, MILLION TONNES	23.8	(23.5 in 2023)	+1.3%
OIL TRANSPORTATION, MILLION TONNES	83.5	(80.4 in 2023)	+3.9%
OIL REFINERY THROUGHPUT[1], MILLION TONNES	19.2	(19.6 in 2023)	-2.0%
GAS PRODUCTION[2], BILLION M³	9.6	(9.5 in 2023)	+1.1%
GAS TRANSMISSION, BILLION M³	88.4	(79.4 in 2023)	+11.3%
URANIUM PRODUCTION, '000 TONNES	23.3	(21.1 in 2023)	+10.4%
COAL PRODUCTION, MILLION TONNES	42.7	(42.9 in 2023)	-0.5%
GOLD PRODUCTION, TONNES	54.6	(52.2 in 2023)	+4.6%
SILVER PRODUCTION, TONNES	6.1	(5.2 in 2023)	+17.3%
ELECTRICITY GENERATION, BILLION KWH	39.7	(35.3 in 2023)	+12.5%
ELECTRICITY TRANSMISSION SERVICES, BILLION KWH	19.0[3]	(38.2 in 2023)	-50.3%
OPERATIONAL FREIGHT TURNOVER (RAILWAY), BILLION TONNES-KM	272.1	(269.7 in 2023)	+0.9%
PASSENGER TURNOVER (RAILWAY), BILLION P-KM	11.7	(11.8 in 2023)	-0.9%
CONTAINER TRANSIT, '000 TEU	1,395	(1,282.3 in 2023)	+8.8%
POSTAL SERVICES, MILLION UNITS	103.6	(106.9 in 2023)	-3.1%

[1] The processing figure is shown in pro rate to a 50 per cent stake in PetroKazakhstan Oil Products and CASPI BITUM, and 100 per cent stakes in the other plants.

[2] KazTransGas JSC and its subsidiaries and affiliates are beyond the consolidation perimeter.

[3] From 1 July 2023, the electricity market model has changed as the Single Buyer was introduced. Thus, tariffs and volumes for services provided by KEGOC have changed due to the introduction of a new service for the use of NG and distribution of electricity transmission.

NUMBER OF FIXED LINES, '000 LINES
-9.3%
2,277.5
(2,510.5 in 2023)

NUMBER OF FIXED BROADBAND INTERNET ACCESS SUBSCRIBERS, '000 PORTS
-1.7%
1,857.7
(1,889.3 in 2023)

NUMBER OF PAY TV SUBSCRIBERS, '000 SUBSCRIBERS
+10.8%
1,162.5
(1,049.2 in 2023)

NUMBER OF MOBILE SUBSCRIBERS, MILLION SUBSCRIBERS
+2%
14.8
(14.5 in 2023)

FINANCIAL PERFORMANCE[4]

FUNDS SPENT IN INVESTMENT ACTIVITIES, BILLION KZT
-40.3%
1,285.5
(2,151.7 in 2023)

OPERATING PROFIT, BILLION KZT
+32.6%
2,826.8
(2,131.8 in 2023)

NET PROFIT, BILLION KZT
+38.5%
2,354.4
(1,699.6 in 2023)

OTHER DISTRIBUTIONS TO SHAREHOLDER, KZT BILLION
+327%
567.6
(132.9 in 2023)

CONTRIBUTIONS OF KAZAKHSTAN KHALKYNA, BILLION KZT
-24.9%
50.0
(66.6 in 2023)

NET DEBT, BILLION KZT
+20.6%
6,190
(5,132 in 2023)

[4] All financial figures for 2023 have been restated and derived from the consolidated financial statements for the year ended 31 December 2024.

DIVIDENDS PAID TO THE SHAREHOLDER, BILLION KZT
-41.9%
736.8
(1,268.9 in 2023)

TAXES PAID, RK[5], BILLION KZT
+4.7%
2,085.6
(1,992.8 in 2023)

GOVERNMENT SUBSIDIES, BILLION KZT
-5.7%
57.5
(61 in 2023)

SHARES ISSUED, MILLION PCS.
0%
3,482
(3,482 in 2023)

ENVIRONMENTAL PROTECTION

CARBON FOOTPRINT, MILLION TONNES CO_2- EQ
-7.2%
57.84
(62.3 in 2023)

WATER WITHDRAWAL FOR INDUSTRIAL COMPANIES' NEEDS, MILLION M^3
-2.0%
324.8
(331.3 in 2023)

ENVIRONMENTAL PROTECTION EXPENDITURES, BILLION KZT
-17.2%
50.4
(60.9 in 2023)

TOTAL ELECTRICITY CONSUMPTION, MILLION GJ
+3.1%
444.2
(431 in 2023)0

[5] Net of tax on personal income.

About the Fund

In this section:

Development Strategy

Our Vision

A leader in the national economy, making breakthroughs in innovative development based on the principles of people's well-being and environmental protection through responsible investment.

Our Mission

Ensuring sustainable economic development and long-term value creation through effective management of a diversified portfolio of assets and business support for the benefit of the people of the Republic of Kazakhstan.

The purpose of the Fund's activity is to increase the sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the organisations included in the Fund's Group, as well as effective management of the assets included in the Fund's Group.

The updated 2023–2032 Development Plan of the Fund was approved by Resolution No. 230 of the Government of the Republic of Kazakhstan dated 17 March 2023.

The updated Development Plan of Samruk-Kazyna JSC until 2032, developed in accordance with the instruction of the Head of State, is a well-thought-out strategy aimed at successfully overcoming current and future challenges. Moreover, the Development Plan of the Fund corresponds to the key National priorities and contributes to the implementation of the Kazakhstan-2050 strategy, which is a national document defining the long-term course of the country's development.

At the same time, it should be noted that the Development Plan retains continuity with similar documents of previous years, without contradicting them, but supplementing and specifying certain provisions

Taking into account the current socio-economic development of the country and the role of the Fund, today it is more appropriate to focus investments on the development of the national economy. In this regard, the management model of the Fund in the next five years is defined as a strategic holding with the tasks of maintaining social and infrastructural development of the country.

By 2030, the Fund plans to transform itself into an investment holding company, operating under favourable market conditions and retaining a majority stake in its strategic assets.

To increase its competitiveness and strengthen its reputation as a promising partner at the international level, the Fund will seek to diversify its portfolio and fill it with innovative export-oriented projects.

Strategic Goals

INCREASE IN NET ASSET VALUE

- Increase in labour productivity
- Financial stability
- Optimisation and improvement of business processes
- Asset modernisation and digitalisation
- Entering new valued-added markets and creating industries
- Development of R&D and innovation, high-tech industries

DEVELOPMENT OF COMPETITION

- IPOs/SPOs and lower share in the economy
- Major infrastructure projects
- Development of the resource base
- Global partnership and coordination of investment activities
- Responsible and market-based tariff setting
- Equal access to infrastructure and markets

IMPLEMENTATION OF ESG PRINCIPLES

- Corporate governance
- Openness, transparency and compliance
- Social responsibility
- H&S best practices
- Human capital development
- Resource conservation
- Decarbonisation
- Green financing

Effective asset portfolio management

The Fund will drive portfolio optimisation and quality improvement, adoption of advanced technologies, and enhancement of the business model.

Ecosystem for business

The Fund will continue to work on the transfer of assets in a competitive environment. As a co-investor, the Fund will participate only in critically important projects that cannot be realised by private investors.

Sustainable development

The focus is on human well-being, environmental balance and ensuring long-term financial sustainability based on best business practices and corporate governance principles. As a result, increasing the long-term value of assets and enhancing investment attractiveness.

Asset Portfolio

www.kmg.kz

www.kazatomprom.kz

www.railways.kz

www.samruk-energy.kz

JSC NC KazMunayGas

67.42%

of shares

Kazakhstan's operator for exploration, production, processing and transportation of hydrocarbons

HEADCOUNT

49,243

Regions of presence:

Abay, Aktobe, Atyrau, Zhambyl, Zhetysu, West Kazakhstan, Kostanay, Kyzylorda, Mangistau, Pavlodar, Turkestan, Ulytau regions, as well as in cities of republican significance and the capital city

NAC Kazatomprom JSC

62.99%

of shares

Kazakhstan's operator for import-export of uranium, rare metals, nuclear fuel for nuclear power plants

HEADCOUNT

16,286

Regions of presence:

Akmola, East Kazakhstan region, Kyzylorda region, Turkestan region

JSC NC Kazakhstan Temir Zholy

100%

of shares

Kazakhstan's largest railway network operator

HEADCOUNT

117,681

Regions of presence:

All regions

Samruk-Energy JSC

100%

of shares

Kazakhstan's largest diversified energy holding company

HEADCOUNT

18,907

Regions of presence:

Almaty, East Kazakhstan, Pavlodar, Turkestan, as well as in cities of republican significance and the capital city

www.qazaqgaz.kz

JSC NC QazaqGaz

100%
of shares

Kazakhstan's gas company operating along the entire chain from geological exploration and production to the sale of end products

HEADCOUNT

12,996

Regions of presence:

Almaty, Aktobe, Atyrau, East Kazakhstan, Zhambyl, West Kazakhstan, Karaganda, Kostanay, Kyzylorda, Mangistau, Ulytau and Turkestan regions, as well as in cities of republican significance and the capital city

www.kegoc.kz

KEGOC

85%
of shares

System operator of the unified power system of Kazakhstan

HEADCOUNT

4,495

Regions of presence:

Abay, Akmola, Aktobe, Almaty, Atyrau, East Kazakhstan region, Zhambyl, Karaganda, Kostanay, Kyzylorda, Mangistau, Pavlodar, Turkestan regions

www.telecom.kz

Kazakhtelecom JSC

80,85%
of shares

Kazakhstan's largest telecommunications company, a national telecom operator

HEADCOUNT

18,395

Regions of presence:

Abay, Aktobe, Almaty, Atyrau, EKR, Zhambyl, WKR, Karaganda, Kostanay, Kyzylorda, Mangistau, Pavlodar, SKR, Turkestan, Ulytau

www.qazpost.kz

Kazpost JSC

100%
of shares

Kazakhstan's national postal operator providing a wide range of postal, financial, brokerage and agency services

HEADCOUNT

17,348

Regions of presence:

All regions

www.flyqazaq.com

Qazaq Air JSC

100%

of shares

Kazakhstan's airline operating internal regional flights*

HEADCOUNT

301

Regions of presence:

Akmola, Aktobe, Atyrau, East Kazakhstan, Zhetysu, West Kazakhstan, Kostanay, Kyzylorda, North Kazakhstan, Turkestan, Ulytau, as well as in cities of republican importance and the capital city

www.tks.kz

Tau-Ken Samruk NMC JSC

100%

of shares

Kazakhstan's company for exploration, development, production, processing and sale of solid minerals

HEADCOUNT

444

Regions of presence:

Republic of Kazakhstan

www.o-sk.kz

Samruk-Kazyna Ondeu LLP

100%

of shares

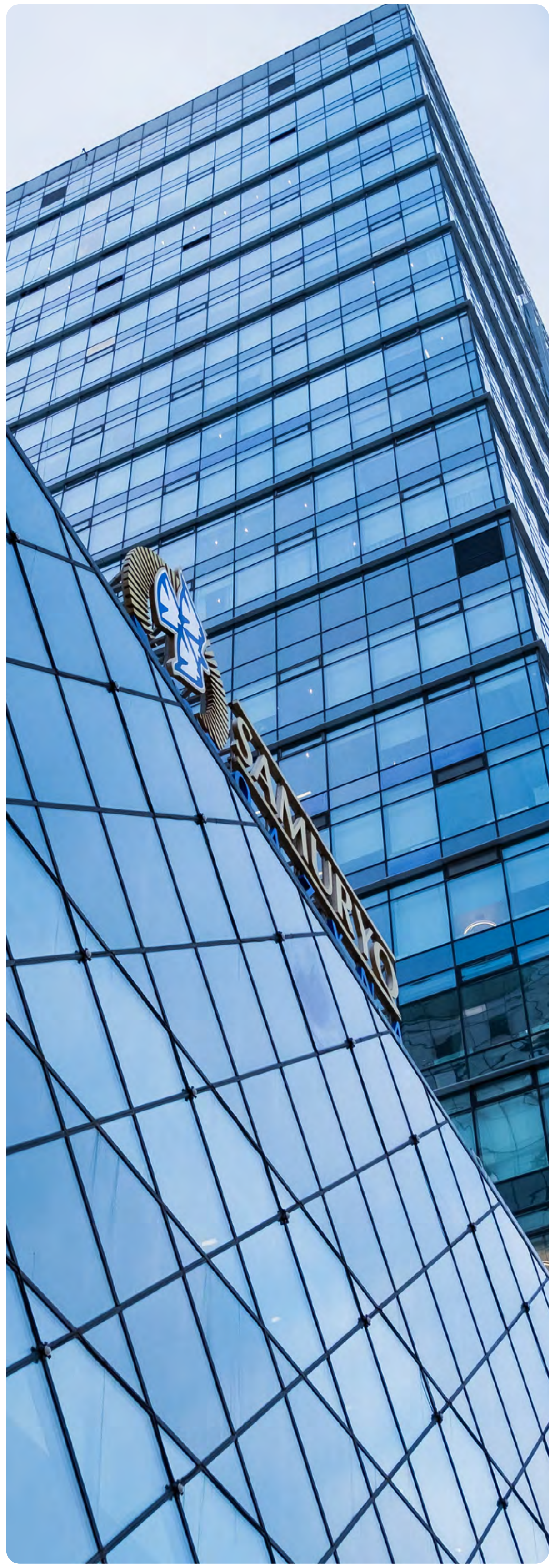
Kazakhstan's company for the development and implementation of investment projects in the chemical industry

HEADCOUNT

631

Regions of presence:

Akmola region, Atyrau region, Zhambyl region

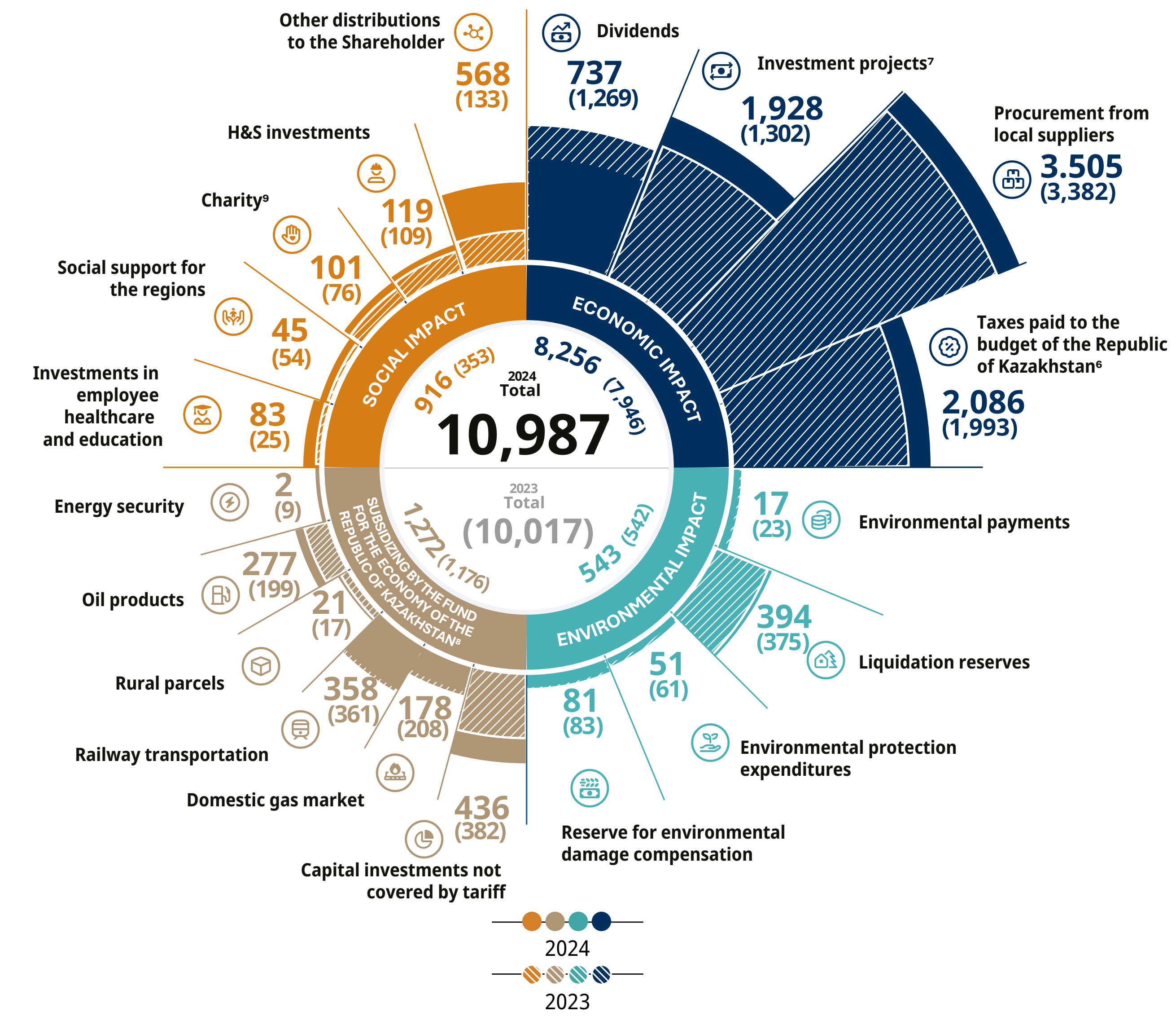


* Note. On 24 December 2024, The fund signed a sale agreement with a consortium comprising Central Asia Aviation Holdings Limited (a member of the Vietnamese conglomerate Sovico Group JSC) and Kazasia Holdings Limited. The sale was not finalised before the end of 2024 as certain conditions precedent were not met. Therefore, the Group retained control over Qazaq Air JSC as of 31 December 2024.

The list includes only big portfolio companies of the Fund and is not exhaustive.

Fund’s Contribution to Socio-Economic Development

Impact matrix, KZT billion



AT THE END OF 2024, THE FUND'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT OF THE COUNTRY IS ESTIMATED AT **10,987** KZT billion

⁶ Net of tax on personal income.
⁷ Excluding VAT, on an accrual basis.
⁸ Cross-subsidisation by the Socially Important Sphere Fund to curb price and tariff increases.
⁹ Including distributions to Kazakhstan Khalkyna Public Foundation, on an accrual basis.

Samruk-Kazyna JSC plays an important role in establishing a new model of sustainable growth of Kazakhstan's economy.

Special attention is paid to social responsibility. In 2024, the social impact of the Fund totalled KZT 916 billion, which includes expenditures on social projects within the framework of other distributions to the Shareholder and allocation of funds to the Public Fund "Kazakhstan Khalkyna", charitable projects of Samruk-Kazyna Trust, social support of employees and regions of presence, ensuring safety at work. One of the key projects implemented in 2024 was the completion of the construction of the National Emergency Medicine Coordination Centre in Astana.

IN 2024, THE SOCIAL IMPACT OF THE FUND **916** KZT billion

IN 2024, THE FUND’S CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF THE COUNTRY **8,256** KZT billion

IN 2024, THE FUND’S CONTRIBUTION TO THE ENVIRONMENTAL SPHERE: **543** KZT billion

IN 2024, THE FUND’S SUBSIDIES TO THE ECONOMY **1,272** KZT billion

Contribution to the economic development of the country totalled KZT 8,256 billion. Taxes totalling KZT 2,086 billion were paid in favour of the state, as well as dividends in the amount of KZT 737 billion. The Fund invested KZT 1,928 billion in critical infrastructure and key sectors of the economy, including energy, gas infrastructure, transport and communications, and exploration and production. As part of business support, goods, works and services worth KZT 3,505 billion were purchased from domestic producers.

The contribution to the environmental sphere totalled KZT 543 billion. These are environmental payments and environmental protection costs, which includes technology implementation, energy efficiency, research and development. Also, the total amount consists of provisions for the liquidation of operating facilities and restoration of environmental damage, as well as provisions for environmental damage liabilities.

In 2024, cross-subsidisation of prices and tariffs from the Fund amounted to KZT 1.3 trillion. Loss-making areas continue to be cross-subsidised at the expense of revenue-generating areas.

Railway transportation is subsidised by KZT 358 billion due to revenues from transit. The domestic market for oil products was supported by KZT 277 billion at the expense of other areas of NC KazMunayGas JSC, including exports. The domestic gas market was compensated by KZT 178 billion at the expense of revenues from transit and gas exports.

In 2024, measures were taken to improve the tariff policy. Tariffs for railway transport services were increased by 24%. In the gas supply sector, wholesale gas prices were increased by 14.6%. A decision was made to phase out state regulation of the fuel and lubricants market.

Consolidated Financial Results

In this section:

Fund’s Credit Ratings

Obtaining ratings from leading international rating agencies represents an independent and sound assessment of the Fund's creditworthiness. The agencies have access to all necessary information for a thorough assessment. They also emphasise the significant role of the Fund in Kazakhstan's economy, which is aimed at industrialisation and financial stability.

On 17 October 2024, S&P Global Ratings affirmed the stable outlook on the rating of Samruk-Kazyna JSC and affirmed its long-term and short-term ratings at "BBB-".

On 11 September 2024, Moody's affirmed the rating of Samruk-Kazyna JSC at Baa1, with a stable outlook.

On 18 November 2024, Fitch Ratings affirmed the ratings of Samruk-Kazyna JSC at BBB, with a stable outlook.

RATING BY AGENCY IN 2024

S&P Global Ratings	Moody's	Fitch Ratings
BBB-	Baa1	BBB
Outlook: stable	Outlook: stable	Outlook: stable

The Fund's financial results are based on 12 months ended 31 December 2024 and compared to the previous two years. The following table provides financial information showing the consolidated performance of the Fund's Group.

CONSOLIDATED PERFORMANCE OF THE FUND'S GROUP

Indicator	2023[10]	2024
Consolidated revenue, billion KZT (excluding government subsidies)	15,434	16,433
Assets, billion KZT	36,925	41,100
Equity, billion KZT	21,740	25,593
Consolidated net income per shareholder, billion KZT	1,699	2,354
EBITDA, billion KZT	4,488	4,905
EBITDA margin (%)	29	30

CONSOLIDATED REVENUE

16.4

KZT trillion

CONSOLIDATED NET INCOME

2.4

KZT trillion

In 2024, consolidated revenue totalled KZT 16.4 trillion, up by KZT 1.0 trillion, or 6%, from 2023. Most segments in 2024 showed year-on-year revenue growth, namely: crude oil sales (+56 billion KZT), rail freight (+192 billion KZT), uranium products sales (+324 billion KZT), refined gold sales (+488 billion KZT), gas processing sales (+103 billion KZT), telecommunication services (+64 billion KZT), electric complex (+146 billion KZT) oil and gas transportation (+65 billion KZT), processing of customer-owned oil under tolling arrangements (+10 billion KZT), electricity transportation (+40 billion KZT), passenger railway transportation (+9 billion KZT), postal services (+3 billion KZT).

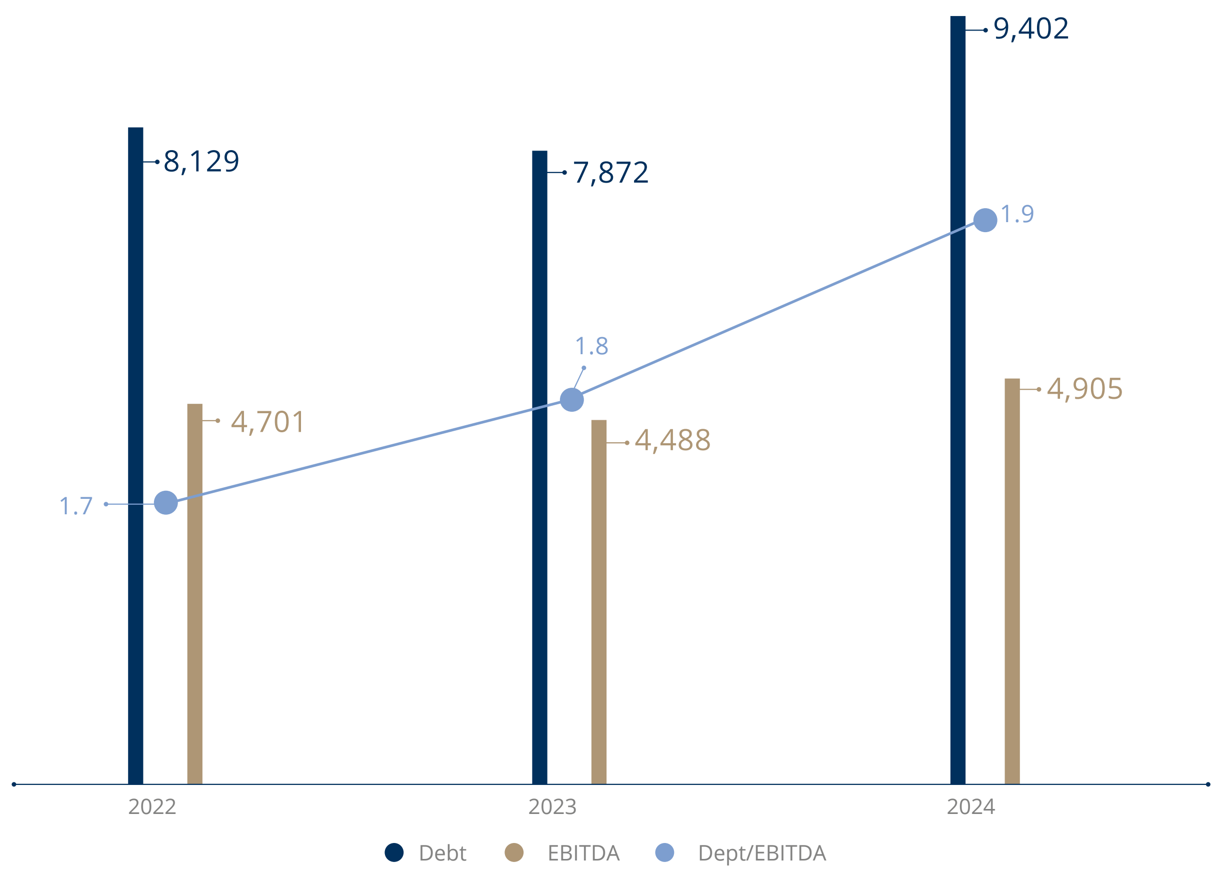
As of 31 December 2024, the consolidated assets of the Fund reached KZT 41.1 trillion, up by 4.2 trillion tenge or 11% compared to 2023. For 2024, the Fund paid taxes and payments to the budget of the Republic of Kazakhstan in the amount of KZT 2,086 billion. General and administrative expenses for 2024 totalled KZT 567.4 billion.

[10] All financial figures for 2023 have been restated and derived from the consolidated financial statements for the year ended 31 December 2024.

Debt and EBITDA of the Fund, billion KZT (consolidated)

At the end of 2024, the debt/EBITDA ratio was 1.92 due to the rate of debt increase exceeding EBITDA growth. In 2024, consolidated debt totalled KZT 9,402 billion.

DEBT AND EBITDA OF THE FUND
billion KZT (consolidated)



Revenue by Segment

Indicator, billion KZT	2023	2024
Sale of crude oil	4,615	4,671
Sale of petroleum products	2,680	2,592
Freight railway transport	1,678	1,870
Sales of uranium products	1,391	1,715
Realisation of refined gold	813	1,260
Sale of gas processing products	987	1,091
Telecommunication services	669	732
Electricity complex	449	595
Oil and gas transportation	320	385
Refining of customer-owned crude oil	248	259
Electricity transmission	197	237
Passenger railway transport	106	115
Air freight	549	78
Postal services	32	35
Other income	563	651
Rental income	88	98
Interest income	49	49
	15,434	**16,433**

The increase in revenue by segment is due to the impact of external and internal circumstances.

The oil sector saw an increase in crude oil export sales in 2024, which offset the drop in Brent crude oil prices to US$80.76/bbl from US$82.64/bbl in 2023. Sales of refined products decreased as a result of lower refining.

Freight railway transportation increased due to higher tariffs, exchange rate differences and income from freight wagon fleet operations.

The increase in sales of processed gas products is driven by higher revenues from exports to China due to higher volumes and from Kazakhstan's domestic market due to higher sales and a new price category for large enterprises introduced from mid-2023, in addition, the increase is due to an average 14.6% increase in wholesale gas prices from the second half of 2024.

Sales of uranium products increased due to a 27% increase in the average realised price compared to 2023 (US$69.72 vs. US$55.09) due to an increase in the spot price of natural uranium.

Oil and gas transportation also increased due to higher volumes of crude oil transported by pipeline and sea routes.

The increase in the electricity sector is due to tariff increases from January 2024.

The growth in revenue from sales of refined gold was due to an increase in the price of gold and growth in sales due to an increase in supplies of gold-containing raw materials.

Decrease in 2024 of the air transport segment indicators due to the reflection of indicators only on the activities of Qazaq Air JSC as Air Astana JSC went out of the Fund's Group of companies of the Fund due to the IPO held on 9 February 2024 and reduction of the Fund's ownership from 51% to 41%.

The increase in revenue for postal services was mainly due to an increase in parcel turnover, with additional growth from freight revenue and customs representation services.

Fund Performance

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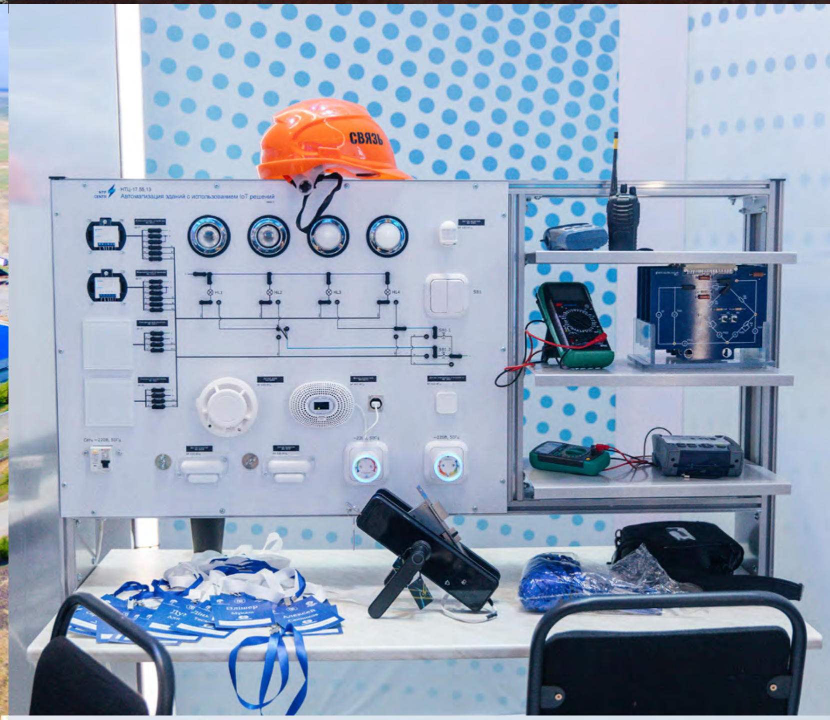


Oil and Gas

Transforming commodity revenues

National Company KazMunayGas JSC (KMG) is the leading vertically integrated oil and gas company in Kazakhstan. Founded in 2002, KMG covers the full range of activities in the oil and gas sector, including prospecting, production, transportation and processing of hydrocarbons, as well as the provision of core services in 15 regions.

KMG plays a key role in representing Kazakhstan's interests in the oil and gas market, operating four major refineries domestically and two refineries in Romania. KMG participates in projects at major fields: Tengiz (20%), Kashagan (16.87%) and Karachaganak (10%), co-operating with strategic investors. The company maintains its competitive advantage through a stable cycle of hydrocarbon production, transportation and processing. KMG is actively exercising its priority right to acquire subsoil assets, which contributes to replenishing its resource base.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures, million tonnes:		
Oil and gas condensate production	23.5	23.8
Crude oil refining	19.6	19.2
Refining in Kazakhstan	14.2	14.2
Oil transportation	80.4	83.5
Gas production, billion m³	9.5	9.6
Financial indicators, billion KZT:		
Revenue	8,320	8,330
Dividends	300	300
Net profit	927	1,094
Costs	8,045.6	7,780,6
Operating profit	1,486.2	1,467.6
Net debt	1,645	1,163
Sustainable development indicators:		
Greenhouse gas emissions, million tonnes CO2-eq.	7.4	7.4
Accidents	29	21
Fatal accidents	2	1

2024 was an important milestone for KMG, marked by significant achievements in sustainable development, international co-operation and infrastructure modernisation

In 2024, KMG started drilling wells at the Turgai Paleozoic, Karaton Podsolevoy, Karazhar and Taisoigan fields, whose combined resources are estimated at more than 800 million tonnes of oil equivalent.

In addition, as part of the Kalamkas Sea, Khazar, Auezov subsoil area development project in the Kazakhstan sector of the Caspian Sea, basic engineering and design (FEED) work has begun. By the end of 2025, it is planned to make a final decision on the project implementation

In March 2024, as part of the development of the Trans-Caspian route, KMG and SOCAR signed an agreement on a phased increase in oil transportation, providing for an increase in the transit of Kazakh oil through the Baku-Tbilisi-Ceyhan pipeline to 2.2 million tonnes per year.

In 2024, as part of co-operation with Abu Dhabi Ports Group, the tankers Taraz and Liwa, acquired in 2023, transported 874,000 tonnes of oil on the Aktau-Makhachkala route.

In April 2024, work began on commissioning the facilities of the Wellhead Pressure Management Project. As part of the Future Expansion Project, crude oil production began at the new Third Generation Plant in January 2025. Production is being ramped up in stages to reach the full design capacity of the Future Expansion Project.

In addition, in the reporting year, a final investment decision was made on the project for the construction of a gas separation complex.

KMG actively develops international co-operation. Thus, in 2024 KMG signed a geological exploration agreement with CNOOC on the new Zhylyoi subsoil use project, as well as a joint research agreement with Shell and Chevron to study geological and geophysical data on the Mugodzhar project.

One of KMG's priorities is the modernisation of production capacities. As part of increasing refining capacity, a project is being implemented to increase the capacity of the Shymkent Refinery to 12 million tonnes per year by 2030.

HYDROCARBON RESERVES

PROVED AND PROBABLE HYDROCARBON RESERVES (2P)

5,551

million barrels

In 2024, KMG's proven and probable hydrocarbon reserves (2P) amounted to 716 million tonnes of oil equivalent, equal to 5,551 million barrels. Compared to 2023, the level of 2P reserves decreased by 2.4% due to the impact of economic macro-factors on subsoil users, as well as a decrease in the timing of the profitability of gas production at Karachaganak.

Net reserves under PRMS (as of 31 December 2024)

Category of reserves, million tonnes of oil equivalent	2023 (KMG share)	2024 (KMG share)
Proven (1P)	507	452
Proven plus probable (2P)	733	716
Proven plus probable plus possible (3P)	842	794

GEOLOGICAL EXPLORATION AND OIL AND GAS PRODUCTION

As part of an investment project for geological exploration of subsoil in five areas (Mugodzhary, Berezovsky, Zharkyn, Bolashak and North Ozen), fieldworks (seismic survey) were carried out ahead of schedule. Field seismic acquisition and processing and interpretation were completed in the North O9zen, Zharkyn and Berezovsky areas. It is planned to obtain contracts and attract strategic partners.

Drilling of the 5,500-metre deep Turgai Paleozoic exploration well in the Kyzylorda region commenced in 2024.

Also in 2024, drilling of the first 5,500-metre deep prospecting well was started at the Karaton Podsolevaya prospect, with testing to be completed in 2025.

At the Rozhkovskoye field in the West Kazakhstan region, 5 wells were connected to commercial operation, which allowed achieving a daily production of 1.4 million m³/day of raw gas.

Currently, the project partners together with Ural Oil and Gas LLP are working to ensure an increase in the number of operated wells, production and efficiency of field development.

At the Urikhtau field, the VU-6 well was commissioned in 2024, which enabled an increase in oil flow rate of 90.3 tonnes per day. Drilling of production wells VU-7,8 continues with planned commissioning in 2025. Design work is ongoing to define the concept for further development of the field.

HYDROCARBON PRODUCTION

OIL AND GAS CONDENSATE PRODUCTION

23.8

million tonnes

KMG's oil and gas condensate production in 2024 was 23,837,000 tonnes (490,000 barrels per day), an increase of 1.3%. Production of associated and natural gas (before reinjection) increased by 1.0% to 9,554 million m³.

Oil and condensate production volume in 2024

Oil and condensate production, '000 tonnes	2023 (KMG share)	2024 (KMG share)
OzenMunaigas	4,877	5,098
Mangistaumunaigas	3,075	3,085
Embamunaigas	2,722	2,790
Tengiz	5,779	5,562
Kashagan	3,108	2,885
Karachaganak	1,086	1,097
Others	2,883	3,321
Total	**23,520**	**23,837**

Oil production at Tengiz decreased by 3.7% to 5,562,000 tonnes (121,000 barrels per day). Associated gas production decreased by 5.9% to 3,012 million m^3. The decrease was mainly due to overhauls at production facilities.

Oil production at Kashagan was 2,885,000 tonnes (62,000 barrels per day), a decrease of 7.2%. Gas production decreased by 5.1% to 1,863 million m^3. The decrease was due to the scheduled overhaul of the slag-catcher unit in October 2024.

Oil and condensate production at Karachaganak increased by 1.0% to 1,097,000 tonnes (24,000 barrels per day). The growth in liquids production was fuelled by an increase in the reinjection of crude gas into the reservoir at Karachaganak's production units. Gas production before reinjection increased by 6.9% to 2,394 million m^3.

In 2024, oil and condensate production at KMG's operating assets increased by 5.4% to 14,294,000 tonnes. Production growth at the operating assets of JSC OzenMunaiGas, JSC Embamunaigas, JSC MangistauMunaiGas and other operating assets was due to a decrease in emergency power outages by the Mangistau Nuclear Power Plant in the reporting year compared to 2023, as well as due to additional geological and technical measures applied by the operating assets to increase production.

TENGIZ, KASHAGAN, KARACHAGANAK MEGAPROJECTS

KMG is actively involved in key oil and gas projects, including Tengiz (20%), Kashagan (16.87%) and Karachaganak (10%), working together with strategic investors.

In 2024, key stages of the Future Expansion Project were being finalised at the Tengiz field. Tengizchevroil LLP commissioned the Wellhead Pressure Management Project facilities, beginning the phased conversion of wells from high pressure to low pressure. Mechanical works and major commissioning activities were completed. Despite the planned commissioning in Q2 2025, production at the new third generation plant started as early as January 2025, becoming an important milestone in the implementation of the project designed to increase oil production by 12 million tonnes per annum.

The Karachaganak field continues to implement projects to maintain stable production levels. In 2023, a concept was developed for the construction of a 4 bcm^3 per annum gas processing plant, which will allow monetisation of crude gas produced from the field and its products. The project for installation of the 5th gas reinjection compressor (5IC) was completed and a certificate of readiness for commissioning was signed. The project for installation of the 6th gas reinjection compressor is in the active construction phase.

The Kashagan field is producing oil as part of the Stage 1 development. Phase 2 projects are currently being considered to increase oil and condensate production levels to ~710,000 bbl (~89,500 tonnes per day) over the next 10 years. The Stage 2A project will increase production to 6,300 tonnes per day (total field production will be 500,000 bpd) by supplying crude gas to a planned third-party gas processing plant with a capacity of 2.5 billion m^3 per year. NCPC and QazaqGaz signed an agreement on conducting a pre-baseline design, which will result in an adjustment of the previously developed baseline project and an investment decision on project implementation.

The Phase 2B project involves increasing oil production to 710,000 bbl by supplying 6bn m^3 per annum of crude gas to a third party. The operator has completed preliminary synergy studies. Discussions are underway with the shareholders of the Tengiz field to assess possible synergy connections and assumptions.

OIL TRANSPORTATION

Work is continuing to increase utilisation of the established transport capacities on KMG's oil transportation systems, as well as work to diversify export routes.

TOTAL OIL TRANSPORTATION VOLUME

83.5

million tonnes

Total volume of trunk and sea transportation of crude oil increased by 3.9% to 83.5 million tonnes.

The volume of oil transported through trunk pipelines increased by 1.0% to 70.3 million tonnes. The increase was due to transshipment of oil from the Kashagan and Karachaganak fields in the direction of the Atyrau-Samara pipeline and the Caspian Pipeline Consortium through the system of KazTransOil JSC, as well as the growth of domestic transportation in the direction of oil refineries.

The total volume of oil transportation by sea in the reporting year increased by 22.2% to 13.2 million tonnes. The growth was due to an increase in oil transportation in the Mediterranean Sea due to higher volumes shipped from the port of Ceyhan, as well as increased volumes on the Aktau-Makhachkala and Aktau-Baku routes in the Caspian Sea.

Oil transportation volume in 2024

Oil transportation[11], '000 tonnes	2023 (KMG share)	2024 (KMG share)
KazTransOil	44,188	44,887
Kazakhstan-China Pipeline	9,403	9,394
MunaiTas[12]	2,819	2,953
Caspian Pipeline Consortium	13,171	13,074
Kazmortransflot	10,778	13,169
Total	**80,359**	**83,478**

[11] Some crude oil may be transported by two or three pipeline companies and, accordingly, these volumes are accounted for more than once in the consolidated volume of crude oil transported.
[12] MunaiTas is an equity-consolidated joint venture and therefore transportation volumes are shown according to a 51% ownership interest.

REFINING CRUDE OIL AND MARKETING PETROLEUM PRODUCTS

HYDROCARBON FEEDSTOCK PROCESSED AT KAZAKHSTAN REFINERIES

14.2

million tonnes

The amount of hydrocarbon feedstock processed at Kazakhstan refineries increased by 0.3% to 14,246,000 tonnes. Refining at ANPZ and PNHZ increased by 1.3% and 1.2%, respectively, while refining at PKOP increased by 0.1% compared to the 2023 reporting period. The increase in refining at these refineries in 2024 was offset by a decrease in refining at Caspi Bitum due to the planned shutdown in November 2024 to commence work on the capacity expansion project.

Refining at KMG International (Petromidia, Vega) in Romania decreased by 8.8% to 4,912,000 tonnes. The decrease in refining was due to the late restart of the soft hydrocracking unit after a fire at the Petromidia plant on 21 June 2023, as well as the plant shutdown for scheduled overhaul in March of the reporting year. KMG International's plants are operating normally at full capacity following the completion of the remedial work.

Hydrocarbon feedstock processing voume in 2024

Hydrocarbon feedstock processing, '000 tonnes	2023 (KMG share)	2024 (KMG share)
ANPZ	5,475	5,547
PETROCHEMICAL PLANT	5,434	5,500
PKOP[13]	2,870	2,872
Caspi Bitum[14]	427	327
Petromidia and Vega	5,386	4,912
Total	**19,593**	**19,158**

[13] Processing at PKOP and Caspi Bitum is indicated pro rata to a 50 per cent ownership.
[14] Processing at PKOP and Caspi Bitum is indicated pro rata to a 50 per cent ownership, in the other plants it is 100 per cent.

The amount of hydrocarbon feedstock processed at Kazakhstani and Romanian refineries decreased by 2.2% to a cumulative 19.2 million tonnes.

Production of refined products at Kazakhstani and Romanian refineries decreased by 1.5% to 17,894,000 tonnes in 2024. Kazakhstan refineries produced 13,085,000 tonnes of petroleum products, 1.0% more than in 2023 due to improved efficiency of production units. KMG International (Petromidia, Vega) refineries produced 7.9% less petroleum products, which amounted to 4,809,000 tonnes mainly due to a corresponding decrease in refinery throughput.

One of the main tasks for KMG in the coming years, due to the projected growth in domestic consumption, is to address the issue of supplying the domestic market of Kazakhstan with domestic oil products, which leads to the need to increase the current capacity of oil refineries. In this regard, a project to double the refining capacity of the Shymkent Refinery is being implemented. Currently, the adjustments to the pre-project technical and economic documentation are being finalised.

In order to address the problematic issues related to the shortage of bitumen in the domestic market, KMG began work to expand the capacity of JV Caspi Bitum LLP for oil refining to 1.5 million tonnes per year with the production of road bitumen up to 750,000 tonnes per year. The implementation of this project will allow to continuously supply bitumen to the country's road sector from 2025.

The study of the expansion of PKOP capacity is ongoing. A pre-feasibility study for the project has been completed in 2024, and a Project Feasibility Study is planned for 2025.

In 2024, PNHZ will launch a new liquefied hydrocarbon gas purification complex using Merox technology, which will make it possible to process Kazakh oil characterised by high sulphur content in light fractions.

OIL AND GAS CHEMISTRY

KMG continues to develop its oil and gas chemical business, which has a high potential multiplier effect for the country.

In 2024, final investment decisions were made on the related oil and gas chemical projects, Construction of Gas Separation Complex and Polyethylene. In September 2024, construction works of a polyethylene plant with a capacity of 1.25 million tonnes per year started on the territory of a special economic zone in the Atyrau region.

KPI integrated gas chemical complex produced 10 product grades with a total of 251,000 tonnes of polypropylene in 2024. Of this amount, 230,000 tonnes were exported to China, Europe, Turkey and Russia. Deliveries to the domestic market reduced the share of imports to 17%, compared to 34% in 2023.

These large-scale oil and gas chemical projects of the company are mainly focused on the sale of finished products to the growing export markets. It is planned to fully meet the domestic market demand for polypropylene and polyethylene, which will have an additional economic impact on the development of related industries in Kazakhstan.

SUSTAINABLE DEVELOPMENT

KMG actively integrates the principles of sustainable development into its operations and consistently implements measures to reduce its negative environmental impact, confirming its commitment to long-term sustainable development goals.

In 2024, KMG approved the Low Carbon Development Programme 2060.

Reported to UNEP on methane emissions in May 2024 as part of the OGMP 2.0 partnership.

Construction of a solar and gas power plant with Eni has begun.

The law on ratification of the agreement with Total Eren on the Mirny project (1 GW) was signed and updated draft agreements were approved.

The updated ESG risk rating from rating agency Sustainalytics for 2023 was 32.8, and a plan to improve it is underway.

KMG was assigned a "B" rating under the Carbon Disclosure Project (CDP) international reporting framework. Previously, the rating was "C".

PLANS FOR 2025

In 2025, NC KazMunayGas JSC will continue to implement large-scale projects, where special attention will be paid to geological exploration, oil and gas processing and provision of the domestic market of fuels and lubricants.

EXPLORATION AND PRODUCTION

As part of geological exploration activities, it is planned to complete drilling of exploration wells in the Turgai Paleozoic, Karaton Podsolovoye and Karazhar areas. Additional drilling is planned at Taisoigan-1 and Taisoigan-2. 3D seismic surveys will be carried out within the Tsentralnoye field. Licences are also expected to be obtained and seismic exploration is expected to commence in the South Shu-Sarysu, Bereke and Shygys areas.

Special attention is paid to the development of mature fields: drilling of horizontal wells continues at Karsak, East Moldabek, Uzen and other fields. In addition, polymer flooding technology is being introduced at the Uzen and Kalamkas fields.

GAS SEGMENT

To increase gas production, it is planned to complete construction of infrastructure and commission new wells at the Zapadnaya Prorva field. Work is also underway to develop the Urikhtau, Kalamkas and Rozhkovskoye fields.

Construction of methanol production facilities is planned at the Karatobe South and Laktybay fields, which will expand sales markets and increase the added value of products.

KMG will continue to modernise booster pump stations and expand processing capacity at key gas infrastructure facilities, in particular, the construction of a new gas processing plant in Zhanaozen due to the deterioration of the existing gas processing plant.

OIL TRANSPORTATION

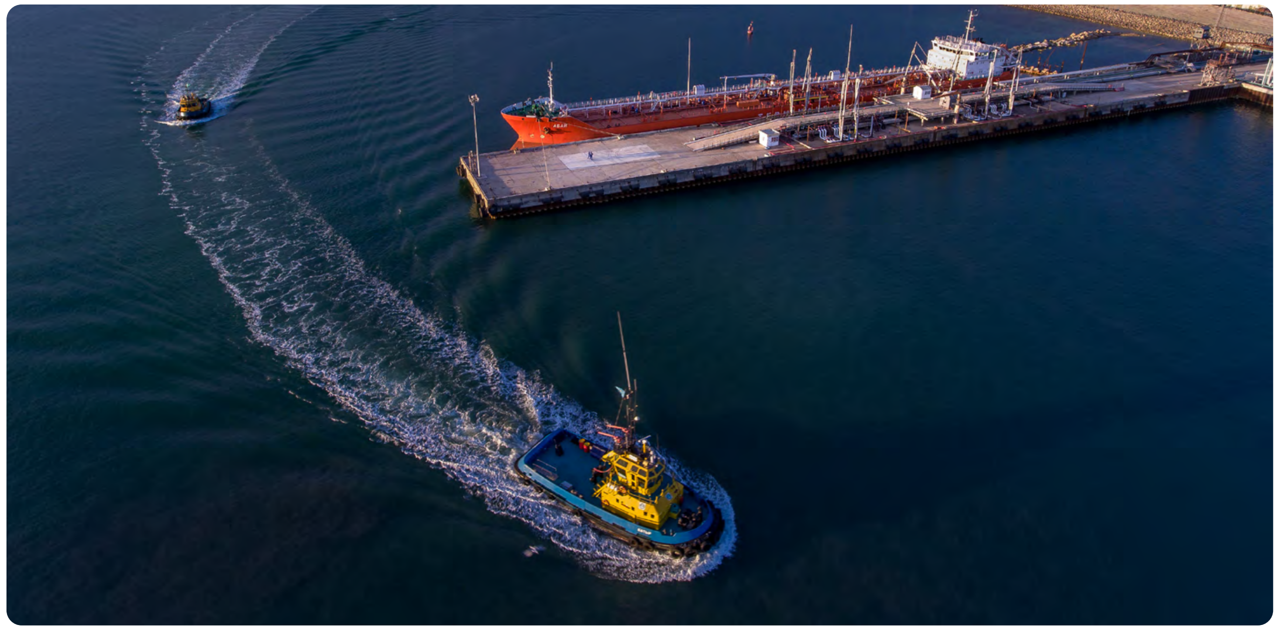
KMG is developing new areas of hydrocarbon transportation, including the development of the Trans-Caspian route. Priority measures include the implementation of a project to acquire two Aframax tankers (115,000 tonnes deadweight) and the development of a project to build three more similar vessels.

RECYCLING PROJECTS

In 2025, we will focus on completion of design and estimate documentation and the transition to the active phase of construction of a new polyethylene plant in Atyrau. The plant is expected to be commissioned in 2029, with total investment in the project exceeding $ 7 billion.

The construction of a gas separation complex will be continued to provide raw materials for the polyethylene production project.

Work will be carried out to attract a strategic partner for the construction of the polyethylene terephthalate production complex.



Gas supply to the domestic market

National Company QazaqGaz JSC is a vertically integrated gas company engaged in the management of centralised infrastructure for the transportation of marketable gas through main gas pipelines and gas distribution networks, as well as the provision of international transit and sale of gas in domestic and foreign markets.

In addition, QazaqGaz participates in the design, financing of construction and operation of pipelines and gas storage facilities in the regions of presence in 14 regions and 3 cities of republican status – Astana, Almaty and Shymkent.

QazaqGaz, as a national operator in the field of gas and gas supply, manages the largest network of main gas pipelines, the length of which increases annually and currently exceeds 21,300 kilometres (including branch pipelines of 3,000 kilometres), and gas distribution networks, the length of which is more than 70,800 kilometres.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production indicators, billion m³:		
Gas transportation	79.4	88.4
Gas sold	24.1	25.8
Gas sold (exports)	5.6	5.7
Gas production	0.29	0.3
Financial indicators[15], billion KZT:		
Revenue	1,080.7	1,259.4
Dividends	27.1	22.8
Net profit	325.9	289.1
Costs	1,138.1	1,436.9
Operating profit	-8.0	-31.5
Net debt	396.5	-25.3
Taxes paid	50.2	89.1
Sustainable development indicators:		
Greenhouse gas emissions, '000 tonnes CO_2-eq.[16]	3,694. 9	3,931.7
Accidents	3	2
Fatal accidents	1	0

QazaqGaz continues to implement positive changes: production indicators are improving, systematic modernisation of the gas transmission system, construction of socially significant infrastructure projects and implementation of initiatives aimed at improving the quality of life of the population.

IMPLEMENTATION OF THE PRODUCTION PROGRAMME

For QazaqGaz, 2024 was marked by positive dynamics of a number of production indicators, in particular:

- Gas transportation increased by 11% compared to the actual figure for the same period last year. This is mainly due to an increase in transportation in the Russia-Uzbekistan direction via SAC (in 2023, transport started only in October).
- Gas sales to the domestic market increased by 8% compared to the same period of 2023. This was due to an increase in gas consumption across all customer categories.
- The year-on-year increase in gas sales for export resulted from the fact that last year the bigger part of gas was redistributed to the domestic market due to limited reception of raw Karachaganak gas of the Orenburg GPP and increased consumption due to abnormally low ambient temperatures across Kazakhstan.
- The increase in gas production is due to the commissioning of the Anabai field (commissioned at the end of 2023).

[15] Financial indicators are stated in accordance with the Company's consolidated financial statements for 2023 and 2024.
[16] Indicators for 2023 and 2024 were recalculated in connection with updating the methodology for calculating direct greenhouse gas emissions within the Group of companies of NC QazaqGaz JSC, to ensure a unified methodological approach.

EXPANDING THE RESOURCE BASE

Due to annually growing gas consumption, expansion of the resource base becomes a strategic necessity. Current data shows that recoverable gas reserves in Kazakhstan reach 3.8 trillion m³.

THE MAIN GAS RESERVES ARE IN 4 MAJOR FIELDS: KARACHAGANAK, TENGIZ, KASHAGAN AND ZHANAZHOL, WITH A COMBINED VOLUME OF

2.7

trillion m³

The 2024 assessment revealed that the total residual natural gas reserves are 15.2 billion m³. Of these, the Amangeldy field accounts for 9.52 billion m³, the Zharkum field for 0.04 billion m³, the Ayrakty field for 2.41 billion m³, the Anabai field for 2.16 billion m³, and the Barkhannaya field for 1.07 billion m³.

QazaqGaz has entered into a number of investment agreements and contracts in accordance with the Roadmap to expand its resource base. Thus, in November 2024, contracts were signed with the Ministry of Energy of the Republic of Kazakhstan for exploration and production in the Maldybay area (Zhambyl region) and Shalkar area (Aktobe region) jointly with strategic partner KOR Oil Company JSC. These subsoil use contracts are the first QazaqGaz contracts signed following direct negotiations with the state under the priority right.

The results of geological exploration at the Maldybay site confirmed the productivity of the Lower Visean horizon of the Lower Carboniferous and confirmed the presence of a gas deposit. The liquidated well No. 4G was rehabilitated for their development.

QazaqGaz continuously analyses the country's sedimentary basins to determine the feasibility of geological exploration.

Based on the results obtained, in 2024, substantial work was carried out to attract investment in geological exploration (on a 100% carry-financing basis) and to develop the gas resource base:

- A co-operation agreement was signed with the transnational company Chevron on the KT-III project in the Aktobe region. The investor started work on reprocessing and interpretation of 3D seismic data.
- A co-operation agreement was signed with strategic partner KazAzot JSC on the Severny-2 site located in the gas-bearing area of the Ustyurt-Bozashi sedimentary basin.
- A co-operation agreement was signed with the strategic partner KOR Oil Company JSC on the Akkuduk area located in the gas-bearing area of the Mangyshlak sedimentary basin.

In addition, as part of the GES licence in the Mangistau region, work was carried out to obtain environmental permits for the commencement of field seismic surveys.

HYDROCARBON PRODUCTION

In 2024, the targeted gas and gas condensate production by QazaqGaz Exploration and Production LLP was 290.4 million m³ and 12,300 tonnes, respectively.

The actual performance of the planned indicators was 298.9 million m³ and 13,100 tonnes, respectively: overperformance – 2.9% and 6.7%, respectively.

	Achieving targets for 2024		Deviation	
Name	Plan, million m³/ '000 tonnes	Fact, million m³/ '000 tonnes	million m³/ '000 tonnes +/-	Achievement, %
Natural gas	290.4	298.9	8.5	102.9
Gas condensate	12.3	13.1	0.8	106.7

In 2024, drilling of the productive development well No. 17 at the Anabai field was completed, and the well was put into operation with an initial flow rate of 120,000 m³/day.

In 2025, "Exploration and Production QazaqGaz" LLP plans to drill 10 wells: 3 wells at the Amangeldy deposit, 3 wells at the Ayrakty deposit, 3 wells at the Anabai deposit, 1 well at the Barkhannaya deposit.

GAS PROCESSING

As part of the implementation of the Head of State's instruction to build gas processing plants at the Kashagan field (with design capacities of 1 billion m³ of raw gas per year and 2.5 billion m³), a number of agreements were signed between QazaqGaz and Qatari partner UCC Holding.

As part of the joint implementation agreements, investments will be attracted and financing for the projects will be arranged. The construction of these plants will expand the resource base of marketable gas in Kazakhstan.

As of 31 December 2024, we completed laying the foundations for the main units of the Kashagan Gas Processing Plant, with a capacity of 1 billion m³ of raw gas per annum, on schedule. The foundations are ready for further installation of equipment and fully meet the requirements of this construction phase.

LIQUEFIED PETROLEUM GAS

Following negotiations between the partners of the North Caspian project and QazaqGaz, with the participation of the Ministry of Energy of the Republic of Kazakhstan and PSA LLP, the parties reached an agreement on the terms of the Kashagan LPG sale and purchase transaction. This step was due to its high demand in the perimeter of the domestic market of Kazakhstan.

The signing of the agreement was an important step in the co-operation aimed at making a final investment decision on the project. Under the terms of the agreement, Kashagan LPG is scheduled to be delivered by the end of 2025, with the maximum design capacity of more than 700,000 tonnes per year by 2027 after completion of infrastructure works.

QazaqGaz is currently working on designing and placing orders for the necessary technological equipment to provide reception, storage, transshipment and fractionation of Kashagan LPG. These supplies will have a favourable impact on the socio-economic situation of Kazakhstan's regions, help reduce the deficit of LPG and promote the development of the gas chemical industry in the country.

DEVELOPMENT OF GAS TRANSMISSION INFRASTRUCTURE

As part of the gas transport infrastructure development, construction of the second string of the Almaty-Baiserke-Talgar gas trunkline was completed. This is the fourth gas infrastructure facility for CHPP. Its length is 62.4 km, diameter – 530 mm, throughput capacity – 1,000,000 m^3/hour.

Thus, QazaqGaz has fully completed construction of external gas infrastructure for CHPP-2 and CHPP-3 in Almaty. The project was implemented ahead of schedule in accordance with the instruction of the Head of State to convert Almaty CHPPs to gas.

Conversion of Almaty CHPPs from coal to gas will have a multiplier effect on business development and job creation, as well as improve the environmental situation in the region.

We started construction of a new main Taldykorgan-Usharal gas pipeline, which will provide natural gas to 66 settlements of Aksu, Sarkan, Alakol districts, where 124,000 residents live. This will contribute to sustainable development of the region and improve the quality of life. An additional positive effect will be the growth of business activity, development of small and medium-sized businesses with the creation of new jobs.

A number of co-operation agreements were signed with Qatar's UCC Holding for the construction of a compressor station and gas trunklines.

Thus, one of the agreements provides for attraction of investments for construction of a new compressor station "KS-14" and the main gas pipeline "KS-14 – Kostanay" in Aktobe and Kostanay regions.

This project is of strategic importance and is aimed at covering the prospective demand for gas in the Kostanay region and providing gas to large production facilities, such as plants for production of hot-briquetted iron, production of KIA cars, production of cast iron castings for internal combustion engines and others.

Taking into account the workload of the operating 1st string of Beineu-Bozoy-Shymkent pipeline, for the development of gas supply of the southern and central regions of the country, including new energy projects for the commissioning of generating capacities, signed a second agreement with the Qatari partner on the construction of the 2nd string of the main gas pipeline "Beineu-Bozoy-Shymkent" with a length of 1,450 km.

In 2024, feasibility studies for the above projects were finalised and uploaded to the Gosexpertiza Expert Review Board’s portal to undergo a comprehensive non-departmental expert review.

MODERNISATION OF THE GAS TRANSMISSION SYSTEM

The implementation of projects continues, including the gasification of northeastern regions of Kazakhstan, the major overhaul of the Central Asia-Center gas trunkline, the construction of the second line of the Beineu-Bozoн-Shymkent gas pipeline, the Aktobe-Kostanai gas pipeline, and Compressor Station KS-14.

The wide geography of QazaqGaz presence contributes to the annual growth of the level of gasification of settlements. As of today, the level of gasification of Kazakhstan is 62.4% (or 12.3 million people).

Work continues on the implementation of important infrastructure projects in the gas industry: gasification of north-eastern regions of Kazakhstan, overhaul of the Central Asia-Centre gas trunkline, construction of the 2nd string of the Beineu-Bozoi-Shymkent gas pipeline, Aktobe-Kostanai gas trunkline and compressor station KS-14.

It should be noted that the problem of unprofitable tariff for natural gas supply to Kazakh consumers is still relevant. Losses of QazaqGaz amounted to KZT 178.5 billion in 2024 due to insufficient increase in wholesale prices on average in Kazakhstan (by 14.6%).

STRENGTHENING TRANSIT CAPACITY

QazaqGaz is working towards strengthening its transit potential. In particular, a joint Action Plan was developed and approved to organise work to prepare the Central Asia-Centre gas trunkline (hereinafter referred to as CAC trunkline) for the transportation of Russian gas to the Republic of Uzbekistan, which includes 2 stages of co-operation:

GAS TRANSIT VOLUME
5.6
billion m³

Stage 1: Combined dedicated route of CAC-4 trunkline/SAC-5 trunkline. All activities under this stage have been completed on time and Russian gas transit started on 1 October 2023.

There is a dynamic increase in gas transit. While in 2023 the transit was 1.3 billion m^3, by the end of 2024 this indicator reached 5.6 billion m^3. The planned gas transit is 5.5 billion m^3 for 2025.

Within the framework of implementation of Phase 2 along the dedicated route of the CAC-4 trunkline, it is planned to increase transit to 11 billion m^3/year.

To ensure the necessary amount of Russian pipeline gas transportation, repair works started in 2024 and will continue until the end of 2026.

Transit of Russian gas to Uzbekistan and Kyrgyzstan was done in the agreed volumes.

GAS SALES FOR EXPORT AND DOMESTIC MARKET

As part of the development of the initiative for mutually beneficial co-operation in this area, the following tasks were implemented:

- NC QazaqGaz JSC and Gazprom Export signed 2 contracts for Russian gas supplies to Kazakhstan to implement the agreements set out in the Protocol between the Government of the Republic of Kazakhstan and PJSC Gazprom on co-operation in the gas sector in 2023–2024;
- On 27 December 2024 NC QazaqGaz JSC and Gazprom Export signed a contract for the supply of Russian gas to the Republic of Kazakhstan for 2025–2026 under the Agreement between the Government of the Republic of Kazakhstan and PJSC Gazprom.

The company achieved the following key results in 2024:

- Increased the annual contracted quantity for the first year of supply to 5.5–6.2 billion m^3 under under the natural gas purchase agreement with PetroChina International Alashankou Company Limited (2023–2026).
- Gas supplies for export in the summer period were increased, which allows to increase revenues from export operations of QazaqGaz Group.
- Discounts for under-delivery and deterioration of gas quality during export deliveries were reduced.
- Export deliveries were made in the agreed volumes without prejudice to the domestic market.
- Russian gas supplies were organised to increase export potential to China.
- Provision is made for compensating supplies during unscheduled maintenance works at the Orenburg GPP.

It is important to note that QazaqGaz maintains gas exports to international markets without affecting the domestic market.

SUSTAINABLE DEVELOPMENT

In recent years, QazaqGaz has successfully implemented a number of major projects in the field of sustainable development. For two years, the Company has been following the best international practices, forming and publishing reports according to the GRI (Global Reporting Initiative) Standards. Thus, by the end of 2024, the Company joined the UN Global Compact as part of the implementation of the comprehensive Development Strategy of QazaqGaz until 2032.

In addition, in 2024 QazaqGaz joined PARYZ, the National Confederation of Employers (Entrepreneurs) of the Republic of Kazakhstan. All this testifies to the company's commitment to ESG principles and social responsibility of business.

As a result, QazaqGaz improved its ESG ranking from 19.2 to 18.2 according to MorningStar Sustainalytics.

An equally significant achievement is receiving a high rating from the key rating agency MSCI at AA level.

According to the 2024 disclosure results, under the CDP Climate Programme, QazaqGaz improved its performance in the climate ranking, raising its position by three points to level "B".

PLANS FOR 2025

Within the framework of the Development Strategy of QazaqGaz, work is planned in the following areas:

- implementation of measures envisaged by the updated Comprehensive Development Plan for the gas industry of the Republic of Kazakhstan, including work on increasing the resource base of marketable gas, development of the domestic gas market, development of gas transit and export, gas chemistry and deep processing, investment and operational efficiency;
- implementation of the project to construct a gas processing plant at the Kashagan deposit;
- continuing work on the projects on construction of the new compressor station KS-14 and the KS-14-Kostanai gas trunkline and on construction of the second string of the main gas pipeline, Beineu-Bozoi-Shymkent;
- construction of the Taldykorgan-Usharal gas pipeline, the completion of which will provide access to gas to about 66 settlements in Zhetysu region.

Development of chemical production

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Liquid glyphosate production, '000 litres	37.5	175.76
Sulphuric acid production, '000 tonnes	193.94	197.88
Electricity production, '000 kWh	1,995	1,743.01
Financial indicators, billion KZT:		
Revenue	33.7	39.3
Gross profit	8.6	13.5
Net profit	-23.7	24.7
Costs	79.1	112.9
Operating profit	2.6	6.5
Net debt	60.3	-10.7
Taxes paid	2.8	3.9
Sustainable development indicators:		
Greenhouse gas emissions, tonnes CO_2-eq.	158.225	350.67
Accidents	0	0
Fatal accidents	0	0

SULFURIC ACID PRODUCTION VOLUME

197.9

thousand tonnes

In 2024, the main reason for failure to achieve production and financial indicators was changes in market conditions, failure to fulfil contractual obligations on the part of partners, failure of production equipment, as well as introduction of amendments to the Law of the Republic of Kazakhstan On Electricity.

In particular, the subsidiary company producing agrochemical products (KHIM-plus LLP) did not fulfil its production targets due to uncompetitive selling price and consequently weak demand from customers. Given the overstocked warehouses and the availability of raw materials purchased in previous periods during 2024 production was not carried out, production was resumed only by the end of the period in the amount of 175,760 litres.

At the end of 2024, sulphuric acid production indicators (SSAP LLP) exceeded the annual design capacity of the enterprise by 2%. This improvement in production performance was possible due to proper planning of production time for monthly preventive maintenance works and, as a result, a reduction in the time spent.

SSAP LLP finished the year with positive financial indicators, the plan on net profit was exceeded by KZT 1,069.8 million or 83%.

According to the results of 2024, KUS LLP did not fulfil the targeted electricity generation and sales due to the introduction of the mechanism of the Single Buyer from 1 July 2023. In order to minimise the impact of this mechanism of electricity sales, in September 2024 KUS LLP entered into an agreement with KAZ ECOTRANS LLP, which acted as a provider in the balancing energy market and purchased the rest of the electricity generated by KUS LLP for its further sale.

In December 2024, amendments were made to the Rules for Organisation and Operation of the Wholesale Electricity Market, namely, the priority of electricity purchases by the Unified Purchaser from combined heat and power plants was changed.

According to the new edition of the Rules, electricity produced by CHPP above the technical minimum, intended to cover the daily consumption schedule, is sold at the auction simultaneously with KUS LLP according to the market demand.

Taking into account that KUS LLP sells electricity with the lowest marginal tariff in the Western region of Kazakhstan, the company ensures maximum utilisation of the available power generation capacities.

SULPHURIC ACID PRODUCTION 360,000 TONNES PER YEAR (EXPANSION OF SSAP LLP)

The project involves the installation of the second line of the existing sulphuric acid plant in Stepnogorsk and a 2-fold increase in production capacity. As a result of the project implementation, the annual capacity of the enterprise will be 360,000 tonnes of sulphuric acid oriented to the northern regions of the country.

The company received a positive opinion on the feasibility study in 2024.

SULPHURIC ACID PRODUCTION 800,000 TONNES PER YEAR (TQZ LLP PROJECT)

TQZ LLP is the operator of a project to build a sulphuric acid plant in the village of Taikonur, Turkestan region. The plant will have a production capacity of 800,000 tonnes of sulphuric acid per year. The project is aimed at reducing the uranium mining industry's dependence on imported sulphuric acid.

The project is being implemented by Kazatomprom-SaUran LLP (40%) together with private partner Asia Pipeline (60%).

At the same time, 40% of Kazatomprom-SaUran LLP's share is held in trust by SK Ondeu.

On 22 January 2024, the feasibility study of the project was completed. As part of the project implementation, the partners agreed and signed a project implementation agreement, offtake agreement and strategic partnership agreement.

ELECTRICITY GENERATION (CHPP PROJECT (165 MW))

The planned combined heat and power plant (CHPP Project) with an electrical capacity of 165 MW is designed to provide uninterrupted power supply to strategic oil and gas chemical enterprises and other participants of the special economic zone, National Industrial Petrochemical Technopark, in the Atyrau region. The new power unit will be an addition to the existing 310 MW of CHP.

In June 2024, a favourable opinion on the feasibility study was received from Gosekspertiza Expert Review Board. Commercial offers for construction have been received under the project.

Work is currently underway to develop a comparative analysis between the 154 MW ANPZ and 165 MW CHP projects to determine the operator and project location.

PRODUCTION OF BUTADIENE AND ITS DERIVATIVES

Butadiene LLP is a joint project of the Republic of Kazakhstan and the Russian Federation in the field of oil and gas chemistry, namely production of butadiene rubbers. The project is operated by Butadiene LLP, a joint venture between Tatneft (75%) and SK Ondeu (25%).

The project is located on the territory of a special economic zone for the development of petrochemicals in Kazakhstan at the Karabatan site 43 kilometres from Atyrau.

The project plans to produce butadiene and its derivatives by processing butane blend feedstock from TCO.

Within the framework of the realised project it is planned to produce five different types of products:

- Styrene-butadiene-styrene TPE up to 30,000;
- Divinyl styrene synthetic rubber up to 60,000;
- Butadiene up to 45,000;
- Isobutane-isobutylene fraction up to 130,000 tonnes;
- Methyl tert-butyl ether up to 40,000.

Planned markets: Europe, CIS, China, Turkey and other markets.

Following the results of competitive procedures, a contract was signed on 1 October 2024 with the Chinese company Tianchen Engineering Corporation for the development of the extended basic design. The extended basic design is currently under development.

TRADE INTEGRATION ON SULPHUR

In accordance with the commission agreement concluded between the Company and Tengizchevroil LLP 03 March 2011SK Ondeu sold 222,300 tonnes of sulphur to Kazakhstan sulphuric acid plants by the end of 2024.

In 2025, it is planned to sell 252,000 tonnes of sulphur to Kazakhstan's sulphuric acid plants.

PLANS FOR 2025

The company expects to commence the development of design and estimate documentation for the sulphuric acid production project (expansion of SSAP LLP) in Q2-3 2025, following receipt of additional approvals and tender procedures. Completion of construction and reaching the design capacity is planned for 2028.

The TQZ LLP project is to conclude a loan agreement with the lender in 2025, finalise the design and estimate documentation for the project, start construction work and place an order for equipment. The launch of production is scheduled for December 2026.

In 2025, a final investment decision on the Butadiene project is planned based on the results of the extended baseline project and the selection of a contractor for the next phase of the project.

In 2025 it is planned to attract debt financing and start construction of a sulphuric acid plant with a capacity of 800,000 tonnes per year in Taikonyr, Turkestan region.

Energy

Ensuring energy security

Samruk-Energy JSC, the largest multi-profile energy holding, oeprates the entire production chain, starting from coal mining and ending with electricity sales. Samruk-Energy's share of Kazakhstan's installed capacity is 29%, and 38.1% of coal production.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Electricity generation, million kWh	35,330	39,772
Capacity sales, MW	2,707	3,594
Heat production, million Gcal	5.76	6.7
Electricity transmission, million kWh	8,687	9,268
Coal sales, million tonnes	42.5	33.7
Financial indicators[17], billion KZT:		
Revenue	444.96	573.5
Dividends	2	24.8
Net profit	43.08	112.5
Operating profit	92.8	173.0
Net debt	228	278.1
Taxes paid	54.1	81.4
Sustainable development indicators:		
Greenhouse gas emissions, '000 tonnes CO_2-eq.	31,877	30,884
Accidents	10	12
Fatal accidents	2	3

In 2024, Samruk-Energy Group of companies exceeded the targets in all areas of activity.

In 2024, the total electricity generation by the Samruk-Energy JSC Group of companies reached 39,772 million kWh, which is 12.6% higher compared to 2023.

The increase in revenues made it possible to significantly expand repairs of main and auxiliary equipment.

On 23 December 2024, the commissioning act was signed, which enabled the plant to operate at full capacity in an eight-unit mode for the first time in the last 30 years.

A key event was the commissioning of Unit 1 at Ekibastuz GRES-1.

INSTALLED CAPACITY

7,345

MW

The rehabilitation of Unit 1 increased the plant's installed capacity by 500 MW, which significantly improved its performance and strengthened the region's energy security.

In 2024, the repairs were carried out in full, allowing for a successful 2024–2025 heating season.

[17] Financial results for 2023 are presented without restatement to reflect the acquisition of entities under common control of AES Shulbinsk HPP LLP and AES Ust-Kamenogorsk HPP LLP.

CONSTRUCTION OF NEW GENERATION FACILITIES

To ensure energy security and the growing demand for electricity, the country plans to commission 26 GW of new capacity by 2035, of which Samruk-Energy's share is 55%.

By 2032, 14.3 GW of new generating facilities are planned, of which 2.7 GW of generation is expected to be commissioned in the next 3 years.

GAS GENERATION PROJECTS

The project to convert Almaty CHPP-2 and CHPP-3 is ongoing.

As part of the project to convert Almaty CHPP-2 to gas, design and estimate documentation has been developed. Construction and installation works have been carried out since 2024. The EPC contractor is the Chinese Consortium of Power China and Dongfang Electric.

On conversion of Almaty CHPP-3 to gas in February 2024, EPC-contractor signed a contract with Ansaldo Energia (Italy) for supply of 2 gas turbine units. Engineering and survey works within the framework of development of design and estimate documentation of the project were completed, dismantling and construction works are in progress.

The construction of CHPP-2 and CHPP-3 is scheduled to be completed in 2026.

In the Kyzylorda region it is planned to build a combined cycle power plant with a capacity of 1,100 MW together with Power International Holding (Qatar). Conclusion of the EPC contract and completion of organisational arrangements for financing are planned for the end of 2025. The start of construction and installation works is planned for 2026, completion and commissioning of the facility, at the end of 2028.

COAL-FIRED GENERATION PROJECTS

Expansion and reconstruction of the Ekibastuz GRES-2 is underway, including the installation of Units 3 and 4.

As part of the Ekibastuz GRES-2 expansion and reconstruction project with the installation of units 3 and 4, a favourable opinion was received from Gosexpertiza Expert Review Board on the project feasibility study for the project. In August 2024, an EPC contract was signed and in September 2024, an investment agreement was signed with the Ministry of Energy of the Republic of Kazakhstan. Under the terms of the EPC contract, commissioning is set for 2028 and 2030, respectively.

In addition, feasibility studies are being finalised for the CHPP projects in Kokshetau and Semey. In parallel, design and estimate documentation for the CHPP in Kokshetau is being developed. Commissioning of CHPP in Kokshetau is scheduled for 2028, in Semey and Ust-Kamenogorsk – for 2029.

An innovative coal-fired plant, GRES-3, is planned to be constructed on a site adjacent to the Ekibastuz GRES-2 plant. The project is considering partnerships with several potential overseas investors.

HYDROPOWER CONSTRUCTION PROJECTS

Together with Qatari investor Nebras Power, the 300 MW Semey HPP project is being realised. The station will serve as a counter-regulator for the Shulbinsk HPP, improving its manoeuvrability. The project will create a new reservoir on the Irtysh River. The pre-feasibility study for the project has been finalised.

The project for the construction of the second stage of the Shulbinsk HPP involves increasing the dam at the existing HPP and expanding the capacity from 702 to 1,050 MW.

A project for a hydro-storage station is also being developed. The project involves the creation of two reservoirs to balance the energy system. The principle of operation consists in the possibility of water conservation due to two reservoirs, after water is released from the upper reservoir and electricity is generated, the equipment at the lower reservoir is switched to reverse mode and works as a pump for water reinjection.

RENEWABLE ENERGY PROJECTS

Large-scale projects are being implemented in partnership with Total Eren, Masdar, Energy China, CNPC, and CPIH.

To achieve the goals of decarbonisation of the country's economy, Samruk-Energy implements large-scale RES projects in partnership with international leaders within the framework of concluded Intergovernmental Agreements.

Large-scale projects are being implemented with Total Eren (France) and Masdar (United Arab Emirates), with whom it is planned to sign EPC contracts and finalise work to organise financing in 2025.

On projects in co-operation with partners, it is also planned to conclude EPC contracts for the construction of a wind farm in Pavlodar region – China Power International Holding Ltd and a solar plant in Turkestan region – Energy China.

Design is underway for wind farms in Karaganda region – Power China and Energy China, Ulytau region – CNPC and Almaty region – Power China.

Thus, from 2027 to 2030, 6.0 GW of RES facilities, including hydropower plants, are planned to be commissioned.

BOGATYR KOMIR

Bogatyr Komir LLP is a leading coal mining company in the field of open-pit coal mining. The Company's total commercial reserves are about 2.5 billion tonnes of coal.

Bogatyr Komir LLP accounts for 66% of the coal produced in the Ekibastuz basin and 38% of total Kazakhstani production.

Samruk-Energy JSC is a reliable energy partner for the largest thermal power plants in Kazakhstan and Russia, including Reftinskaya GRES, and provides jobs for more than 6,300 people.

In 2024, 42.7 million tonnes of coal was produced. Coal sales amounted to 43 million tonnes, of which 33.7 million tonnes were sold to Kazakhstan's enterprises and 9.3 million tonnes were exported to the Russian Federation.

SUSTAINABLE DEVELOPMENT

The company aims to contribute to the structure of the national economy by promoting renewable energy, maximising the reduction of air emissions and improving the ecosystem.

The Company approved the Road Map for improvement of the sustainable development management system of Samruk-Energy JSC for 2024–2025, which includes measures aimed at improving activities in environmental and social aspects, as well as in corporate governance issues, which were formed based on the results of independent diagnostics of the Company's corporate governance and the results of ESG processes assessment by leading international rating agencies.

In 2024, ESG rating of Samruk-Energy JSC was 3 with a total score of 52 (at the level of 2023) from the international rating agency Sustainable Fitch.

The Company has also been assigned a "D" rating Climate Change and a "C" rating for Water Security under the CDP ("Carbon Disclosure Project") climate rating.

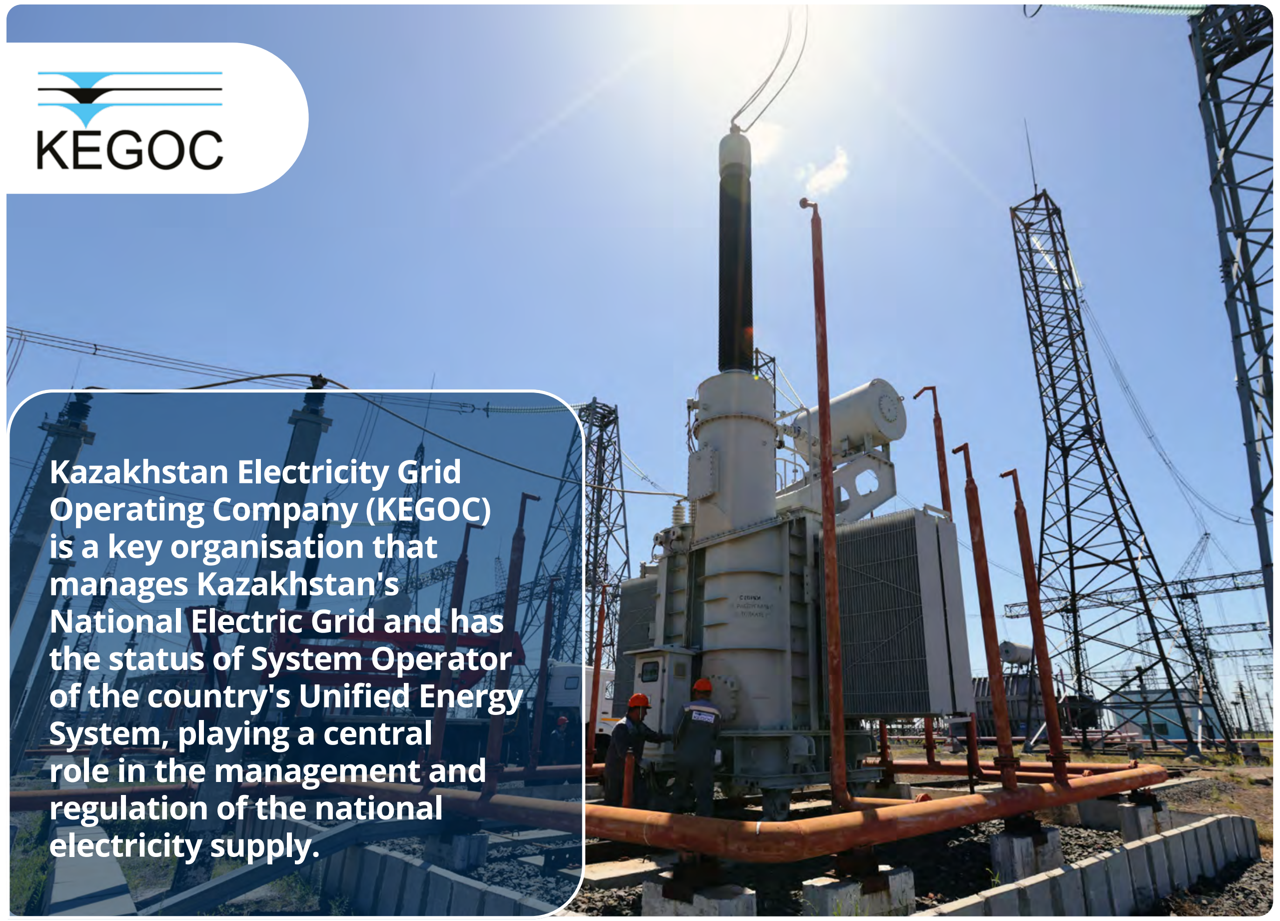
PLANS FOR 2025

In 2025, a number of major investment projects with international partners from France, UAE, China, and Russia (4.6 GW WPP, 1.4 GW SES) will continue to be implemented.

Implementation of projects to convert Almaty CHPPs to gas will continue. In 2025, installation of the main equipment will be carried out and commissioning of the water heating boilers is scheduled for October. The construction is planned to be fully completed within the approved timeframe in 2026. Dismantling and construction works will be carried out at CHPP-3 in 2025.

For the construction project of power units 3 and 4 at Ekibastuz GRES-2, the company will work on financing in 2025. By the end of 2025, project documentation will be completed.

For CHPP projects, the Company plans to finalise the feasibility studies for Kokshetau and Semey in 2025, and to conclude a contract for the development of design and estimate documentation for the CHPP in Kokshetau. For the CHPPs in Semey and Ust-Kamenogorsk, contracts for the development of design and estimate documentation will be concluded in 2025.



KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Electricity transmission services, billion kWh	38.2	18.96
NPG utilisation services, billion kWh	36.0	74.93
Technical dispatching services, billion kWh	106.28	110.89
Balancing services, billion kWh	205.41	210.3
Financial indicators, billion KZT:		
Revenue	252.14	319.9
Dividends	33.3	44.5
Net profit	43.4	59.5
Costs	181.4	228.3
Operating profit	56.6	79.9
Net debt	83.7	62.1
Taxes paid	40.5	48.0
Sustainable development indicators:		
Greenhouse gas emissions, '000 tonnes CO_2-eq (coverage area 1+2)	2,758.8	2,366.7
Number of casualties in accidents[18]	1	0
Fatal accidents	0	0

[18] Fixing from the date of the accident.

In the reporting period, KEGOC, as a system operator, continued to ensure quality operation of the Unified Energy System of Kazakhstan and reliable electricity supply to the country's consumers. Electricity consumption in the country in 2024 totalled 120 billion kWh, which is 4.3% higher than in 2023. This boosted the Company's net profit to KZT 59.5 billion, up by KZT 16.1 billion or 37.1% year on year.

INVESTMENT ACTIVITIES

One of the key events of 2024 was the launch of the project to link the West with the Unified Energy System of Kazakhstan.

In 2024, the Company started implementing the investment project Unification of the energy system of Western Kazakhstan with the Unified Energy System of the country. Construction of power grid facilities, the purpose of which is to construct a second 500 kV line from RP Karabatan to PS Ulke with a length of 604.3 km to unite the Western Zone with the main part of the Unified Energy System of Kazakhstan.

In addition, in 2024, a loan agreement was signed between KEGOC and the Asian Development Bank to finance the project "Strengthening of the power grid of the Southern Zone of the Unified Energy System of Kazakhstan. Construction of power grid facilities".

The project is aimed at improving the reliability of electricity supply to consumers in the Southern Energy Zone by strengthening the 500 kV power grids of Zhambyl and Turkestan regions, including construction of the 500 kV Shu-Zhambyl-Shymkent overhead line with corresponding expansion of 3 electrical substations.

NEW TECHNOLOGIES

As measures to create an intelligent energy system Smart Grid, the Company is implementing projects to upgrade the SCADA/EMS system and implement a monitoring system based on synchronised WAMS technologies (2nd stage), which allow to improve the efficiency of dispatch control and observability of operation modes of the Unified Energy System of the country, as well as to ensure monitoring of stability reserves and assessment of the state of the Unified Energy System of Kazakhstan.

In 2024, the implementation of the Pilot Project "Introduction of Electricity Storage Systems in the UES of Kazakhstan" was continued to study the impact of electricity storage systems on the regulation of the Unified Energy System during the integration of RES with China Power International Development Limited, China Power International Holding Limited and the Kazakhstan Renewable Energy Association. Under the Pilot Project, it is planned to install an electricity storage system with a capacity of 3.45 MW and a capacity of 7.72 MWh near the 500 kV Akmola substation.

Also in 2024, the work on the project "Development of algorithms in the ARCHM CA for controlling electricity storage systems" was finalised. The aim of the project is to improve the reliability of the National Electric Grid of Kazakhstan when integrating RES through the introduction of electricity storage systems.

SUSTAINABLE DEVELOPMENT

Due to the Company's efforts to integrate ESG factors into its strategy and business processes, as well as its commitment to the principles of corporate governance, social responsibility and business ethics, and the quality of information disclosure, according to the results of an independent assessment for 2024, the rating agency S&P Global raised KEGOC's ESG rating to 55 points out of 100, which is 4 points higher than in 2023 (51 points) and the level of information disclosure was assessed as "very high".

PLANS FOR 2025

Further plans envisage the implementation of KEGOCs investment portfolio for the development of the National Electric Grid, including the unification of the Western energy system with the unified electric power system of Kazakhstan, strengthening of the electric grid of the Southern zone of the Unified Energy System of Kazakhstan, as well as the continuation of the reconstruction of the Company's electric grids covering all regions of presence.

KEGOC will continue to create the enabling environment for the development of generating capacities, including baseload and load-following capacities, take part in the development and discussion of a new model of the electricity market, preparation of legal acts on connection of wholesale market entities to the National Electric Grid of Kazakhstan.

Low-carbon energy sources

Kazakhstan Nuclear Power Plants LLP was established to develop feasibility studies and detailed plans for the construction of nuclear power plants (hereinafter – NPPs) in Kazakhstan, including the development of feasibility studies and a full package of design documentation, as well as to coordinate the NPP construction process.

CURRENT STATUS OF NPP CONSTRUCTION PROJECT IMPLEMENTATION

In 2024, KNPP LLP has taken significant steps in the implementation of the NPP construction project with a capacity of up to 2.4 GW.

Internally, 48 meetings were organised and attended with representatives of foreign organisations and companies to discuss co-operation on the NPP project.

In 2024, seminars were held on the assessment and characteristics of the NPP construction site, nuclear power development and resource base, and IAEA training activities on nuclear power were organised.

On 6 October 2024, 71.12% of citizens supported the construction of the station in a referendum.

INTERNATIONAL PARTNERSHIP

Negotiations and meetings were held with representatives of reactor technology supplier countries, including Korean companies and organisations working in the field of nuclear energy, French ministers, the management of Framatome, EDF, Assystem, and the management of China National Nuclear Corporation. The Saeul NPP (Korea), the IRSN crisis centre and a plant for the production of nuclear power plant equipment (France) were visited.

Additionally, negotiations were held in November 2024 with the management of Rosatom State Corporation and with the Deputy Chairman of the Board of CNNC.

The Ministry of Energy together with KNPP LLP developed an in-depth questionnaire containing 205 questions in order to obtain enhanced information on the proposed reactor technologies and sent it to the shortlisted technology suppliers.

The technical specification for consulting and technical services to support pre-design works on the NPP construction project was approved.

On 30 December 2024, the Government of the Republic of Kazakhstan adopted Resolution No.1137 approving Zhambyl district of Almaty region as a site for the construction of a nuclear power plant.

PLANS FOR 2025

In 2025, the project to build a nuclear power plant in Kazakhstan reaches key stages of preparation:

- Involvement of technical, financial and legal advisor.
- It is planned to identify a vendor for the construction of NPPs in Kazakhstan.
- Based on the results of technology selection, it is planned to conclude an Intergovernmental Agreement regulating the terms and conditions of reactor technology supply and project implementation.
- Organising and conducting awareness-raising activities on the construction of NPPs in Kazakhstan in 2025.

Production and Extraction

Global leadership in uranium production

Kazakhstan has established itself as a global leader in uranium mining, accounting for about 39% of the world's uranium production.

Kazatomprom stands out as the world's leading producer of natural uranium and has preferential access to one of the most significant resource bases. The Company operates uranium deposits suitable for the in-situ leaching method, which is an economically favourable and environmentally safer mining method. This, along with the long life of mining assets, allows Kazatomprom to maintain its leading position in the global market due to one of the lowest uranium mining costs.

Since November 2018, Kazatomprom's shares have been actively traded on the stock exchanges of the Astana International Financial Centre and the London Stock Exchange.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production indicators, '000 tonnes:		
Uranium production	21.1	23.2
Uranium sales	18.1	16.7
Financial indicators[19], billion KZT:		
Revenue	1,434.6	1,813.4
Dividends	200.9	314.6
Net profit	580.3	1,132.1
Operating profit	680.8	806.8
Net debt	125.5	144.5
Taxes paid	279.3	432.2
Sustainable development indicators:		
Greenhouse gas emissions (scope 1+2), '000 tonnes	717.3	644.2
Accidents	4	3
Fatal accidents	0	0

URANIUM PRODUCTION VOLUME

23.2

thousand tonnes

As a result of the early achievement of the key strategic goals set for 2018–2028, and given the fundamental changes in the nuclear industry, one of the main events of last year was the approval by the Company's Board of Directors of an updated development strategy for 2025–2034, aimed at increasing the resource base, expanding its presence in the nuclear fuel cycle, developing the rare and rare earth metals business, and diversifying sales and strengthening the trading function.

The Company's consolidated revenues for the year totalled over KZT 1.8 trillion, up 26% year-on-year, mainly due to an increase in the average selling price and higher revenues from the sale of enriched uranium product in line with Ulba-TVS LLP' increased supply of fuel assemblies during 2024.

Operating profit reached KZT 807 billion, up 19% year-on-year, reflecting an increase in the average selling price. Net profit for the year totalled KZT 1,132 billion, a 95% increase on the prior year.

In 2024, Kazatomprom confirmed its leading position as the largest uranium producer, accounting for about 21% of the world's primary uranium output. Production was higher than

[19] Financial indicators are stated according to the Company's consolidated financial statements for 2023 and 2024.

ORE AND MINERAL RESERVES INCREASED BY

36.3%

AND

16.5%

respectively, compared to 2023

in 2023 due to the increased production plan, increasing by 10% to 23,270 tonnes on a 100% basis. The main growth was provided by Budenovskoye JV LLP, Akbastau JV JSC and Karatau LLP.

In 2024, the Company sold uranium products directly and through its subsidiary Trade House KazakAtom AG, supplying 21 customers in 9 countries (in 2023 - 23 customers in 9 countries).

However, consolidated sales decreased by 8% compared to 2023, reaching 16,670 tonnes.

The significant increase in the spot uranium price also contributed to an increase in the average realised price to 84.733 KZT per kilogram of uranium (US$69.48 per pound of U_3O_8), 30% higher than in 2023.

Key achievements for 2024 include the addition of two new customers, geographic expansion through a new country contract, and increased sales in the form of enriched uranium product.

CONSTRUCTION OF A SULPHURIC ACID PLANT

A project is underway for the construction of a sulfuric acid plant with an annual production capacity of 800,000 tons. The project will eliminate the deficit of sulphuric acid in Kazakhstan and reduce dependence on its import. At the same time, it will generate an additional 30 MW of electricity and introduce modern production technologies in compliance with international environmental and energy-saving standards. The project envisages an annual increase in tax revenues by more than KZT 4 billion and the creation of up to 500 jobs.

In January 2024, the feasibility study of the project was completed and the company signed the project implementation agreement, offtake agreement and strategic partnership agreement.

The project implementation period is 2023–2026.

CONSTRUCTION OF ZHALPAK ONSHORE PROCESSING COMPLEX

In June 2024, Kazatomprom received a new contract for uranium mining at the Zhalpak deposit, which was transferred to DP Ortalyk LLP. To maintain the production of sulphuric acid solution of uranium-containing commercial desorbate, a project is being implemented to build an onshore processing complex of the Zhalpak deposit with a production capacity of 900 tonnes per year. The project is aimed at expanding uranium mining and developing production and processing facilities. Its implementation will have a positive impact on the economic development of the region, including the creation of about 260 new jobs during the operation phase. Significant tax revenues to the budget are also expected.

The timeframe for the project is 2022–2027.

SUPPLY OF KAZAKHSTANI NUCLEAR FUEL

In 2024, Ulba-TVS LLP successfully delivered five batches of fuel assemblies (hereinafter – FAs) containing just over 170 tonnes of low-enriched uranium. All fuel assemblies passed acceptance control and were accepted by a nuclear power plant in the PRC. The FAs of the plant will have guaranteed supplies to CGNPC NPP in China until 2040. By the end of 2024, Ulba-TVS LLP has reached its design production capacity of 200 tonnes of low-enriched uranium per year in the form of fuel assemblies.

DEVELOPMENT OF RARE AND RARE-EARTH METALS

With the growing global demand for critical minerals, Kazatomprom is expanding its activities in the area of rare and rare-earth metals. UMP JSC obtained licences to explore the Lineyny and Rodnikovy sites in the Ulytau region. Geological exploration works are aimed at assessment and confirmation of rare metals reserves.

Opportunities for associated extraction of rare metals from uranium production are being studied. In 2024, pilot tests of a mobile unit for production of technically pure ammonium perrhenate were completed, and preparations for the design of a production site are underway. Also in 2024, a vanadium extraction technology was developed to produce ammonium metavanadate.

SUSTAINABLE DEVELOPMENT

In 2024, the company developed a new version of NAC Kazatomprom JSC's Sustainable Development Programme for 2024–2030, which was approved by the Company's Board of Directors.

In December 2024, based on the Corporate Sustainability Assessment questionnaire, international rating agency S&P Global Ratings rated Kazatomprom 48/100, with an overall ESG score of 50. Kazatomprom's score is 7 points higher than the previous year and almost twice as high as the industry average, which confirms the company's leadership position and the effectiveness of its sustainable development strategy.

Also in 2024, Kazatomprom disclosed data on climate change (at level "B") and for the first time on the Water Security area (at level "C") as part of the CDP ("Carbon Disclosure Project") climate rating.

In October 2024, Kazatomprom was included in the list of TOP 500 World's Best Companies – Sustainable Growth according to the research of the international magazine TIME Magazine, conducted jointly with the statistical organisation Statista. Kazatomprom ranked 126th in the rating and 6th among companies in the resources and infrastructure sector. The company is the only Kazakhstani company included in this list. This is a significant achievement for Kazatomprom, reflecting the positive results of implementing best practices in sustainable development.

PLANS FOR 2025

Kazatomprom's plans for 2025 are in line with its market-oriented strategy. Uranium output is expected to be between 25,000 and 26,500 tonnes in 2025 and consolidated sales are forecast to be between 17,500 and 18,500 tonnes. The Company's financial results may be affected by various factors, including logistical challenges, changes in Kazakhstan's tax legislation and potential changes in social contributions.

The Company expects that in 2025, the percentage of deviation of uranium miners' production from the levels set out in the subsoil use contracts will vary but will remain within the 20% tolerance.

Mining and metals

The company is established for the purpose of:

- ensuring efficient subsoil use activities in the field of exploration, development, production, processing and sale of solid minerals;
- effective management of shareholdings in mining and metallurgical companies transferred to the company;
- reproduction of the mineral resource base of the republic.

Tau-Ken Samruk manages and implements geological exploration, mining, and production projects.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures, tonnes:		
Gold production	52.2	54.6
Silver production	5.2	6.1
Gold sales	48.7	56.5
Silver sales	9.1	6.1
Financial indicators[20], billion KZT:		
Revenue	816	1,263.3
Dividends	-	-
Net profit	-47.3	70.5
Costs	817	1,258
Operating profit	-1.1	5.9
Net debt	83	58
Taxes paid	1.6	1.1
Income tax paid	0.7	0.5
Other taxes and payments	0.9	0.6
Sustainable development indicators:		
Emissions to atmosphere, tonnes	127.62	73.75
Accidents	0	0
Fatal accidents	0	0

GOLD PRODUCTION VOLUME

54.6

tonnes

SILVER PRODUCTION VOLUME

6.1

tonnes

[20] The financial figures are as per the Company's consolidated financial statements for 2023 and 2024.

2024 marked wide development of investment projects and attraction of strategic partners for the Company. The following key events should be noted based on the results of the year:

- Attracted Cove Capital for geological exploration works at Akbulak site in Kostanay region.
- A memorandum of understanding was signed between the Ministry of Industry and Construction of Kazakhstan, Tau-Ken Samruk, KIGAM Geological Institute and Korean company SK Ecoplant.
- A record 54.6 tonnes of gold was produced.
- Realised an interest in the Kyzylkain project.
- A deal was concluded with partner Ulmus Besshoky LLP.
- Loans on Shalkiya and Alaigyr projects were repaid within the framework of pre-investment preparation (JV Alaigyr LLP and Shalkiya Zinc LTD JSC are included in the privatisation perimeter by the Resolution of the Government of the Republic of Kazakhstan No. 908 dated 29 December 2020).
- An exploration licence for copper and associated components was obtained for the Ordabas area, which was an important step in the development of the resource base.

A strategic transaction has been finalised for the sale of 55% stakes in Tau-Ken Temir and Silicon mining.

In 2024, Tau-Ken Samruk continued to actively develop international partnerships in joint exploration activities with leading foreign companies.

In co-operation with Discovery Ventures Kazakhstan Ltd. a project to prospect for polymetallic deposits is being implemented. Decisions have been made to continue exploration of three licence areas.

As part of co-operation with the Turkish company Esan, work is underway to find copper deposits. In 2024, a licence for a site in the Aktobe region was obtained, desk studies were conducted, soil samples were taken at promising sites, ground geophysical IP/Res surveys were conducted, and drilling work began. Following the results of drilling, core samples were submitted to the laboratory.

REFINERY

Gold production in 2024 was 54.6 tonnes, an increase of 2.4 tonnes from 2023, driven by an increase in the supply of gold-bearing material.

At the end of 2024, silver refinery and sales totalled 6.1 tonnes, up 0.9 tonnes from 2023.

One of the significant steps in the execution of the strategy was the commissioning of the production waste recycling shop; 37.8 kg of gold and 48.3 kg of silver recovered.

To confirm the high quality of products and compliance with international standards, the Central Plant Laboratory has successfully passed the proactive monitoring of the London Bullion Market Association (LBMA).

DEVELOPMENT OF THE RARE METALS AND RARE EARTH ELEMENTS

The Company's main projects aimed at the development of the RM and REE:

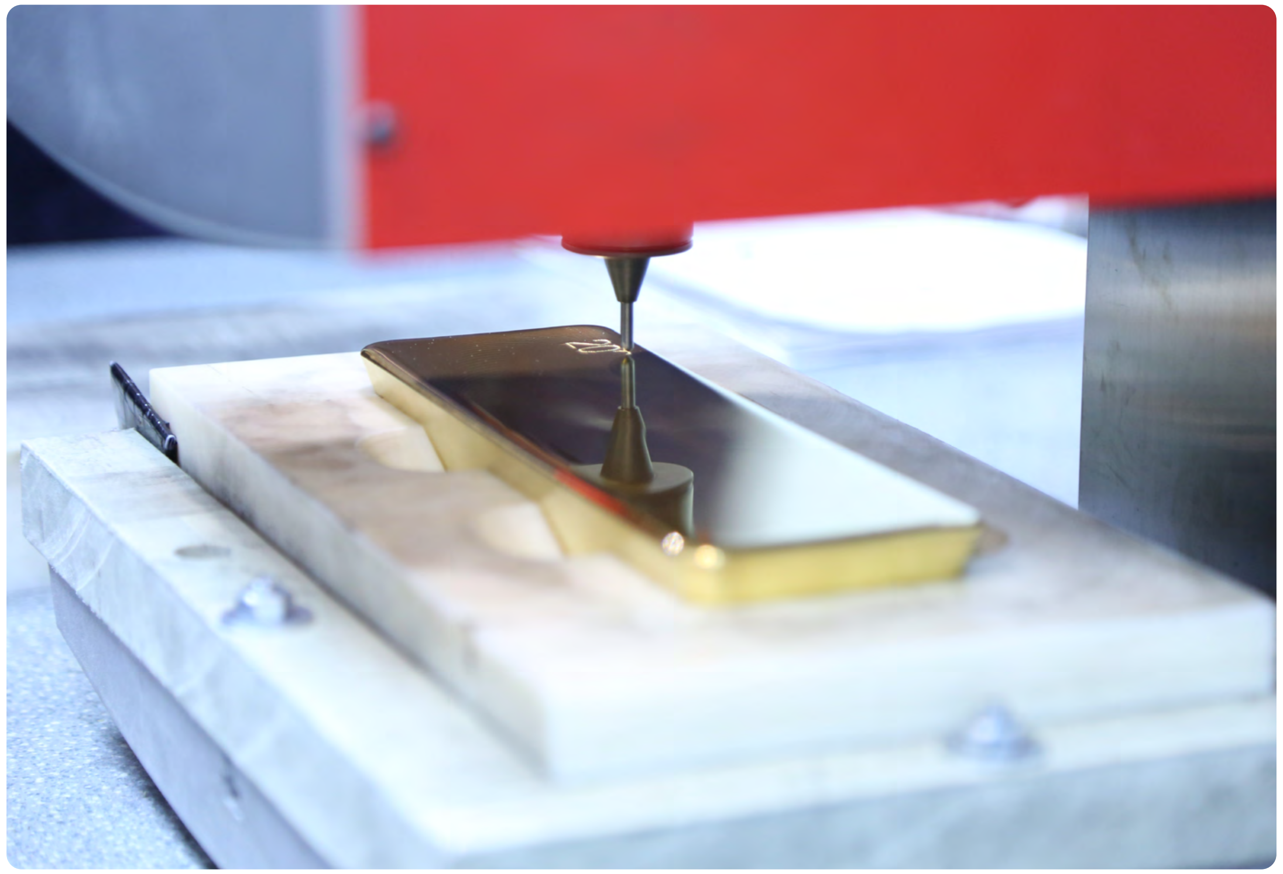
- Rare earth elements at the Akbulak site – the project is aimed at mining REEs for the production of magnets (neodymium, dysprosium, terbium). Drilling and technological studies are planned for 2025. The project is implemented jointly with Cove Capital.
- Lithium-containing brines of the Aral Sea – jointly with KIGAM (South Korea) prospecting works are underway. In 2024, 300 samples have been taken, for which laboratory studies are being carried out.
- North Katpar and Upper Kayrakty tungsten projects – largest tungsten deposits outside China (1.4 million tonnes WO_3). Work is underway to attract independent consultants and strategic partners

PLANS FOR 2025

Further work is planned for 2025 on the polymetallic prospecting project.

It is also planned to continue geological exploration for copper deposits in 2025.

In 2025, the company will continue to raise investments and develop promising projects, improve production efficiency, develop partnerships and expand its presence in international markets.



Transport and Logistics

National Company Kazakhstan Temir Zholy JSC (KTZh) is a key transport and logistics holding and operator of the main railway network of the Republic of Kazakhstan, performing the functions of a national cargo and passenger carrier.

Development of transport and logistics potential

The company is central to economic integration, connecting 17 regions of the country and three cities of republican significance, as well as providing transport links with five neighbouring countries: China, Russia, Uzbekistan, Kyrgyzstan and Turkmenistan via 16 connecting points.

KTZh owns the largest fleet of locomotives and wagons and is one of the largest employers in Kazakhstan.

Notably, 2024 marked the 120th anniversary of Kazakhstan's railway.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Cargo turnover (operational), billion tonnes-km	269.7	272.1
Passenger turnover, billion p-km	11.8	11.7
Transit in containers, '000 TEU	1,282.3	1,395.0
Financial indicator[21], billion KZT:		
Revenue	1,934.1	2,163.9
Net profit	136.8	160.8
Costs	1,854.1	2,079.0
Operating profit	332.8	409.8
Net debt	2,061.2	2,706
Taxes paid	140.6	143.0
Sustainable development indicators:		
Greenhouse gas emissions (scope 1+2), '000 tonnes CO_2-eq	5,508[22]	5,165
Accidents	25	20
Fatal accidents	6	7

CARGO TURNOVER (OPERATIONAL)

272.1

billion tonne-km

In 2024, National Company Kazakhstan Temir Zholy JSC continued its stable development, having achieved significant success in the transport and logistics sphere. The container transit traffic increased by 8.9%, reaching 1,395,000 twenty-foot equivalent units (TEU), which is evidence of highly effective implementation of the company's strategy and strengthening the role of Kazakhstan as a key transit hub in the region.

The growth of the Company's net debt is due to the need to raise debt financing for the implementation of large-scale projects to modernise the infrastructure and rolling stock fleet.

About CHF 538 million was raised to renew the fleet of freight and passenger locomotives and KZT 115.5 billion to renew 157 passenger coaches.

[21] Financial indicators are given according to the Company's consolidated financial statements for 2023 and 2024.
[22] The methodology specified in the GHG Protocol Scope 2 Guidance has been applied to the calculation of Scope 2.

FINANCIAL STABILITY

	2023 (Fact)	2024 (Fact)	2025 (Plan)	2026 (Plan)	2027 (Plan)
Debt/EBITDA	4.52	4.80	3.69	1.99	1.61
EBITDA/ interest expenses	2.37	3.23	3.30	6.42	7.25
Debt/Capital	1.27	1.46	1.17	0.9	0.65

The Company is carrying out measures aimed at increasing the efficiency of its operations and improving its financial position, related to the modernization of infrastructure and rolling stock, optimization of costs and business processes, as well as the growth of revenue streams, in order to further expand its operations and offset the negative impact of currency exchange rate changes on the Company's financial results.

In 2024, KTZh, together with the ministries of national economy and transport, developed the tariff measures that include a 24% increase in tariffs for regulated services of access to the mainline network and locomotive traction within 3 years. Thes measures were agreed by the Government of the Republic of Kazakhstan.

Against the backdrop of the measures taken, the key production and financial indicators of the Company for the last 3 years demonstrate significant growth. Thus, the Company's cargo turnover increased by 7%, revenue by 46%, net profit by 4.4 times.

KTZh plans to improve its financial stability ratios over the next 3 years.

In addition, the investment attractiveness of the Company is confirmed by high ratings of international credit agencies: Moody`s – Baa2 (issued 19 Feb 2025), Fitch Ratings – BBB- (issued 11 Nov 2024), S&P – BB (issued 20 Dec 2024).

INFRASTRUCTURE MODERNISATION

Within the framework of the National Project "Strong Regions – Driver of the Country's Development" and in accordance with the Concept of Development of Transport and Logistics Potential of the Republic of Kazakhstan until 2030, construction of second tracks on the Dostyk-Moynty section was started in November 2022. The purpose of this project is to increase the capacity of this section and stimulate the transit potential of Kazakhstan.

The implementation of the project to build the second line with a total length of 836 km will increase the number of goods trains fivefold – from 12 to 60 pairs per day. This will be a significant step in strengthening the country's export capabilities and will expand transport opportunities for Kazakh exporters in this direction.

Construction is scheduled for completion in 2025.

Construction continues on the following infrastructure projects that began in 2023:

- Almaty bypass railway line.
- Darbaza-Maktaaral railway line.
- The third Bakhty border railway crossing on the Kazakhstan-China border with access to the existing Semey-Aktogay railway section.

The aim of the projects is to increase the capacity of the sections and the transit and transport potential of the country.

PASSENGER TRANSPORT

In 2024, rail passenger traffic decreased by 0.5% compared to 2023, accounting for 19.6% of total passenger traffic.

The company's subsidiary, Passenger Transportation JSC, is actively working to create comfortable conditions for passengers. Given the length of the railways in Kazakhstan, this is a key aspect in maintaining the image and attractiveness of this business sector within KTZh. The company carefully studies passenger preferences, a feedback system is in place, and complaints about the quality of service are carefully documented and analysed. Measures are also being taken to renew the car fleet.

Kazakhstan passenger turnover 2024 by type of transport, million p-km

Indicator	Passenger turnover, million p-km			Share in total passenger turnover, %	
	2023	2024	Changes 2024/2023, %	2023	2024
All transport	**72,753.7**	**82,785.7**	**113.8**	**100**	**100**
Automobile and urban electric transport	30,739.8	38,306.8	124.6	42.3	46.3
Air transport	25,898.5	28,275.7	109.2	35.6	34.2
Railway transport	16,113.0	16,198.2	100.5	22.1	19.6
Water transport	2.2	4.4	198.2	0.0	0.0
Maritime transport	0.2	0.6	365.6	0.0	0.0

The Company's passenger turnover in 2024 decreased by 0.9% compared to the 2023 level and totalled 11,719 million passenger kilometres (11,831 million passenger kilometres in 2023). The decrease in passenger turnover was due to a reduction in the frequency of some routes, the transfer of suburban routes to private carriers, and the cancellation of a number of trains.

NUMBER OF PASSENGERS DISPATCHED BY JSC PASSENGER TRANSPORTATION

13,796

thousand passengers

The number of passengers dispatched by JSC Passenger Transportation for 2024 was 13,796,000 passengers (13,681,000 passengers in 2023), including:

- by trains of JSC Passenger Transportation – 13,630,000 passengers;
- including 2,342,000 passengers for the Suburban Branch;
- by trains of other railway administrations – 166,000 passengers.

Revenues from passenger traffic for 2024 totalled KZT 114.6 billion, which is 9% higher than in 2023. The increase is due to the increase in fares by 7% from 1 January 2024 and by 19.9% from 1 October 2024.

NEW ROUTES

The next stage to the new route network has been implemented:

- the rolling stock of train No. 31/32 Pavlodar-Almaty was renewed: cars were replaced with new standard cars manufactured by ZIKSTO JSC;
- revised route of commercial train No. 29/30 Atyrau-Almaty: shortened to Shymkent station;
- the number of seats offered on the Astana-Almaty and Astana-Shymkent routes was increased by introducing new trains from Talgo cars and increasing package traffic from 4 to 6 trains;
- additional suburban trains were organised on the Astana-Borovoye and Aktobe-Shalkar routes.

From 10 July 2024, the geography of running of the women's carriages on 3 routes has been expanded. In total, 11 routes are used. Since the implementation of the project, 531,000 passengers have used this service.

Projects were implemented to develop international and domestic tourism.

The first project is the Jibek Joly international tourist train with a routh covering the cities of Almaty, Turkestan and Tashkent. During the period from 16 to 21 November 2024, 115 tourists were transported. The passengers were offered a full tour package including travel, transfer, excursion service and meals.

The second project was the Astana-Borovoye Resort tourist electric train, which was launched on 13 December 2024. The implementation of this route was accompanied by comprehensive work on the interior and exterior design of carriages, organisation of musical accompaniment and creation of a comfortable atmosphere for passengers.

COMFORT FOR PASSENGERS

In 2024, the passenger railway fleet of the Republic of Kazakhstan was replenished with 118 domestically produced cars manufactured at the plant in Petropavlovsk. Among them are 6 modern cars for suburban transport, which started running on the Astana-Borovoye Resort route, providing passengers with a higher level of comfort. In 2025, it is planned to deliver 107 new standard cars and 12 motorised rolling stock. In addition, in the period from 2025 to 2030, it is planned to purchase more than 500 new cars from Stadler Kazakhstan LLP, which will meet international standards. After delivery of these cars, the fleet will be renewed by two thirds.

THE PASSENGER RAILWAY FLEET WAS REPLENISHED WITH

118

cars

FREIGHT TRANSPORT

Cargo turnover of all modes of transport in 2024 was 514,455.47 million tonnes-km, up 2.6% from 2023.

Rail transport remains the main player in freight transport, accounting for 63.7% of the country's total freight turnover. Rail freight turnover in 2024 increased by 0.3% to 327,944 million tonnes-km.

In 2024, the Company recorded tariff cargo turnover of 261.7 billion tonne-km, down 0.3% year-on-year to 262.4 billion tonne-km. This indicator decreased due to lower cargo turnover in export and import traffic.

In the structure of types of communications, cargo turnover was as follows:

- In intra-republican traffic, growth by 1.9% by 2023 due to a 4.9% increase in freight traffic. Transportation of all cargo nomenclature increased, except for coal, crude oil and fertilisers.
- In terms of exports, cargo turnover decreased by 4.1% by 2023 due to a 2.8% decrease in freight traffic. The volume of coal, iron ore, construction cargo, grain, ferrous scrap, and non-ferrous scrap decreased.
- In terms of imports, cargo turnover by 2023 decreased by 2.7% due to a 2.9% decrease in the average distance travelled. The average range of coal, construction cargo and other cargo shipments decreased.
- In transit, the increase was 4.3% due to a 0.5% increase in traffic. There was an increase in transportations of oil from Russia to Uzbekistan, construction cargoes from China to CA countries, chemicals and soda from Russia to China, from China to CA countries, fertilisers from Belarus and Russia to China, from Uzbekistan to Latvia, Lithuania and China, and other cargoes.

ALTERNATIVE TRANSPORT ROUTES

The capacity of the Trans-Caspian International Transport Route is about 6 million tonnes per year, including up to 80,000 containers.

In 2024, about 3.3 million tonnes of cargo was transported along this route, which is 21% more than in 2023. The growth was due to an increase in Kazakh exports along this route, which grew by 21% compared to 2023.

In order to build the capacity of this route, measures are being taken synchronously with all route participants to remove infrastructural constraints as well as to integrate national digital systems.

At the end of 2022, a roadmap to remove bottlenecks on the route of the Trans-Caspian International Transport Route was approved at the governmental level of Kazakhstan, Azerbaijan, Turkey and Georgia. Today, active work is underway to implement this roadmap by all participants.

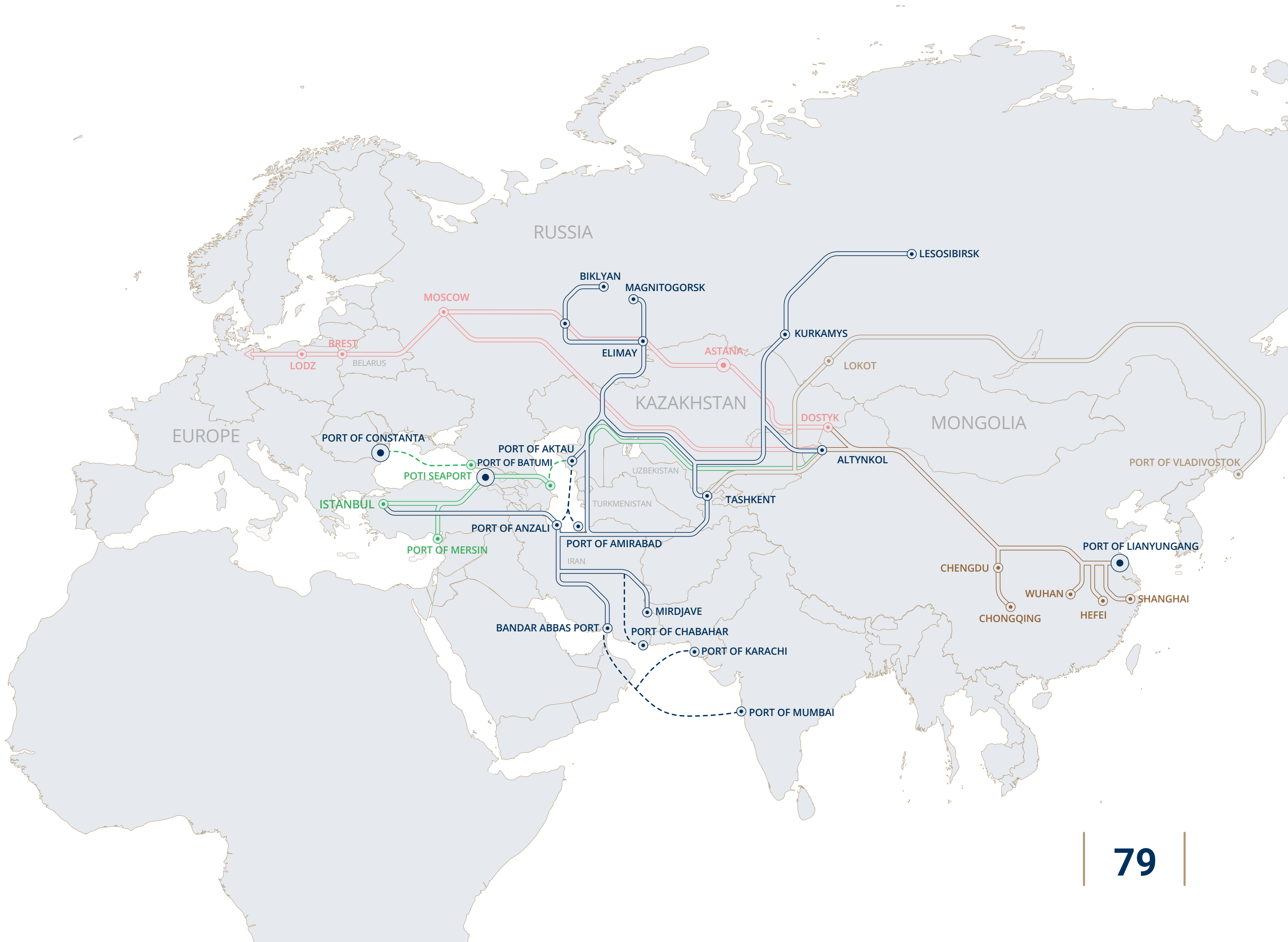
The main infrastructure projects are the development of railway and port infrastructure along the entire route corridor. It is planned that implementation of the roadmap will increase the throughput capacity of the route to 10 million tonnes.

To intensify transit traffic in the East-West direction, the construction of the Kazakh-Chinese Dry Port in Xi'an was launched. The terminal was launched on 28 February 2024.

Thanks to the launch of the Kazakh-Chinese terminal for 2024 container transit from the PRC on the Trans-Caspian international transport route increased 33 times.

Key projects:

- International container hub in the Port of Aktau.
- Terminal in Xi'an.



ESTABLISHING A JOINT VENTURE WITHIN THE TRANS-CASPIAN INTERNATIONAL TRANSPORT ROUTE

On 26 October 2023 in Tbilisi, KTZh, Azerbaijan Railways CJSC and Georgian Railways JSC signed an agreement to establish a joint venture Middle Corridor Multimodal Ltd. on a parity basis.

On 16 November 2023, Middle Corridor Multimodal Ltd. was incorporated as a private company under the MFCA. The establishment of this joint venture will allow:

- provide services based on the one-stop-shop principle;
- guarantee delivery times and costs;
- to pursue a coordinated policy on the development of multimodal service to increase cargo traffic on the China-Europe/Turkey-China routes.

The eastern direction of the North-South international transport corridor attracts the attention of shippers as a promising alternative route for delivering goods to the markets of Iran, India and the Persian Gulf countries.

Transit in containers along these routes increased by 8.9% compared to 2023 and reached 1,395,000 TEU.

Special attention is paid to increasing cargo turnover towards India and the Persian Gulf countries, mainly via Iran and the port of Bandar Abbas.

SUSTAINABLE DEVELOPMENT

On 25 December 2024, the independent international rating agency S&P Global assigned KTZh an ESG rating of 60 points out of 100 in the Global Corporate Sustainability Assessment, which is 6 points higher than the 2023 level (54 points).

KTZh was among the top 10 per cent of transport companies (among more than 300 companies) evaluated by S&P Global.

In addition, KTZh was included in the prestigious S&P Global Sustainability Yearbook 2025, becoming the first Kazakhstani company to receive this recognition.

Sustainability Yearbook Member is a prestigious status awarded from 2004 to companies that demonstrate outstanding sustainability performance and effectively manage ESG factors, including environmental, social and governance aspects.

In 2025, 780 of the 7,690 companies assessed by S&P Global for 2024 were included. In the Transport and Transport Infrastructure sector, where KTZh is represented, 28 out of 198 companies were included.

PLANS FOR 2025

In 2025, the Company plans to:

- increase operational freight turnover to 283.8 billion tonnes-km, a 4.3% increase compared to the 2024 actual;
- continue construction of the railway line bypassing Almaty station;
- to complete the construction of the 1st stage of the international container hub in the port of Aktau, which is capable of becoming a driver of container traffic growth;
- complete construction of the second track on the Dostyk-Moynty section;
- to conduct an initial public offering (IPO). Samruk-Kazyna intends to sell up to 20 per cent of KTZh shares as part of this IPO, while retaining at least 75 per cent of the shares in the ownership of the state. Preparations for the IPO are already underway: international consultants and global coordinators such as Citi, JP Morgan and Societe Generale have been engaged.

Development of passenger transport

On 24 December 2024, a sale agreement was signed between the Fund and a consortium comprising Central Asia Aviation Holdings Limited Private Company (part of the Vietnamese conglomerate Sovico Group JSC) and Kazasia Holdings Limited Private Company.

QAZAQ AIR is committed to realising its mission of providing affordable inter-regional air services that meet high international and national safety standards. The growing demand for interregional air services confirms the high potential of Kazakhstan's regions to develop tourism and business activity.

QAZAQ AIR's fleet consists of 5 modern turboprop aircraft manufactured in Canada, which is classified as small fleet size by aviation standards. Using the convenient geographical location of its base airport in Astana, QAZAQ AIR successfully develops a hub route network to the regions and border cities of neighbouring countries.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Passenger traffic, '000 people	588	601
Freight traffic, tonnes	23	84
Aircraft load factor, %	84	84
On-time performance of flights, %	77	76
Financial indicators[23], billion KZT:		
Revenue	19.6	21.1
Dividends	0	0
Net loss	-7.6	3.9
Costs	20.8	21.9
Operating expenses	-2.9	-0.8
Taxes paid	0.6	1.0
Sustainable development indicators:		
GHG emission intensity (tonnes of CO_2 per chair-kilometre)	0.011	0.011
Accidents	0	1
Fatal accidents	0	0

In 2024, the Company was once again ranked among the top three in the Best Regional Airlines in Central Asia and CIS category by Skytrax. QAZAQ AIR demonstrated a historical record in 2024 with more than 600,000 passengers carried on 5 aircraft, which is a record since the start of operations in 2015. The route network was optimised: low-margin long routes were reduced and the number of medium- and short-range routes was increased.

Activities have been undertaken to incentivise ticket sales, including seasonal discounts during periods of low demand.

The company was ranked among the top 3 "Best Regional Airlines in Central Asia and CIS" by Skytrax.

ROUTE NETWORK

In 2024, QAZAQ AIR's route network included 30 destinations, of which 6 were subsidised and 5 were international.

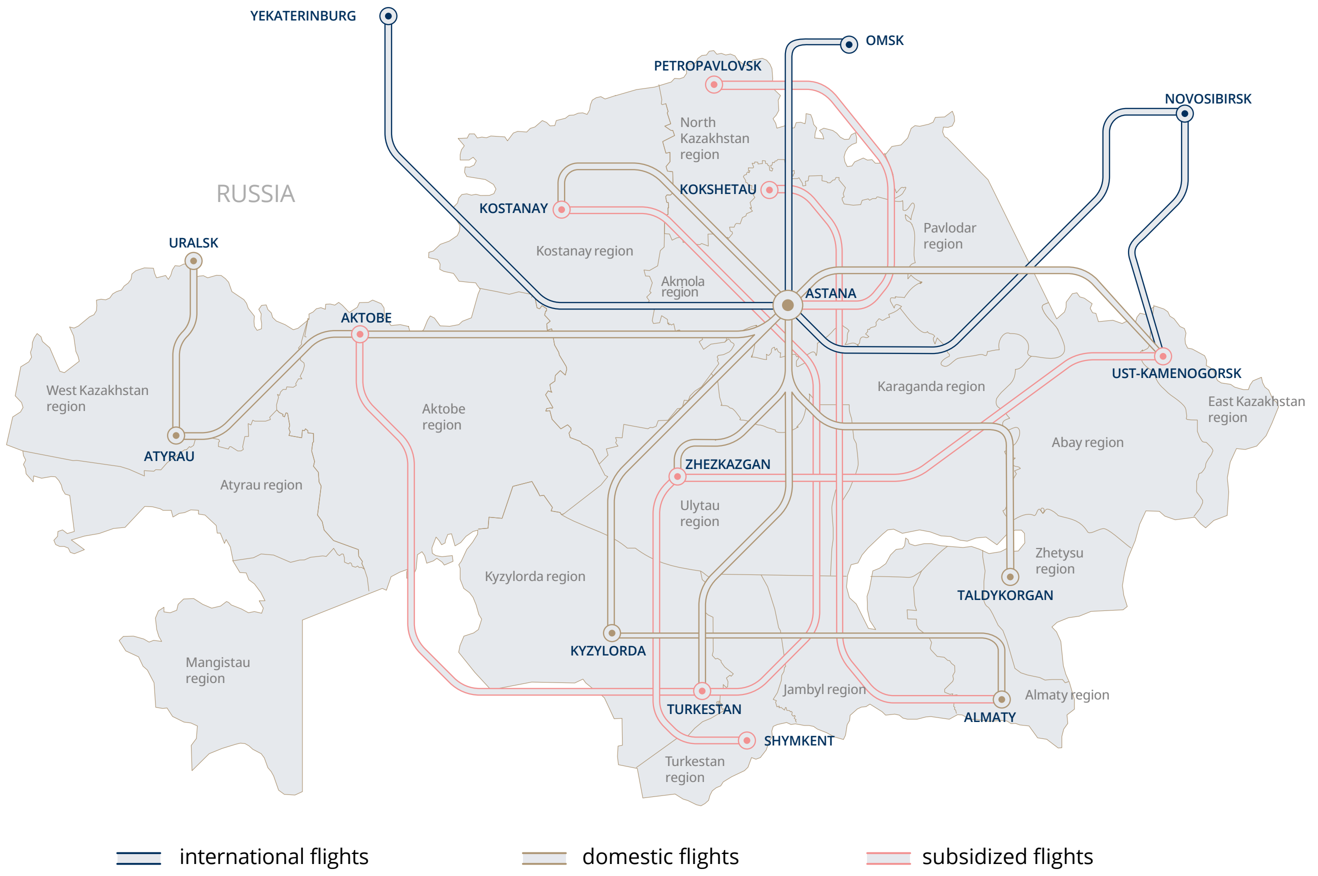
In order to develop domestic tourism, summer seasonal flights to Urjar and Usharal were performed. A summer charter programme was also carried out on the route Almaty-Tamchi (Issyk-Kul).

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.

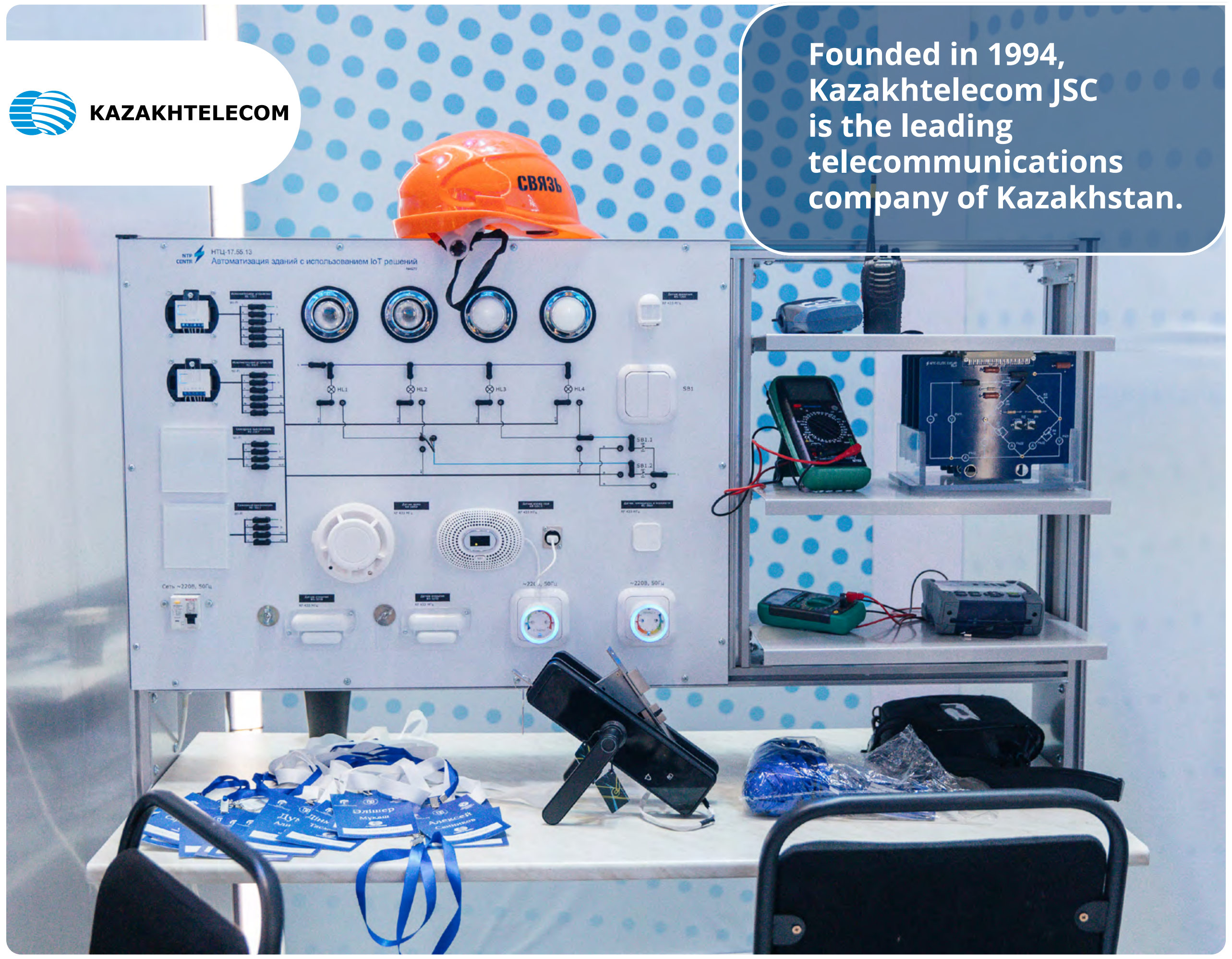
[23] The financial figures are as per the Company's consolidated financial statements for 2023 and 2024.

EXPANSION OF THE AIR TICKET DISTRIBUTION NETWORK

QAZAQ AIR has signed a contract and opened sales in TAC Central Asia. Joining the Central Asia TAC organisation contributes to the efficiency of QAZAQ AIR's operations and increases the availability of its services in the Central Asian market.



Information and Communication Operators



As a telecommunications operator of the Republic of Kazakhstan, the company carries out activities for installation, operation and maintenance of the public telecommunications network and private telecommunications systems, performs functions of an operator of the public telecommunications network and, among others, an operator of long-distance and international communications with the right to make settlements with telecommunications administrations of other countries, companies, users and international organisations in accordance with the Regulations of the International Telecommunication Union and the legislation of the International Telecommunication Union (ITU).

Kazakhtelecom owns the National Information Superhighway – a fibre-optic transport ring that connects major cities of Kazakhstan with the network for high-speed data transmission. The Company's infrastructure consists of more than 91,000 kilometres of fibre-optic lines, 23 data centres, over 14,000 base stations (including MT-S LLC as of 31.12.2024) – 4G/LTE network is deployed in all major cities of Kazakhstan. In 2024, 1,823 5G base stations had been installed across the country.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Number of fixed lines, '000 lines	2,510.5	2,277.50
Number of fixed broadband subscribers, '000 ports	1,889.3	1,857.66
Pay TV, '000 subscribers	1,049.2	1,162.45
Mobile subscribers, '000 subscribers	14,471.5	14,848.90
Financial indicators[24], billion KZT:		
Revenue	687.8	744.5
Operating expenses	517	544.7
Operating profit	171.5	199.8
Net profit	104.4	77.2
EBITDA	297.9	309.0
Dividends paid	33.4	23.1
Taxes paid	107.9	173.4
Sustainable development indicators:		
Emissions to atmosphere, tonnes	228.57	66.29
Accidents	4	5
Fatal accidents	0	0

In 2024, Kazakhtelecom continued active implementation of strategically significant projects, such as deployment of 5G network and construction of a fibre-optic line under the Caspian Sea along the Azerbaijan-Kazakhstan route (Trans-Caspian FOCL).

INFRASTRUCTURE DEVELOPMENT

Over the recent years, Kazakhtelecom has been investing annually significant funds in long-term assets. In 2024, within the framework of implementation of investment projects on technical development and support of telecommunications networks, the works on the following key areas of telecommunications networks development were continued:

- main transport network;
- data network;
- access network.

[24] The financial figures are as per the company's consolidated financial statements for 2023 and 2024.

MOBILE BUSINESS

Over the past 20 years has managed to build one of the most modern, technologically advanced and extensive mobile communication networks in Kazakhstan. The companies provide 2G/3G/4G (LTE/LTE Advanced) mobile communication services, short message services, value-added services (VAS) such as multimedia messaging, access to mobile content, and data services, including Internet access.

In December 2022, a consortium of Kcell JSC and Mobile Telecom-Service LLP (hereafter – mobile operators) was recognised as the winner in the auction for the allocation of frequency bands for the introduction and development of fifth-generation 5G/IMT mobile communications in Kazakhstan.

In 2024, mobile operators launched 1,823 5G base stations across the country.

5G POPULATION COVERAGE IN 2024

45.8%

BUSINESS

Kazakhtelecom's services are represented both in the retail and wholesale markets of telecommunication services.

SERVICES ON THE WHOLESALE TELECOMMUNICATIONS MARKET

In the wholesale market, the Company provides services in the operator segment, strictly adhering to the norms of the current legislation and the principles of mutually beneficial partnership. The Company strives to maintain and develop the factors of its competitive advantage – availability of the necessary number of network resources to connect operators' networks and pass all types of traffic, an extensive telecommunications network built on the latest digital equipment with high bandwidth capacity, providing high-quality and reliable service to operators and their subscribers. Operator services include: connection of telecommunications networks and transmission of inter-network, local, long-distance and international traffic, access to the Internet, leasing of backbone communication channels, additional services for laying networks through cable channelisation, billing services, connection to Kazakhtelecom's clock network synchronisation system.

SERVICES ON THE RETAIL TELECOMMUNICATIONS MARKET

In the retail market of telecommunications services, Kazakhtelecom provides telecommunications services for end consumers, individuals (B2C) and legal entities (B2B, B2G).

In order to improve the quality of services provided, Kazakhtelecom continues a large-scale project on upgrading its own infrastructure by transferring from outdated copper ADSL technologies to modern fibre-optic lines.

DEVELOPMENT OF TRANSIT POTENTIAL

The Company pays great attention to the development of transit potential and increasing transit telecommunication flows through Kazakhstan, as it has a network of backbone fibre-optic communication lines connecting all border areas, providing connections to China, Russia, Europe and Central Asian republics. Kazakhtelecom continues to build up its international presence and infrastructure abroad to improve the quality of services, strengthen national and global network security.

In 2024, Kazakhtelecom completed organisation of direct connections with the largest Internet companies: Facebook, Amazon, Apple, Microsoft, Google in Europe and Asia and now exchanges traffic with them directly without transit systems.

MODERNISATION OF IT INFRASTRUCTURE

As part of the project to upgrade and improve the Company's IT infrastructure, new high-performance server and network equipment was installed and commissioned, the corporate network core was upgraded, and a large programme to upgrade network segments in the regions was launched. In 2024, construction was completed and a new containment area was commissioned in the bunker-type data centre in Akkol, located 120 km from the capital. It meets the TIER II reliability level with TIER III elements and provides a high degree of data protection due to the N+1 redundancy of engineering equipment, which guarantees uninterrupted operation even in case of failure of individual elements. Next year, the telecom operator plans to build a new TIER III data centre in Astana for 300 racks, where demand is currently growing exponentially.

TV PLATFORM DEVELOPMENT+ CLOUD TECHNOLOGIES

Creating and promoting original content remains a key area of development for the TV+ platform to further attract and retain new users. The number of TV+ users increased by 60% compared to 2023.

The development of its own content strategy, the expansion of its catalogue of films and series, as well as technological improvements have enabled TV+ to maintain its leading position among Kazakhstan's television platforms and continue its dynamic growth in 2024.

In order to develop cloud technologies and expand the line of cloud solutions and products, Kazakhtelecom entered into a co-operation agreement with Smart Cities LLP, a member of the AITU digital ecosystem from BTS Digital.

In addition, in order to improve public safety, law and order in educational institutions in 2024, cloud video surveillance projects were implemented in 371 educational facilities in Almaty region, 86 schools in Karaganda city, as well as in 202 educational institutions in Atyrau region.

TRANS-CASPIAN FIBRE-OPTIC COMMUNICATION LINE PROJECT

Within the framework of the Trans-Caspian fibre-optic communication line project, the joint venture CASPINET B.V. (50% – Kazakhtelecom JSC, 50% – Azertelecom Int. LLC) prepared tender documentation and held a tender to select an EPC-contractor for the design and construction of an underwater fibre-optic communication line under the Caspian Sea.

CLOSER TO THE CONSUMER

In October 2024, the SAPA+ project was launched in order to improve the quality of Wi-Fi connection for customers connected via optical lines (FTTx). As part of this initiative, Kazakhtelecom JSC replaced equipment/installed additional equipment free of charge, which enabled to significantly improve the speed and reliability of the network.

To simplify the process of connection and processing of applications, Megaliner software has been implemented in production, allowing employees to easily connect customers.

For 2024, a multichannel application system has been organised: through the mobile application telecom.kz, the official website, Call Centre 160, technical support, official WhatsApp and Telegram accounts, company branches, as well as applications from employees through Megaliner.

Internal processes were optimised, interaction between departments was improved, and work with clients was automated. The developed technical solutions allowed to automate processes and increase the efficiency of employees' work.

IMPROVING CUSTOMER EXPERIENCE

For 2024, 6.3 million calls were received, which is 16% less than in 2023. Decrease in requests is observed across all channels (Subscriber Department, KC 160 and KC 165), except for the Online Channel (21% increase). The largest share of references to the quality of services is 40%.

- Agent Performance (AP) reached 97% (+2%);
- First Request Resolution (FRR) was 96% at the end of the year (+5%);
- Transactional NPS (tNPS) reached 80% at the end of the year (+9%).

During the reporting period, a touch screen electronic queue was installed. A total of 416,751 subscribers were served using the electronic queue in 2024. In SRM 2.0, the electronic queue was integrated and the functionality of online queue booking in the mobile application was implemented.

NETWORK DEVELOPMENT

In 2024, optical networks were put into operation in Kazakhstan under the project for the development of broadband access network using FTTx technology, providing high-speed Internet connection to 49,780 subscribers in 644 apartment blocks and 2,341 subscribers in the private sector of cities.

In addition, in 2024, optical networks were put into operation under the partnership model of network construction, enabling 48,687 households to be connected to high-speed internet.

SUSTAINABLE DEVELOPMENT

In 2024, the international agency S&P Global raised Kazakhtelecom's ESG rating from 32 to 50 points, which is above the industry average (42 points) and confirms the company's strong position in sustainability management.

ESG strategy for 2024–2032 was approved.

Key priorities of Kazakhtelecom's ESG strategy:

- Human capital development – inclusive and balanced;
- Becoming one of the international ESG leaders by 2030;
- Integrating technologies to protect data and combat cyber threats;
- Strategic transition to low-carbon development.

PLANS FOR 2025

In 2025, the Company will focus on strengthening digital capabilities, developing mobile and optical networks, expanding internet access in rural areas, and participating in international telecoms projects.

As part of the long-term construction programme until 2027, the Company will continue to actively deploy the 5G network.

Modernisation of optical networks and connection of new households continues. In particular, it is planned to connect at least 70,412 subscribers under the Tazartu project. The project "Reconnection of PPP 2.0 FOCL subscribers" will also be launched.

In 2025, the Company will connect more than 3,000 villages under the national project "Affordable Internet" using GPON, LTE and radio relay technologies. It is also planned to install aggregation equipment in 12 regions, while coverage expansion will cover hard-to-reach areas of the Republic of Kazakhstan.

The Company will continue implementation of the Trans-Caspian FOCL (fibre optic communication line) project.

In addition, Kazakhtelecom JSC will continue to develop digital platforms, including cloud technologies, artificial intelligence and machine learning.

Postal services and logistics, financial and digital services

As the operator of Kazakhstan's postal network, Kazpost JSC is a basic element of Kazakhstan's nationwide infrastructure and the most important social asset of the state.

This is the only subsidiary Samruk-Kazyna JSC with full state participation, which bears social responsibility for the delivery of pensions, allowances and periodicals.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Production figures:		
Items posted, '000 units	106,964	103,628
Financial and agency services, million KZT	1,186,744	1,154,177
Financial indicators[25], million KZT:		
Revenue	54,477	62,551
Net profit	2,413.8	697.8
Costs	-83,392	-105,216
Operating profit	2,413.8	482.3
Net debt	7,000	7,000
Taxes paid	5,299	6,654
Sustainable development indicators:		
Emissions into the atmosphere, '000 tonnes	0.565	0.402
Accidents	3	5
Fatal accidents	0	0

[25] Financial indicators are stated according to the Company's consolidated financial statements for 2023 and 2024.

Kazpost remains a key player in logistics, financial services and digital transformation in Kazakhstan. 2024 was a year of dynamic growth, transformation and implementation of innovative solutions for Kazpost. Despite external challenges, Kazpost achieved significant successes, strengthening the Company's position in logistics, digital services, financial solutions and e-commerce.

For the first time, the company was included in the top 50 postal operators in the world according to the Universal Postal Union, which testifies to the high level of services provided.

LOGISTICS AND POSTAL SERVICES: SPEEDING UP TRAFFIC

The development of logistics infrastructure and postal services remains a key focus for the Company.

MORE THAN

7.8

million parcels were processed in 2024

Three new logistics centres were put into operation in Almaty, Astana and Aktobe, which helped speed up the processing and distribution of parcels.

The introduction of an automated sorting system has reduced processing time by 30%.

In addition, the network of self-service terminals is being actively expanded. 500 new OMNIC parcel terminals have been installed, making delivery even more convenient for customers.

Postal services also show steady growth: in 2024, the number of parcels processed increased by 117% compared to the previous year. Revenues from postal services grew by 122% to KZT 10 billion.

E-COMMERCE: KAZAKHSTAN IN GLOBAL TRADE

Kazpost continues to develop e-commerce and improve services for customers. The QazPost Marketplace was launched, which simplifies online shopping for residents of all regions of Kazakhstan. QazPost Super App, a digital ecosystem that combines parcel tracking, payment and financial transaction services, was introduced.

Co-operation with global e-commerce leaders has significantly expanded the Company's capabilities. Direct deliveries with Pinduoduo from China have helped open 118 order release points, with over 100,000 parcels dispatched in March 2024 alone. Partnerships with Alibaba.com, Ozon, Wildberries and Cainiao are being developed, which speeds up international delivery and makes it more affordable. The Ozon RFBS project has also been implemented, which gives Kazakhstani sellers the opportunity to ship goods to Russia.

FINANCIAL SERVICES: DIGITAL SOLUTIONS FOR EVERYONE

Kazpost strives to make financial services more accessible and convenient.

In February 2024, Fitch Ratings assigned Kazpost an international rating of "BBB-" with a "Stable" outlook, which emphasised the Company's important role as a national operator and its financial strength. This result strengthened the trust of partners, confirmed the strategic importance of the Company for the economy of Kazakhstan, opened new opportunities for international co-operation and increased its investment attractiveness.

The development of the brokerage business brought the securities portfolio to KZT 600 billion, and income from brokerage operations totalled KZT 888 million. Within the framework of the national project "Comfortable School", 100 settlement accounts were opened with revenues totalling KZT 99 billion. Apple Pay and Google Pay projects were also implemented, which allowed Kazpost's customers to make contactless payments.

In 2024, Kazpost's deposit portfolio increased to KZT 233 billion – 10 times more than in 2023.

INTERNATIONAL CO-OPERATION: PUSHING THE BOUNDARIES

In 2024, Kazpost significantly strengthened international co-operation. It opened an Overseas Exchange Place in Singapore and received an IMPC code from the Universal Postal Union. Co-operation with the world's largest postal and logistics companies, such as Omniva, Ozon, Wildberries and YTO Express, allowed for a significant increase in shipments and improved conditions for the transit of goods. With direct shipments from Pinduoduo, AliExpress and Alibaba.com, international shipping has become even faster and more convenient for customers.

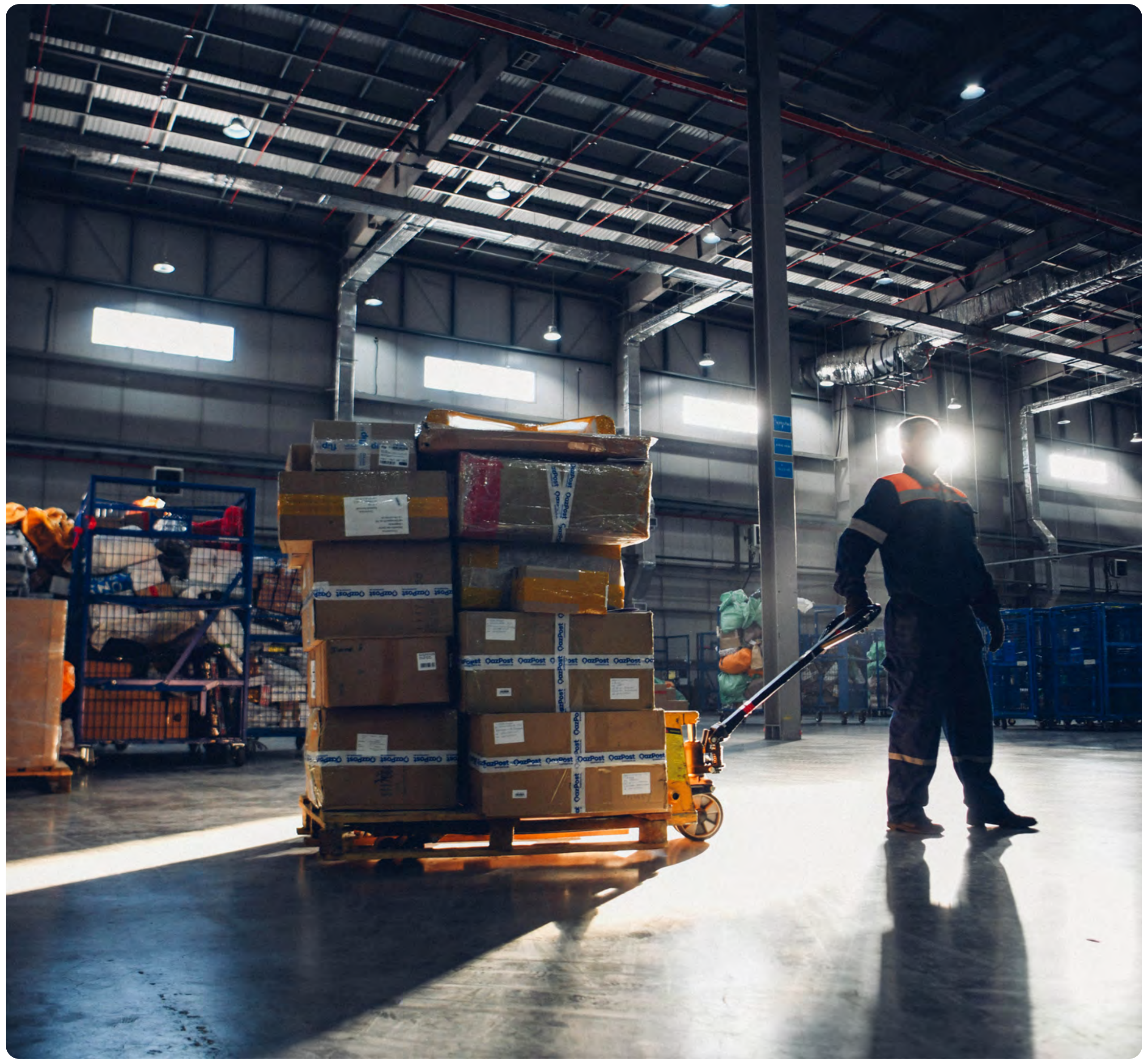
Co-operation with Ozon and Wildberries is developing, and a joint venture with Omniva (Estonian Post) has increased the turnover of postal items from Europe.

SUSTAINABLE DEVELOPMENT

Environmental responsibility and care for employees remain at the centre of the Company's attention. In 2024, the Company gasified 7 facilities, modernised lighting systems on the territory of 5,076.5 square metres, and purchased 53 vehicles with EURO-5 environmentally friendly engines. The Company is also actively involved in landscaping, planting over 1,000 trees in 19 regions of the Republic of Kazakhstan during the year.

PLANS FOR 2025

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



Investment Activities

To increase commercial assets in the Fund's portfolio, and focus on continued optimisation and restructuring of the portfolio with a full transition to active management of the investment portfolio by 2024 – these are the Fund's objectives for the foreseeable future. The Fund's transition to the investment holding format implies the presence of two categories of assets in the portfolio. The first is strategic assets, where the controlling interest of the Fund will be retained. Management of these assets will be carried out through the exercise of shareholder rights and with the help of the Fund's representatives in the Board of Directors of these companies. In the period of economic recovery, the concentration of the Fund's investments will be used to develop priority areas on the principles of co-investment. As for foreign investments, they are divided into two directions: direct and portfolio investments. In the direct investments in the long term, it is planned to invest in projects implemented in developed countries, in industries that will provide diversification of the Fund' portfolio. In this part, the Investment Policy of Samruk-Kazyna JSC is fully in line and enables the implementation of the Strategy.

Investment policy

The Investment Policy of Samruk-Kazyna JSC is place to achieve strategic objectives in portfolio management and establishes the goals and principles of the Fund's activity in this direction.

The Policy does not apply to cases of alienation of participatory interests in the charter capital (shareholdings) of portfolio companies and other legal entities included in the list of organisations to be transferred to the competitive environment on the recommendation of the Government of the Republic of Kazakhstan.

The investment policy of Samruk-Kazyna JSC is determined by three main objectives:

- To ensure long-term sustainable growth in the value of the Fund's portfolio and prudent capital appreciation;
- Generating, preserving and multiplying financial wealth for future generations;
- Ensuring portfolio diversification by geography, industries and asset classes.

In its investment activities, the Fund is guided by the following principles:

- The principle of commercial viability is that the investment strategies of the Fund and its portfolio companies are based on commercial viability, long-term interests and maximisation of both returns and investment returns (this is the primary performance criterion).
- The "yellow pages" principle is that decisions to invest the Fund's resources in entities operating in Kazakhstan are made subject to all restrictions established by the relevant legislation of the Republic of Kazakhstan. Namely, only when they do not hinder the development of the private sector, do not restrict competition and do not lead to monopolisation.
- The principle of responsible investment is that the Fund seeks to pursue investment strategies that contribute to the sustainable and balanced development of economic sectors and society as a whole.

INVESTMENT CRITERIA

All investments should be characterised by a positive net present value (NPV>0) and an internal rate of return exceeding the cost of equity (IRR>CoE).

Having a strategic partner allows the Fund to make new investments together. The Fund makes international investments in sectors of the economy that have a strategic link to Kazakhstan (excluding the oil industry). These investments cover all stages of project implementation and stages of the project life cycle.

In order to implement its investment strategies, the Fund mobilises various sources of funding – its own funds, dividends from portfolio companies, proceeds from divestments, borrowings from both domestic and international capital markets, as well as intra-group financing and other sources.

PROJECT PORTFOLIO

The investment portfolio of the Fund's Group of companies includes over 130 investment projects totalling over KZT 50 trillion.

In 2024 for 2025, the Board of Directors of the Fund determined a list of 46 major investment projects in oil and gas, petrochemical, energy, transport and logistics and other sectors for a total amount of 33.3 trillion tenge.

Out of this total, 15 projects are at the pre-investment stage, 9 projects are at the design stage, EPC contracts or construction and installation contracts have been concluded for 22 projects, including 15 projects under construction.

IMPLEMENTED INVESTMENT PROJECTS OF THE FUND'S GROUP OF COMPANIES IN 2024:

Rehabilitation of power unit No. 1 at GRES-1 with a capacity of 500 MW.

Construction of KTZ freight terminal in Xi'an, China.

Construction of necessary gas infrastructure for conversion of Almaty CHPP-2 and CHPP-3 to gas.

AMONG OTHER RESULTS ACHIEVED AT THE END OF 2024, IT IS WORTH NOTING THE FOLLOWING:

1. CONSTRUCTION AND INSTALLATION WORKS ON THE FOLLOWING PROJECTS HAVE BEEN STARTED:

- Construction of a CCGT-based power plant with a capacity of up to 1000 MW in Turkestan region;
- Modernisation of Almaty TPP-2;
- Reconstruction of Almaty CHPP-3;
- Construction of the Taldykorgan-Usharal gas pipeline;
- Construction of a Seawater Desalination Plant in Kenderli village.

2. EPC CONTRACTS OR AGREEMENTS FOR BUILDING AND INSTALLATION HAVE BEEN CONCLUDED FOR THE FOLLOWING PROJECTS:

- In March 2024, a contract was signed for the construction of a bypass railway line bypassing the railway junction of Almaty station;
- In May 2024, a contract was signed for the design and construction of the Darbaza-Maktaaral railway line;
- In August 2024, an EPC contract was signed for the project "Expansion and reconstruction of Ekibastuz GRES-2 with the installation of units of st. No. 3";
- A contract was signed for construction and installation works for the construction of the Taldykorgan-Usharal gas pipeline;
- In September 2024, an EPC contract was concluded for the polyethylene production project (pyrolysis);
- EPC contracts were signed for the project "Unification of the energy system of Western Kazakhstan with UES of Kazakhstan".

3. THE ISSUE OF ATTRACTING STRATEGIC PARTNERS FOR THE IMPLEMENTATION OF PRIORITY PROJECTS HAS BEEN ADDRESSED, IN PARTICULAR, THE FOLLOWING RESULTS HAVE BEEN ACHIEVED:

Intergovernmental agreements have been signed:

- With the State of Qatar to realise the following projects:
  - Construction of a gas processing plant with a capacity of 1 billion cubic metres per year at the Kashagan field.
  - Construction of a gas processing plant with a capacity of 2.5 billion cubic metres per year at the Kashagan field.
  - Construction of a gas processing plant with a capacity of 6 billion cubic metres per year at the Kashagan field.
  - Construction of the second string of the Beineu-Bozoi-Shymkent gas trunkline.
  - Construction of compressor station KS-14 and main gas pipeline; KS-14 – Kostanai.
  - Construction of a power plant based on a combined cycle gas turbine with a capacity of up to 1,000 MW in Kyzylorda region.
  - Construction of a hydropower plant with a total capacity of up to 350 MW in the Abay region.
- With the Russian Federation in order to realise the following projects:
  - Construction of Kokshetau TPP;
  - Construction of CHPP-3 in Semey;
  - Construction of Ust-Kamenogorsk TPP.
- With the PRC to implement the project:
  - Construction of a 1 GW wind power plant with energy storage system jointly with China Power International Holding.

AMONG THE SIGNIFICANT ACTIVITIES PLANNED FOR 2025 ON PRIORITY INVESTMENT PROJECTS, IT IS ADVISABLE TO NOTE THE FOLLOWING:

- Completion of construction and installation works for the Kenderli desalination plant and associated infrastructure (with subsequent commissioning of the plant in summer 2025);
- The second tracks on the Dostyk-Moynty section are expected to be completed in 2025;
- Construction of a bypass railway line bypassing the city of Almaty;
- Creation of a container hub with the capacity to handle up to 240,000 TEU annually on the basis of the Aktau port;
- Construction of the Taldykorgan-Usharal gas pipeline;
- Reconstruction of diesel fuel hydrotreatment unit at Pavlodar Petrochemical Plant (PNHZ);
- Expansion of the processing capacity of the road bitumen plant in Aktau.

Low-profit projects

In 2024, in accordance with the instructions of the President and the Government of the Republic of Kazakhstan, there were 2 low-profit projects under implementation:

1. CONSTRUCTION OF A 50,000 M³/DAY DESALINATION PLANT AT KENDERLI

This project is being implemented on the instructions of the Head of State. The new plant will provide Zhanaozen residents with stable access to drinking water. The facility will also reduce the load on the main Astrakhan-Mangyshlak water pipeline for the development of industry in the region. In 2024, the main construction works including motorways, main water line, pumping stations, power lines, substations and internal utility networks have been fully completed. In 2025, site improvement works, installation of process equipment and commissioning of the plant will be completed.

2. LAYING FOCL ALONG THE CASPIAN SEA BED

The Caspian Sea FOCL will connect the countries of Central Asia with a single Internet space.

In 2024, Kazakhtelecom JSC continued working on the international complex project of construction of a fibre-optic line under the Caspian Sea along the Azerbaijan-Kazakhstan route, tender procedures were held to determine the EPC contractor.

The Trans-Caspian project is strategically important for Kazakhstan (and, in general, for the entire Central Asian region), because with its implementation, Kazakhstan will gain additional access to the international transit market, which will make it possible to ensure the transit of global traffic from Asian countries through the territory of Kazakhstan to Azerbaijan with access via Georgia, the Black Sea and Bulgaria to Europe.

The project will also serve as a driver to accelerate the creation of a new digital telecoms corridor and help achieve a higher level of development of high-speed and secure data transmission infrastructure.

The EPC contract and design is planned for 2025. The project is scheduled for completion in 2026.

3. CONSTRUCTION OF INFRASTRUCTURE FACILITIES ON THE TERRITORY OF THE NATIONAL INDUSTRIAL PETROCHEMICAL TECHNOPARK

This project is being implemented in order to develop modern oil and gas chemical cluster, within the framework of which petrochemical production facilities will be realised for the deep processing of hydrocarbon raw materials and production of petrochemical products. The project provides petrochemical production facilities on the territory of the Technopark with the necessary production infrastructure (energy resources – electricity, steam, water, technical gases) and the relevant general plant infrastructure (depot, roads, pumping station, sewerage, etc.).

In 2024, works continued on the design of infrastructure facilities (water and wastewater treatment, utility network corridor, AGDS, etc.) for polyethylene and butadiene and its derivatives production complexes, and work began on the construction of an evaporation pond. The project is scheduled for completion in 2027.

Priority projects

№.	Project Name	Cost, billion KZT
JSC NC KazMunayGas		**12,176.4**
1	Construction of Seawater Desalination Plant in Kenderli settlement	127.2
2	Polyethylene production	4,261.0
3	Construction of SSC for the polyethylene project	1,301.0
4	Construction of a new gas processing plant in Zhanaozen	217.6
5	Expansion of production capacity of PKOP LLP to 12 million tonnes per year	3,021.0
6	Construction of a 247 MW hybrid power plant in Zhanaozen together with ENI	135.9
7	Reconstruction of the diesel fuel hydrotreatment unit (DFU)	36.2
8	Expansion of bitumen production by JV CASPI BITUM LLP	47.5
9	Kalamkas Sea and Hazaras	3,029.0
JSC NC QazaqGaz		**5,388.9**
10	Construction of a gas processing plant at Kashagan deposit (1 bn m^3)	517.0
11	Construction of a gas processing plant at Kashagan deposit (2.5 bn m^3)	1,034.0
12	Increase in capacity of the Beineu-Bozoi-Shymkent MG (construction of the 2nd string	3,196.0
13	Construction of a new compressor station KS-14 of Krasnooktyabrskoye LPU of Aktobe Gas Trunkline Management and a new trunk gas pipeline KS-14 – Kostanai	517.0
14	Construction of the Taldykorgan-Usharal gas pipeline	124.9
Samruk-Energy JSC		**10,255.6**
15	Modernisation of Almaty TPP-2 with minimisation of environmental impact	436.0
16	Reconstruction of Almaty TPP-3 based on CCGT with capacity up to 450 MW	341.3
17	Auto-conveyor technology of overburden transportation at Bogatyr open pit mine	22.5
18	Expansion and reconstruction of EGRES-2 with installation of power unit st.No.3	792.8
19	Expansion of Ekibastuz GRES-2 with installation of power unit st.No.4	908.7
20	Construction of a power plant based on clean coal technologies GRES-3	1,034.0
21	Construction of Kokshetau TPP	593.1
22	Construction of CHPP-3 in Semey	789.1
23	Construction of Ust-Kamenogorsk CHPP	865.1
24	Construction of the Semipalatinsk HPP	530.4
25	Construction of a hydro-storage plant in the Republic of Kazakhstan	n/a
26	CCPP-based power plant in Kyzylorda region	793.8
27	Expansion to 810 MW WES in Almaty region (Power China) Stage 1 – 70 MW HPP; Stage 2 – 240 MW WPP; Stage 3 – 500 MW WPP	516.2
28	Construction of 800 MW RES with China Energy Overseas Investment Co. (Energy China)	475.2
29	Construction of 1 GW wind power plant with energy storage system with "Total Eren"	552.0
30	Construction of a 1 GW wind power plant with energy storage system together with Masdar	690.0
31	Construction of a 1 GW wind power plant with energy storage system jointly by China Power International Holding Ltd.	552.0
32	Construction of power plants with a total capacity of up to 1 GW with UNIGRIN ENERGY	363.4
CCPP Turkestan LLP		**861.3**
33	Construction of a CCGT-based power plant with a capacity of up to 1,000 MW in Turkestan region	861.3
KEGOC		**357.8**
34	Unification of the energy system of Western Kazakhstan with UES of Kazakhstan	180.2
35	Strengthening of the power grid of the Southern Zone of UES of Kazakhstan	137.6
36	Strengthening of the external power supply scheme of Astana city (construction of power grid facilities)	40.0
Kazatomprom JSC		**113.5**
37	Construction of a sulphuric acid plant with a capacity of 800,000 tonnes per year	113.5
NC Kazakhstan Temir Zholy JSC		**1,565.8**
38	Creation of container hub on the basis of Aktau port	20.0
39	Modernisation of the Dostyk-Moynty railway corridor	542.8
40	Construction of a bypass railway line bypassing the railway junction of Almaty station	151.0
41	Construction of the Darbaza-Maktaaral railway line	286.0
42	Construction of the Moynty-Kyzylzhar railway line (320 km)	566.0
Kazakhtelecom JSC		**559.9**
43	Construction of 5G network in the Republic of Kazakhstan	536.9
44	Laying a FOCL backbone in the Caspian Seabed	23.0
Karabatan Utility Solutions LLP		**619.0**
45	Construction of infrastructure facilities of the special economic zone "NINT" (Karabatan site)	619.0
Samruk-Kazyna Construction JSC		**1,423.1**
46	Implementation of the pilot Comfortable Schools National Project	1,423.1
	TOTAL	**33,321.3**

Samruk-Kazyna Invest

Samruk-Kazyna Invest LLP is a financially stable investment company, which in co-operation with strategic partners realises direct investments in various projects on the territory of the Republic of Kazakhstan.

The main objective of Samruk-Kazyna Invest is to diversify the investment portfolio of Samruk-Kazyna JSC.

Samruk-Kazyna Invest aims to stimulate economic development by creating new industries, creating quality jobs, reducing dependence on imports, increasing exports, and attracting foreign investment and technology.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Financial indicators, KZT million:		
Net gain on financial instruments at fair value through profit or loss	23,069	26,492[26]
Dividends received	2,115	3,803
Operating expenses	(1,721)	(1,587)
Income (loss) from operating activities	23,463	28,707
Finance income (expense), net	(4,885)	27,228
Income (loss) before taxation	18,578	55,935
Corporate income tax expenses	(2,163)	(10,185)
Profit (loss) for the period	16,415	45,750

[26] Values between years vary mainly due to the revaluation of financial assets measured at fair value.

PLANS FOR 2025

In 2025, SK Invest plans to expand its investment portfolio by investing in innovative projects in the manufacturing industry, in particular instrumentation and machine building.

The total value of the projects is KZT 140 billion, including foreign direct investment of KZT 56.3bn from investors from China and Italy, each KZT of SK Invest's investment should bring foreign direct investment of KZT 2.7.

Given the current socio-economic dynamics of Kazakhstan and the significant role of the Fund in the economic development of the country, preference will be given to investments within the country, namely, in strategic projects with international strategic investors.

At the global level, the Fund aims to diversify its investment portfolio by enriching it with industrial projects with a high level of economic added value and export potential.

In the international arena, the focus will be on co-operation with leading global organisations and sovereign wealth funds to jointly implement various initiatives and projects.

In 2025, SK Invest will launch one of the key industrial projects aimed at developing green energy and localising high-tech production in Kazakhstan. A large-scale project to build a high-tech plant for the production of components for wind power plants has been launched with foreign partners. The plant with a capacity of 2GW will be built on the territory of FEZ "Jibek Joly" in Zhambyl region by the end of 2025. Also, a project is being developed to organise assembly production of special equipment in Kazakhstan.

In addition, a project is being prepared in Almaty to create a high-tech enterprise for the production of digital gas meters with telemetry function in partnership with the Chinese company Goldcard Smart Group.

Support for Socially Oriented Construction

Samruk-Kazyna Construction JSC is a real estate development company. In accordance with Resolution No. 963 of the Government of the Republic of Kazakhstan dated 30 November 2022, the Company has been designated as the Directorate within the framework of the implementation of the Comfortable School national pilot project.

The company was established on 6 March 2009 by the Government of the Republic of Kazakhstan. Its main purpose was to stabilise the situation in the real estate market, in particular, to solve the problems of participants in shared construction and to complete the construction of problem properties. Initially, the Company's objective was to acquire residential and commercial properties under construction and ensure their effective management. As a national operator, the Company contributed to the implementation of government programmes such as the Anti-Crisis Programme, Affordable Housing 2020 and Nurly Zher.

CONSTRUCTION OF

104

schools has been completed across the country

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Commissioning of real estate, '000 m^2	82.00	17.75
Realised real estate, '000 m^2	96.66	16.51
ROACE, %	7.04	9.91
Debt/Equity, coefficient	0.76	0.26
NAV, KZT million	77,891.0	86,457.9
Output of non-resource goods and services, '000 KZT	28,209.9	27,108
Labour productivity[27], million KZT/person	53.64	40.31
Financial indicators, KZT million:		
Revenue	19,316.4	21,202.6
Gross profit	13,326.3	11,963.5
Dividends	6,437.1	7,919.5
Net profit	7,437.3	8,621.8
Current costs	12,497.9	15,115.1
Operating profit	5,241.4	8,908.3
Net debt	46,374.6	15,974.3
Taxes paid, billion KZT	1.365	5.036
Sustainable development indicators:		
Accidents	0	0
Fatal accidents	0	0
The amount of heat and electricity consumed:		
Electricity, '000 kWh	4,828	3,857
Heat supply, Gcal	4,903	3,721

[27] The indicator is based on o the methodology of the Fund dated 09.12.2021 according to the decision of the Management Board of Samruk-Kazyna JSC, Minutes No. 55/21.

FINANCIAL RESULTS

In line with the Nation Address "Fair Kazakhstan: Law and Order, Economic Growth, Public Optimism" delivered by the Head of State on 2 September 2024, the construction of 151 schools was cancelled at the second phase of the Comfortable School project. Financing of the project was adjusted from KZT 2.3 trillion to KZT 1.4 trillion.

In addition, Kazakhstan's construction industry in 2024 faced a number of challenges caused not only by external, but also by internal factors: problems with engineering networks and lack of infrastructure, open issues related to implementation with the e-Qurylys national online platform which have caused difficulties for property developers, rising property prices, declining purchasing power and others.

Since the Company's activities are continuously connected with housing, social and industrial construction, the above factors had a negative impact on financial and production indicators. At the end of 2024, the Company's net income totalled KZT 8,622 million with a planned net income of KZT 13,097 million.

COMFORTABLE SCHOOL

In line with Resolution No. 963 On approval of the pilot national project in the field of education "Comfortable School adopted by the Government of the Republic of Kazakhstan on 30 November 2022, the Company was designated as the Directorate for targeted construction of facilities of secondary education organisations in 2023. Samruk-Kazyna Construction JSC carries out the project management in accordance with the Rules of rendering engineering services in the sphere of architectural, town-planning and construction activities and is vested with the function of the customer.

As of 31 December 2024, the construction of 104 schools had been completed in 3 megacities and 16 regions of Kazakhstan, including 2 schools for 1,200 pupils put into operation and transferred to the management of local authorities. The deviation from the plan and postponement of the completion of construction of 104 schools to 2025 is due to changes in the timing of obtaining favourable conclusions on design and estimate documents and project financing.

Within the framework of the Comfortable School national project, the participation of domestic manufacturers is enshrined in legislation. As the Directorate of the national project, the Company ensures, as per concluded turnkey design and construction contracts, that the procurement of furniture products exclusively from individuals and legal entities that are in the register of commodity producers of Samruk-Kazyna JSC and/or the register of domestic producers (industry register on the basis of the certificate of origin of goods of the ST-KZ form and/or industrial certificate) of NPP Atameken.

In the design and estimate documents, which received a positive opinion of Gosexpertiza Expert Review Board, the share of Kazakh content is about 76.8%.

In 2024, contractor organisations created more than 17,000 temporary jobs during the construction of comfortable schools.

In 2024, the company implemented the Bitrix project management information system with integration into the e-Qurylys portal as part of the Comfortable School National Project. For the first time on the e-Qurylys platform, construction companies signed electronic certificates of acceptance of work, as well as made settlements and payments for services rendered in electronic format. Data on all 208 facilities were entered into the system.

In addition, a video monitoring service has been integrated into the Bitrix system, which allows round-the-clock monitoring of construction progress. All stakeholders, including government agencies, akimats, customers and builders, have real-time access to cameras, which ensures the transparency of the process.

SUPPORT FOR THE CONSTRUCTION INDUSTRY

The Company invests in the construction of new real estate projects to enhance the affordability of housing for the population and support construction companies. Financing of these projects is carried out by attracting borrowed funds on market terms and own funds. For the period from 2020 the Company has concluded investment agreements on construction of 19 objects in the cities of Astana, Almaty, Atyrau, Aktobe, Konaev, Kokshetau, Aksu (Pavlodar region), Ust-Kamenogorsk and Taraz. The pool of commercial and residential real estate of the Company under the concluded ACAs as of 31 December 2024 is 309,900 m^2 and 996 parking places, the volume of investments of the Company is KZT 60.68 billion, including land plots transferred (under the Residential Complex Akkent in Almaty and Residential Complex on Millennium Alley 1 stage in Astana projects) worth KZT 2.2 billion.

As of 31 December 2024, eight of the above projects had been completed, and the developers have returned the Company's investments and investment income. For the remaining projects, the developers violated the terms of investment repayment. The total amount of debts not timely repaid by the developers is KZT 24.2 billion. The main reasons for the arrears are untimely financing by developers of their share in the projects and problems with realisation of real estate due to insolvency of the population.

In the reporting period, on 14 June 2024, the housing and communal services were commissioned in Ust-Kamenogorsk, total area – 22,200 m^2, including the area of the Company – 17,700 m^2.

In 2024, no contracts were concluded on new investment projects due to the decision to suspend investment activities on new projects until the completion of the Comfortable School national pilot project.

PLANS FOR 2025

The Company plans to complete construction of 104 comfortable schools by the end of 2025. As part of investment activities, it is planned to complete construction of residential complexes in the cities of Astana, Taraz, and Kokshetau.

To streamline its business processes, the Company will continue to work on digitalisation and implementation of modern project management methods compliant with international standards.

Procurement Support

Samruk-Kazyna Contract LLP was established in 2009 as a procurement operator for the Group of companies of Samruk-Kazyna JSC.

The Company is responsible for the support and development of the electronic procurement information system (the Fund's procurement web portal), monitors local content and prices for products purchased by companies within the Group of Samruk-Kazyna JSC. In addition, the Company is engaged in the development of the Unified Nomenclature Directory of goods, works and services, which is used in the procurement procedures of the Fund's Group, in public procurement, as well as in the procurement processes of the quasi-public sector, natural monopolies and subsoil users. In addition, CCM pre-qualifies potential suppliers and assists the Fund's Group in categorical procurement management.

KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
Procurement performance indicators by the Fund's Group		
Amount of concluded contracts, billion KZT	3,697	3,625
Total share of in-country value in procurement, %	79%	82.5%
Share of in-country value in purchases of goods, %	60%	62%
Share of in-country value in procurement of works and services, %	87%	92%
Total single-source procurements, billion KZT (% indicates the share of the total amount of procurement carried out)	2,100 (57%)	2,178 (60%)
Total procurements through open tenders, requests for quotations (RFQ) and other competitive methods, billion KZT (% indicates the share of the total amount of procurements made)	1,597 (43%)	1,447 (40%)
Number of offtake agreements contracts concluded (as of the end of the year, cumulative total), units	476	842
Total amount of offtake agreements concluded (as of the end of the year, cumulative total), billion KZT	115.7	306.6

Indicator	2023	2024
Indicators of Samruk-Kazyna Contract LLP		
Production figures		
Number of potential suppliers registered on the procurement web portal (as of the end of the year, cumulative total), '000 units	97	115
Number of potential suppliers that passed preliminary qualification selection, units[28]	81 (215)	99 (221)
Number of procurement category strategies (at the end of the year, cumulative total), units	29	28
Number of codes of the Unified Nomenclature Directory of Goods, Works and Services (at the end of the year, cumulative total), units	53,150	53,701
Financial indicators, '000 KZT		
Revenue	3,091,819	3,604,732
Dividends paid in the reporting period, for the previous year	500,000,	615,000
Net profit	637,824	704,874
Costs	2,512,600	2,898,060
Operating profit	649,168	704,949
Net debt	0	0
Taxes paid	459,449	321,709
Sustainable development indicators:		
Accidents	0	0

AGREEMENTS SIGNED WITH DOMESTIC PRODUCERS

1.1

KZT trillion

OFFTAKE CONTRACTS SIGNED

191

KZT billion

IMPORT SUBSTITUTION PROGRAMME

The Fund actively participates in the implementation of industrial and innovative projects of social importance, which contribute to sustainable economic development of the Republic of Kazakhstan. One of the key areas of the Fund's activities is support of local production through the Import Substitution Programme. The Fund regularly, on a quarterly basis, determines and approves the Pool of Goods of Net Import, in which the Fund's Group of companies has a long-term need. Companies located in Kazakhstan are invited to start production of these goods. In return, the Fund undertakes to ensure stable and long-term demand for the products produced. From 2018 to 2024, 91 projects were approved for offtake contracts, resulting in 842 offtake contracts totalling approximately KZT 306.6 billion.

[28] Cumulative data (taking into account exclusion of suppliers from the CAT Register on established grounds).

MAINTAINING THE REGISTER OF THE FUND'S COMMODITY PRODUCERS

In order to support domestic producers, on an ongoing basis, the Fund accepts, reviews and makes decisions on the materials submitted for inclusion in the Register of Commodity Producers of the Fund (CPF Register), which gives producers a priority right to participate in the Fund's procurement.

At the end of 2024, 2,254 applications from businesses for inclusion in the CPF Register were considered. Currently, 807 organisations in more than 18,000 commodity items are included in the CPF Register.

PRE-QUALIFICATION OF POTENTIAL SUPPLIERS

In the context of modern procurement practices, the process of pre-qualification of potential suppliers (PPS) is of key importance. It provides indirect mitigation of risks associated with the subsequent award of contracts and also contributes to optimising the costs of tender procedures. Pre-qualification helps to ensure transparency and fair competition in the market by selecting organisations that are likely to meet the customer's needs for quality goods, works and services.

A total of 221 potential suppliers are included in the Register of Qualified Potential Suppliers (hereinafter referred to as the QPS Register). For 2022–2023 – 177 potential suppliers, in 2024 – 99. The low growth in the number of participants is due to the expiry of the 3-year term of being in the QPS Register, previously included potential suppliers, resulting in automatic exclusion from the QPS Register and a decrease in the number of participants in the PQS.

In the reporting period, 20 new categories of goods, works and services were developed jointly with the Fund's portfolio companies to which PQS is applied. Regular monitoring of the quality of services provided notes a 100% level of satisfaction with the PQS process on the part of potential suppliers, which confirms its high efficiency and contribution to improving competitiveness in the market.

CATEGORY MANAGEMENT

Category Management (hereinafter referred to as CM) is a modern global management practice aimed at improving the economic efficiency of a company's procurement processes. The main objective of CM is to transform the approach to procurement considering the peculiarities of a particular business area. This practice helps to significantly reduce the cost of procurement, improve the quality of purchased goods, optimise logistics costs, and minimise the amount of illiquid inventory. A key advantage of CM is that when selecting a supplier, the main criterion is not only the purchase price, but also the total sum of all costs incurred at each stage of the life cycle of a product, work or service – from the moment of purchase to its complete write-off or disposal.

LIST OF PROCUREMENT CATEGORIES OF THE FUND AND THE FUND'S ORGANISATIONS

As of 31 December 2024, the list included 28 procurement categories, including 4 at the level of the Fund; 11 at NC KazMunayGas JSC, 7 at NC Kazakhstan Temir Zholy JSC, 5 at Samruk-Energy JSC, and 1 at NAC Kazatomprom JSC.

DEVELOPMENT AND IMPLEMENTATION OF THE FUND'S PROCUREMENT CATEGORY STRATEGIES

In 2024, work was carried out to update the drafts of two procurement category strategies of the Fund for the categories of Protective Clothing and Pipe Products. A draft of the Fund's procurement category strategies for the Tyres category has also been prepared. Approval of all projects is expected in 2025.

The economic effect of the Fund's procurement category strategies, according to operational data, totalled KZT 3.8 billion (10% of costs).

FURTHER DEVELOPMENT OF THE UNIFIED NOMENCLATURE DIRECTORY OF GOODS, WORKS AND SERVICES

As of 31 December 2024, the total number of codes in the Unified Nomenclature Directory of Goods, Works and Services (hereinafter – UNDGWS) reached 53,701, including 51,244 codes for goods, 582 codes for works and 1,875 codes for services. In 2024, 2,011 applications for adding new codes were reviewed in the information system of the UNDGWS. Of these, the Commission for review and approval of UNDGWS codes approved 648 new codes, 1,363 were returned to applicants with proposed codes and recommendations.

One of the strategic objectives for the development and improvement of the UNDGWS is to implement unification and standardisation of technical specifications in procurement. The indicator reflects the number of UNDGWS codes covered by standardised standard technical specifications in the procurement of goods for the Group of companies of the Fund and is aimed at improving the efficiency and quality of procurement, as well as eliminating the risks of incorrect application of UNDGWS codes.

Based on the analysis of purchases of the Fund's companies from KZT 3 million and above for 2023, with the frequency of use more than 10 times a year, and on the presence in the Register of commodity producers of the Fund and the Register of Organisations of Persons with Disabilities, in the reporting year, a list of 5,036 UNDGWS codes for goods was formed. Templates of standard technical specifications for use in the information system of electronic procurement were developed for these codes in co-operation with specialists of the Fund's companies.

DIGITALISATION

In accordance with the Rules of property realisation of Samruk-Kazyna JSC, a web portal for the Fund's property realisation was developed, which ensures increased transparency and efficiency of the process of illiquid property sale. At the current date it is expected to receive the consent of the Agency of the Republic of Kazakhstan for Protection of Competition for its industrial introduction.

Automated monitoring of planned prices for goods in the procurement information system was introduced. When forming procurement plans or adjusting them, planned prices are compared with the average prices for the Fund and actual prices for a particular company. In case of excess, companies receive notifications and justify their prices. As a result, there is a positive dynamics of requesting price offers from more companies, including local producers, which leads to better formation of planned prices.

For 2024, price monitoring covered 2,696 commodity items worth KZT 2.4 trillion.

During 2024, a number of works were carried out to further develop the functionality of the Electronic Procurement Information System (EPIS):

- An electronic wallet has been implemented to optimise the process of tender security deposit by potential suppliers;
- Integration between the ESF IS and the EPIS portal to receive data from the State Revenue Committee of the Ministry of Finance of Kazakhstan via Smart Bridge was implemented;
- Refinement of authorisation in connection with the transition to new EDSs of the National Certification Centre;
- Implemented integration between Smart Data Ukimet and the EPIS portal for reporting procurement data.

LIST OF UNRELIABLE SUPPLIERS

The CCM shall form and maintain a List of Unreliable Suppliers.

A total of 1,973 potential suppliers (vendors) were included in the List in 2024. Of these, 1,041 were included for evading the conclusion of a contract (automatically), 757 – by a court decision establishing non-fulfilment or improper fulfilment of contractual obligations, 58 – for failure to provide security for contract performance, and 117 – for providing false information in the procurement process.

PLANS FOR 2025

Further development of EPIS functionality:

- Integration with the state databases Individuals and Legal Entities, e-licensing portal, development of integration with Information Systems of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (including data on income, declaration of goods, etc.), as well as development of integration with the Unified Procurement Portal;
- Modernisation of the EPIS to provide protection against the use of bots that automatically submit applications;
- Development of the Offtake Contracts module and the PCO module;
- Integration Bus Modernisation.

Scientific Research Initiatives

The non-profit organisation Samgau Centre for Scientific and Technological Initiatives is engaged in the consolidation and systematisation of research and development works of subsoil users.

In December 2022, the Centre underwent the re-registration procedure on the site of the Astana International Financial Centre, transforming into a non-profit organisation, the Samgau Centre for Scientific and Technological Initiatives (CSTI).

The goal of the Centre is to support research and innovation activities through the formation of an efficient and transparent ecosystem that promotes the development of a knowledge-intensive economy and improves the well-being of the population.

The organisation aims to create a reliable system for the selection and implementation of research and innovation projects, ensuring transparency and understandability of processes at all stages – from application to project completion.

The Centre develops mechanisms for effective interaction between the academic and innovation community and industry and works extensively to concentrate the country's R&D and intellectual potential to solve advanced technological problems aimed at optimising production processes.

Being a part of the National Innovation and Research System, the Centre builds interaction with government agencies, development institutions, research organisations and universities, industry and financial institutions.

Thus, a unified R&D policy of the Fund is developed to achieve long-term economic sustainability and global competitiveness by the companies.

Since December 2023, subsoil users of the Fund have been funding R&D through CSTI. The new selection and funding mechanism based on the "single window" principle has become a key tool for optimal and transparent allocation of resources within the Fund.

In 2024, 57 applications for research and development were considered. In 2024, 11 meetings of the Scientific and Technical Council of the Fund were held, following the results of which 24 promising projects were submitted and approved.

Four project financing agreements were concluded:

1) Improving the quality of recycled water supply, reclamation of oil-contaminated lands of Atyrau Refinery LLP (Atyrau Refinery LLP);

2) New insecticidal formulations based on products of industrial (sulphur-containing) waste utilisation (Samruk-Kazyna Ondeu LLP);

3) Study of the effectiveness of using non-explosive sources of elastic wave excitation and machine learning algorithms in seismic exploration to detail the structure of the Earth's crust and reduce the ecological impact on the environment (Karazhanbasmunai JSC);

4) Research and development work to create a complex and innovative technical solution for gas treatment and processing (JV Kazgermunai LLP).

PLANS FOR 2025

In 2025, several technology sessions are planned to be held jointly with the Ministry of Science and Higher Education of the Republic of Kazakhstan at NC KazMunayGas JSC, NC Kazakhstan Temir Zholy JSC, NAC Kazatomprom JSC, KEGOC JSC, Tau-Ken Samruk NMC JSC and Samruk-Energy JSC.

Within the framework of innovation and technology diagnostics, it is planned to conduct at least 5 innovation and technology diagnostics for subsidiaries and affiliated organisations of the Fund's portfolio companies, identify and map problematic issues and form technological tasks.

It is planned to finance at least 5 projects jointly with the Ministry of Science and Higher Education of the Republic of Kazakhstan for a total amount of about KZT 1.5 billion.

In addition, CSTI is planning a modular training on R&D in 2025, which will reach about 70 participants.

Shared Service Centre

Since July 2020, SK Business Service LLP functions as a shared service centre of Samruk-Kazyna JSC.

This role was approved under the Transformation Programme adopted by the Council for Modernisation in the Organisations of Samruk-Kazyna JSC Group on 28 May 2020 to improve the efficiency of key business by centralising non-core functions of Samruk-Kazyna JSC and the Group of companies into a shared service centre.

The Company currently fulfils a number of key functions within the Fund including:

- SAP Customer Centre of Expertise;
- Single Operator of the Privatisation Programme;
- Organisation of centralised archiving of documents.

The Company holds a 51% interest in its subsidiary, QazCloud LLP, (49% is owned by Daneker Sala LLP). QazCloud LLP provides a wide range of IT services, including IT infrastructure support and modernisation, lease of virtual IT resources and protection of the Fund's information data.

The Company also has a 50% interest in the authorised capital of its subsidiary Soft Art LLP (40% owned by SA Consult LLP and 10% owned by D.A. Bekteleuov). Soft Art LLP carries out activities in the field of engineering, consulting, leasing, marketing, management, know-how, real estate operations (sale, lease), production and sale of construction materials and others.

KEY PERFORMANCE RESULTS 2024

Financial indicators, '000 KZT	2023	2024
Revenues	17,991,616	19,270,916
Cost price	-15,549,459	-16,638,726
General administrative expenses	-1,093,322	-1,175,330
Revenues before tax	1,159,239	1,295,279
Net profit	954,501	1,070,751
Dividends paid to the sole participant	177,464	400,000

The excess of net profit in 2024 was due to a number of factors. The main ones were the increase in revenues from outsourcing services of business processes of personnel administration and centralised archiving of documents provided by the Company, as well as successful implementation of new projects of the subsidiary, QazCloud LLP.

As of 31 December 2024, the Company served 4,900 employees of NC KazMunayGas JSC, Munaitelecom LLP, Oil Construction Company LLP, PNHZ LLP, QazCloud LLP, MangistauEnergoMunai LLP, KMG Engineering LLP and branch, Samruk-Kazyna Contract LLP, Samruk-Kazyna Ondeu LLP, and Tau-Ken Samruk NMC LLP.

SERVICES OF THE SHARED SERVICE CENTRE

Since its establishment, the Shared Service Centre has been actively developing and expanding the range of services provided to the Fund's companies and the Fund itself. The key services provided by the Shared Service Centre include:

- Administrative support;
- Written translations;
- Employee transportation;
- Supporting the work of executives;
- Procurement support;
- HR Services;
- Accounting and tax accounting;
- Legal support;
- Safety;
- IT security;
- Other functions.

At the initiative of the Fund, the activities of the CLC were expanded through the transfer of business process outsourcing functions from Samruk Business Academy private institution. This includes:

- Administering payroll calculations and payroll;
- Recruitment administration;
- HR administration;

The Company serves more than 4,900 employees in new areas and has two regional service centres in Pavlodar and Aktau.

CENTRAL DOCUMENT ARCHIVING

By the decision of the Council for Modernisation in the Organisations of Samruk-Kazyna JSC Group dated 10 December 2020, the Company was designated as an operator for the implementation of the project, Centralised Document Archiving (CDA), which includes the portfolio companies, subsidiaries and affiliates of Samruk-Kazyna JSC.

In December 2022, the Electronic Archive information system (EA IS) was transferred by contribution to the authorised capital of the Company from Samruk-Kazyna JSC.

Under the CDA programme, the Company operates in five areas, including the provision of access to EA IS.

As of 31 December 2024, access to the EA IS was provided for 9 companies of Samruk-Kazyna JSC Group, during the year provided services to 13 companies of Samruk-Kazyna JSC Group under the CDA project.

In 2024, the total amount of concluded service contracts totalled KZT 467 million.

SAP CUSTOMER CENTRE OF EXPERTISE

The Company was designated as the Operator under the Agreement on granting rights of use and provision of software maintenance services No. 122 concluded on 30 December 2015 between Samruk-Kazyna JSC and SAP Kazakhstan LLP (SAP Agreement).

The Operator enters into contracts with the portfolio companies, subsidiaries and affiliates of Samruk-Kazyna JSC for distribution and technical support of SAP licensed software owned by Samruk-Kazyna JSC, as well as ensures compliance with the terms and conditions of the SAP Agreement in accordance with the SAP Software Licence Trust Agreement No. 630-i concluded on 20 December 2016.

The perimeter of the SAP Agreement covers 25 companies of the Samruk-Kazyna JSC Group.

The functions of the SAP Customer Centre of Expertise include:

- Software support service;
- Licence management;
- Contract administration;
- Consulting;
- Coordinating requests for software enhancements or modifications;
- Information management;
- Conclusion and maintenance of lease agreements and contracts for technical support services (with companies of Samruk-Kazyna JSC Group;
- Licence audits.

SINGLE OPERATOR OF THE PRIVATISATION PROGRAMME

By the decision of the Management Board of Samruk-Kazyna JSC dated 14 October 2021, the Company was determined as the Single Operator in accordance with the Rules of Asset Transfer in a Competitive Environment. The Company has developed and put into operation the Automated Database of Realised and Realisable Assets information system (ADRRA IS).

By the end of 2024 the information on assets listed in the Resolution of the Government of the Republic of Kazakhstan On Certain Aspects of Privatisation 2021–2025 No.908 dated 29.12.2020 is collected in ADRRA.

At the end of the year, the representatives of the Single Operator took part in 23 meetings of the Commissions of the Industry Companies on the sale of assets and in 18 meetings of the Project Office of Samruk-Kazyna JSC in order to ensure compliance with the Order and procedures for the transfer of assets to the competitive environment, provided by the Rules.

As part of the objective to reduce government participation in the economy, a decision was made to liquidate SK Business Service LLP.

Charitable Activities

Samruk-Kazyna Trust Social Projects Foundation is the Sole Operator of charitable activities of the Samruk-Kazyna Group, which implements charitable projects and programmes aimed at addressing social issues on behalf of the entire Samruk-Kazyna Group.

PROJECTS IMPLEMENTED

36.6

billion KZT

AROUND

700

thousand Kazakhstanis reached through charitable aid

In 2024, Samruk-Kazyna Trust implemented projects totalling KZT 36.6 billion in healthcare, education, sports, inclusion development, creative industries, and also provided assistance to flood victims. The projects were implemented in partnership with non-profit organisations in the regions where the Fund's companies operate, taking into account the needs of the population, as well as in areas where government resources are insufficient.

The total number of direct beneficiaries of charitable projects was about 700,000 people, including more than 101,000 rural population and 500 employed people.

In the healthcare sector, attention has been paid to ensuring accessibility of medical and rehabilitation care, introducing innovative treatment methods and improving the quality of life of Kazakhstanis. Ten rehabilitation centres for children and adults with disabilities have been launched. A D-WALL robotic laboratory was purchased from the National Centre for Children's Rehabilitation in Astana. The treatment of 10 children whose diagnoses are incurable in Kazakhstan was paid for. Training and advanced training was organised for 72 members of an interdisciplinary team of specialists from state medical and social institutions working in inpatient and semi-inpatient facilities to improve the quality of special social services.

In 2024, we, together with the National Commission, also implemented the charity projects, Tugan Yelge Sayahat and Medical Trains:

- Tugan Yelge Sayakhat project in the format of a summer camp for talented children and children-producers of the Samruk-Kazyna Group of companies.
- 400 children, half of them from flood-affected regions, were given the opportunity to participate in the excursion camp through the operation of 2 camp tours;
- The Medical Trains project is aimed at providing qualified medical and legal assistance to the population of remote stations in the country by running a medical train.

In 2024, more than 101,000 residents of remote areas received high-quality medical and legal assistance.

The Centre for Children with Down Syndrome in Almaty also continues to operate with an annual enrolment of 90 children.

In the field of inclusion support, 14 inclusion support offices were opened in Astana city and Akmola region in 2024 alone. 78 adaptive sports sections were organised in 21 settlements, covering more than 890 pupils, 4 seasons of sports camp were held for 200 children and teenagers (10-18 years old) with cerebral palsy, delayed psycho-verbal development, autism, visual impairment and their parents, 30 children with mental and motor disorders are engaged in cycling with professional coaches. A resource training and methodological centre has also been opened in Astana to create an inclusive urban and social environment, accessibility assessment experts have been trained, and 15 major tourist sites in the city have been assessed for compliance with the needs of people with disabilities, and conditions are being created for the training of citizens with disabilities; in 2024, 180 persons with disabilities were trained in digital areas throughout the country.

In the field of education, 133 students of Zhanaozen city continue their studies in various educational institutions of the country. Of the 50 graduates of iQanat high school of Burabay 2024, all 50 entered higher education institutions, 80% on a grant.

In the field of sports, a contribution was made to the development of infrastructure and the creation of an accessible sports environment. Six large sports complexes were built, including a table tennis centre in Kyzylorda and a boxing centre in Turkestan. As part of the development of the creative industry for talented youth, Qyzylzhar Creative Centre was opened in Petropavlovsk.

In order to provide assistance to the regions affected by floods on behalf of the entire Group of companies of the Fund allocated funds in the amount of KZT 22 billion. Additional assistance was provided in the form of providing necessary equipment, fuel and lubricants, humanitarian aid, as well as providing free transportation of people for a total amount of about KZT 8 billion.

Thus, the total budget of assistance provided within the framework of charitable activities, taking into account the approved projects of Samruk-Kazyna Trust in the amount of KZT 36.6 billion, as well as additional assistance in the amount of KZT 8 billion, amounted to KZT 44.6 billion.

Partnership with Kazakhstan Khalkyna Public Foundation continues, within the framework of which projects are being implemented to open 13 early intervention centres and 10 rehabilitation centres for children with autism. The total coverage of children in the two areas is more than 2,700 children with special developmental needs.

PLANS FOR 2025

In 2025, the Samruk-Kazyna Fund will continue its active charitable and social activities, implementing large-scale initiatives in key areas: inclusion, development of sports, culture, support of socially vulnerable groups of the population. All projects are aimed at improving the quality of life of Kazakhstanis, promoting social justice and sustainable prosperity of the country.

INCLUSION

The formation of an inclusive environment remains one of the Fund's priorities. During the year, ten new rehabilitation centres are planned to be opened in the regions of Kazakhstan, which will annually reach more than 1,850 children with special needs.

It is planned to organise a sports-inclusive summer camp for special children, which will provide psychological assistance to parents of children with special needs.

As part of the Tugan Yelge Sayahat project, an annual excursion train is planned. A total of 600 children will be covered, including 200 children of employees of the Fund's Group of companies.

The Zharkyn Bolashak project, aimed at supporting children from socially vulnerable families in Zhanaozen by creating conditions for studying in the country's leading educational organisations, will continue.

As part of the Year of Working Professions, the Foundation is launching a special programme to prepare pupils in grades 8-9 at orphanages for college entrance in in-demand working professions.

As part of the continuation of the project on creating accessible education for all, it is planned to open 15 inclusion support rooms for children with special educational needs – ten in Astana and five in Atyrau region. The expected coverage will be about 400 children.

To organise leisure activities for elderly people, improve their health and social interaction, the Company will begin construction and reconstruction works at the Active Longevity Centre in Taraz city.

In addition to the above, Salamatty Kazakhstan, a traditional medical train, will continue to run. Its specialists provide free medical and legal assistance to about 100,000 residents of remote and rural regions of the country.

SPORTS DEVELOPMENT

Construction of four new fitness centres will begin in rural regions of Kazakhstan, including Akmola, Ulytau, Atyrau and West Kazakhstan regions.

There are also plans to build a modern sports complex in Semey, which will provide access to infrastructure for people of all ages to engage in physical activity.

CULTURE

The city of Uralsk will open OzgeEpic Oral, a creative hub which will become a point of attraction for young people, creative communities and entrepreneurs. In Semey city, a specialised library aimed at increasing reading culture and accessibility of knowledge will start working. In Almaty, the Kasteev Museum of Art is scheduled for ongoing renovation.

Also in 2025, construction works will start to build a Kazakhstan-German School for 600 pupils in Astana.

The Samruk-Kazyna Fund remains committed to sustainable development, strengthening social stability and supporting initiatives that can change people's lives for the better.

Human Capital Development

Samruk Business Academy private institution is a company providing services on organisation and administration of training, outstaffing and HR consulting.

Samruk Business Academy (hereinafter – SBA) was renamed in 2022 from Samruk-Kazyna Corporate University private institution that evolved in 2004 from the Unified Personnel Development Centre. Today SBA is a successful centre for accumulation of best practices and generation of new knowledge.

SBA provides services in the field of personnel training, assessment and development. Currently, SBA is engaged in retraining and professional development of specialists of Samruk-Kazyna JSC Group, support of processes in the field of human resources management, change management, formation of corporate culture in accordance with the strategic development goals of Samruk-Kazyna JSC.

PERSONNEL TRAINING

In 2024, the following modular training programmes were implemented: HR School, C&B School, Zheti Kadam, Compliance Expert, IR School, Chief Geologist, Production Manager, Production Safety Leader for Category 1.

In 2024, SBA received international accreditation from IOSH for the developed modular Operational Safety Leader programme – Vision Zero: Long Term Stability Leadership With SBA. The programme covers key aspects of leadership including emotional intelligence, developing a company mission through ESG practices, legal issues and effective emergency communication.

Under the Occupational Safety Culture project, over 117,000 production workers and 12,000 employees of contractors were trained in 2024.

The accreditation recognised helps to develop and strengthen leadership skills, reinforce safety culture and implement international standards for operational safety management.

More than 20 strategic sessions were held on changing the Culture of Workplace Safety and creating zero tolerance for workplace fatalities with the involvement of international and local experts. And 9 forums were organised: internal trainers' forum, forum to increase HR knowledge in the field of anti-corruption legislation, compliance forum, economic forum, forums on occupational safety, etc.

HR CONSULTING SERVICES

The key areas of HR consulting are:

- Evaluate hiring, and personnel for suitability for positions;
- Assessment of potential in the formation of the succession pool;
- Grading.

PERSONNEL AND COMPETENCE ASSESSMENT

Personnel appraisal is one of the main activities of the SBA. It includes carrying out evaluation procedures within the framework of:

- hiring assessments;
- to evaluate the talent pool;
- staff appraisals;
- job matching (matching data from different sources into a single job candidate profile);
- 360-degree assessments, etc.

This assessment tool allows companies and employees to evaluate the quality of interactions (hierarchical, cross-functional) and with other stakeholders (customers, suppliers, management bodies, etc.).

GRADING

Implementation of grading projects allows applying a fair remuneration system based on the value of each position for the Company and in comparison with the market. Since 2016, the Fund's portfolio companies have been implementing a graded remuneration system based on the Hay Group international methodology.

In 2024, 941 positions were assessed and projects were implemented to introduce a graded remuneration system in the companies: NC KazMunayGas JSC, Bolashaq Investments LTD, Samruk-Kazyna Invest LLP, Samruk-Energy JSC, Almaty Power Plants JSC, Kazakhstan-China Pipeline LLP, NC Kazakhstan Temir Zholy JSC, Kazakhstan Nuclear Power Plants LLP, Samruk-Kazyna Contract LLP.

RECRUITMENT SERVICES

The key areas of recruitment are:

- Administering the recruiting process;
- Full cycle search and recruitment.

The Fund and such companies as NAC Kazatomprom JSC, NC KazMunayGas JSC, KMG Petrochem LLP, Silleno, KPI JSC, KMG Engineering LLP, NC Kazakhstan Temir Zholy JSC, Samruk-Kazyna Invest LLP and others were customers of recruiting services in 2024. Within the framework of implementation of the contracts 183 vacancies were closed.

In order to develop SBA recruiting services, a memorandum was signed with the Centre for Human Resources Development of the Ministry of Labour and Social Protection of the Republic of Kazakhstan and job fairs were organised in 9 cities of the country.

In 2024, a project was implemented in the field of international recruitment of Kazakh specialists to AD Ports Group (UAE). As a result, 10 specialists were employed.

As part of the implementation of the project on employment of persons with disabilities, work was carried out with the public foundations Sodeistvie and ITeachMe, as well as with the Rehabilitation Centre in Astana and the Ten Qogam Centre for Social Adaptation of Disabled Persons.

QSAMRUK.KZ RECRUITMENT PLATFORM

QSamruk.kz is a centralised recruiting platform for Kazakhstan's leading national companies.

The QSamruk.kz project was created in 2019 to provide affordable employment in the companies of Samruk-Kazyna JSC Group and transparency of the hiring process.

By the end of 2024, 551 companies and more than 247,000 job seekers are registered on the platform.

QSamruk.kz fully integrated with the Enbek.kz portal in 2024.

In the digitalisation area, 23 new tools have been introduced, including: the ability to download Job Offer, new CV analysis templates, reporting automation, and tools to improve the convenience and accuracy of recruitment.

Implemented functionalities for job seekers: module for persons with disabilities with attachment of documents, sections in CV, filtering of notifications, "TOP Pro" status, added specialisations for exact match of suitable vacancies.

HIRED THROUGH THE PLATFORM OVER

37 thousand people

SINCE LAUNCH

The platform has a proctoring system, the ability to automate the import of tests for personnel selection, mechanisms to protect against changes in already assigned tests.

QSamruk.kz participated in more than 10 job fairs. Events and job fairs for persons with disabilities were held in online and offline formats. Training was provided for more than 150 recruiters.

PLANS FOR 2025

- Attracting more than 60,000 new candidates to the Qsamruk.kz Platform.
- Expanding the use of artificial intelligence in sourcing and recruitment tools.
- Launch of modular training programmes such as C&B School 2.0., HR school 2.0., PR school, Recruitment School, HR Administration School, School of Leadership and Management Competencies, School of Ecology and ESG, and others.
- Building up the SBA LMS (learning management system), an automated employee training platform offering online training, testing and certificate issuance.
- Establishment of the HR Brand nomination to recognise and popularise the best HR practices of Samruk-Kazyna JSC portfolio companies.

Centre for Social Cooperation and Communications

Center for social cooperation and communications

To effectively regulate social and employee relations and strengthen social partnership, the Fund's Group of companies has the Centre for Social Co-operation and Communications.

Its goal is to prevent social and employment conflicts, maintain social, sanitary-epidemiological and emotional well-being, strengthen the corporate identity of production personnel and identify protest moods by developing and implementing best practices for effective management of social and employee relations and communications.

SAMRUK RESEARCH SERVICES

Since 2013, CSCC has been conducting a comprehensive social stability survey Samruk Research Services (SRS). The survey is conducted in all companies that are part of Samruk-Kazyna Holding.

Analysis of SRS social stability level allows diagnosing problem areas in social and employee relations of production teams and taking timely preventive measures.

Based on the results of the survey conducted in 2024, the Social Stability Index is 72% (+2 p.p. compared to 2023). This indicator is an aggregate index of engagement, well-being and social tranquillity. The study covered more than 37,000 respondents.

SOCIAL STABILITY INDEX (SRS)

72%

The 2024 Annual Study resulted in 57 analytical SRS reports and 1,296 automated reports by division, as well as outreach to portfolio company management.

SOCIAL STABILITY MONITORING CENTRE

The Social Stability Monitoring Centre (SSMC) collects and analyses operational data on preconditions or facts of social tension in teams in 24/7 mode via 5 communication channels (e-mail, telephone, WhatsApp messenger, website and QR code).

The SSMC works to collect and analyse complaints and appeals received directly from the portfolio companies on a quarterly basis, the results are submitted to the Fund. In 2024, 1,535 complaints and appeals were received and analysed. The Feedback system has been introduced, which provides for checking the satisfaction of applicants with the answers received. There is an interactive Social Stability Map, through which the situation at the Group's enterprises is monitored in real time. In case of crisis situations, as well as to coordinate interaction between the Fund's units and portfolio companies, the Fund's Operational Headquarters has been established.

At the same time, the SSMC supervises the work of the Ombudsman Council with a quarterly meeting and holds an annual forum for Ombudsmen, trade union leaders and mediators to share experiences.

IR (INDUSTRIAL RELATIONS)

To evaluate employment conditions of production personnel proactively, IR screenings of social and living conditions were conducted. According to the results of IR screening, 43,602 non-compliances in the field of sanitary and epidemiological well-being were identified for the Group of companies of Samruk-Kazyna JSC for 2023. In 2024, 13,138 non-compliances (more than 30% of the total number of non-compliances) for the Group of companies of Samruk-Kazyna JSC were eliminated. The average number of non-conformities per 1 enterprise decreased from 221 (2023) to 168 (2024).

Also, to ensure a level playing field, equal rights and opportunities, a statement of intent was signed between Samruk-Kazyna JSC, ten portfolio companies and the United Nations Development Programme in Kazakhstan. SSMC was designated as a coordinator for the implementation of systemic measures to ensure the rights of employees and gender equality of Samruk-Kazyna JSC.

RESEARCH DIVISION

The department participates in the field visits of the SSMC as part of the Social Measurement initiative. At the same time, based on the results of the SRS survey, the department provides advisory support in drafting the action plan and monitors the implementation of the action plan aimed at improving employment conditions and reducing social tension of the enterprises within the SRS perimeter.

YOUTH POLICY

As part of the strategic approach to involving young professionals in management processes and improving social stability, a series of significant initiatives were implemented in the Group of companies of the Fund.

A competence centre was formed from young specialists of the Fund's Group of companies (80,000 people). An annual forum among young professionals is held to unite active young people, identify leaders and form a team for systematic work on the implementation of youth policy.

The Zheti Kadam programme has been running for three years to develop leadership, management and social skills.

TAZA KAZAKHSTAN

Within the framework of the Taza Kazakhstan national environmental initiative, the Group of companies of the Fund implements a number of activities aimed at developing ecological culture and improving the environment:

Mass cleanups are organised on the territory of enterprises and in public areas, including eco-educational trainings and master classes. Tree plantings are organised at production facilities and in adjacent areas (100,000 saplings in 2024).

Separate waste collection is being actively introduced. Waste paper, plastic and used batteries were collected.

SSMC PLANS FOR 2025

- Conducting an annual Samruk Research Services social stability survey with subsequent analyses and recommendations to improve the level of social stability in portfolio companies.
- Ongoing monitoring of social stability: prompt collection, analysis and interpretation of data on potential risks and facts of social tension for timely response and prevention of alarm zones.
- Comprehensive IR screening of employees' social and living conditions to identify risk areas and subsequent formation of the Action Plan.
- Conducting social measurements in the Group's production facilities to screen social and living conditions.
- Introduce proactive measures to protect human rights, including the integration of human rights due diligence mechanisms.
- Continuation of work on greening the territory of Kazakhstan within the framework of the Taza Kazakhstan Republican Programme with all portfolio companies of the Fund participating.

Sustainable Development

In this section:

Sustainable development and implementation of ESG principles are an integral part of the Fund's Development Strategy and ensure the achievement of its long-term goals. Implementation of ESG principles allows the Fund not only to strengthen its reputation as a responsible investor, but also to form global partnerships and attract international investments, which, in turn, contributes to reducing the share of the state in the economy and increasing the overall competitiveness of portfolio companies.

Sustainable Development Priorities

The Fund's Sustainable Development Strategy is organically embedded in and complements the overall strategy of the Fund (expressed in the Development Plan for 2023–2032). The key objectives of the Fund's strategy – effective asset portfolio management, increasing labour productivity, technological modernisation, introduction of resource-saving technologies – have a direct impact on the growth of asset value (NAV). At the same time, the focus on reducing carbon footprint, development of green finance and social initiatives is in line with global investment trends, thus contributing to strengthening the Fund's competitive position in the global capital market.

The Fund, while adhering to ESG principles that are integral to achieving its strategic and operational goals, has a number of sustainability objectives:

- Strengthening corporate governance:
    - Improving the role of the Board of Directors and the quality of its composition.
    - Managing portfolio companies based on good corporate governance principles.
    - Implementation of the world's best practices in corporate governance.
- Transparency and compliance:
    - Stakeholder engagement to ensure openness and transparency.
    - Improved transparency of reporting and prevention of corruption offences.
- Social responsibility:
    - Improving working conditions and safety measures to enhance employee well-being.
    - Contributing to the country's social development through charity, corporate sponsorship and promotion of corporate volunteering.
- Health and Safety (H&S):
    - Implementing H&S best practices to reduce injuries across the Group with a zero tolerance approach.
    - Improving personal safety and accident-free operation measures with innovative and digital solutions.
- Human capital development:
    - Building human resources capacity and strengthening staff competences in new areas.
    - Continuous professional development based on the world's best practices.
- Resource conservation:
    - Efficient use of resources, including fuel, energy and water resources.
    - Modernisation of equipment and application of modern technologies in new investment projects.
    - Implementation of the Energy and Resource Saving Programme of Samruk-Kazyna JSC until 2027.
- Decarbonisation:
    - Implementation of the Low Carbon Business Model Transition Plan as part of the Low Carbon Development Concept. The plan identifies over 50 actions to transition to sustainable environmental performance, including major investment projects to transition to alternative energy and increase manoeuvrable generation.
- Development of green finance instruments:
    - Financing of projects compliant with the green taxonomy, issuance of green bonds.

Commitment to the UN SDGs

The Fund and its portfolio companies share a commitment to the Sustainable Development Goals adopted by the United Nations (the UN SDGs), the principles of the UN Global Compact, the UN Principles for Responsible Investment, and the Equator Principles.

Taking into account the specifics of its activities and the elaboration of key areas of sustainable development, the Fund has identified eleven priority SDGs that are of strategic importance to it and have the maximum potential for impact.

These goals reflect the Fund's systematic and consistent approach to sustainable development, which emphasises improving the quality of life, developing human capital, introducing green technologies, building innovative infrastructure, adhering to the principles of transparent governance and strengthening partnerships.

The Fund ensures consistency of the strategy, goals and objectives with the overall Sustainable Development Goals, including but not limited to the goals expressed in the UN SDGs, the Paris Climate Agreement, and relevant national and regional goals. Sustainable development activities are included in the Action Plan for the implementation of the Development Strategy (Development Plan) of the Fund. More detailed information on the Fund's activities in the field of sustainable development is presented in the Sustainable Development Report, which is available on the Fund's website.

Highlights of the Fund's Sustainable Development, 2024

CONTRIBUTION TO THE DEVELOPMENT OF REGIONS AND LOCAL COMMUNITIES

Indicator	2024	2023
DIRECT ECONOMIC VALUE CREATED, BILLION KZT	18,470	2023 – 17,218
PAYMENTS TO THE STATE OF KAZAKHSTAN, BILLION KZT	3,441	2023 – 3,461
SHARE OF IN-COUNTRY VALUE, %	97	2023 – 92

EMPLOYMENT PRACTICES

Indicator	2024	2023
NUMBER OF FULL-TIME EMPLOYEES AT THE END OF THE YEAR, PERSONS	256,380	2023 – 260,658
LTIF[29]	0.13	2023 – 0.14
INVESTMENTS TO ENSURE OCCUPATIONAL SAFETY, BILLION KZT	119	2023 – 109

ENVIRONMENT

Indicator	2024	2023
CARBON FOOTPRINT, MILLION TONNES CO_2-EQ	57.9	2023 – 62.3
WATER WITHDRAWAL FOR THE NEEDS OF PRODUCTION COMPANIES, MILLION M^3 [30]	324.8	2023 – 331
POLLUTANT EMISSIONS, '000 TONNES	488.1	2023 – 500

[29] LTIF (Lost Time Injury Frequency) is the number of the company's employees who suffered lost time accidents related to a serious work injury according to the work injury severity report (including fatalities) multiplied by 1 million man-hours and divided by the total number of man-hours worked during the 12 reporting months.

[30] Excluding the HPP water intake.

KEY RESULTS OF THE FUND'S SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2024

Strategic direction	UN SDGs	The strategic objective of the Fund	Target	Achievements 2024
Corporate governance		Improving the sustainable development management system	ESG rating of the Fund Group 70th percentile by 2032	The weighted average ESG rating is at the 63rd percentile (compared to the 53rd percentile in 2023). The ESG rating results of the Fund's portfolio companies generally exceed industry averages.
		Increasing the share of women in the management bodies of the companies	30 per cent by 2030	In senior management, the share of women in the Management Boards of the Fund Group was 15%, and in the Supervisory and Trustee Boards, as well as in the Boards of Directors, 17%.
		Share of independent directors in the Board of Directors of the Fund and portfolio companies	Recommended up to 60%	There were four independent directors on the Fund's Board of Directors, representing 57% (43% in 2023).
Openness, transparency and compliance		Certification of anti-corruption compliance systems for compliance with the requirements of international standards ISO 37001:2016 Anti-Bribery Management Systems and ISO 37301:2021 Compliance Management System	-	The Compliance Development Strategy 2027 was approved. Work continued to prepare for certification on the compliance with ISO37001:2016 Anti-Bribery Management Systems.
Social responsibility		Increasing salaries for employee in low-paid occupations and jobs	2023–2027	During 2024, the salaries of more than 221,000 employees of the Fund grew between 2% and 40%, with a focus on lower-paid positions.

Strategic direction	UN SDGs	The strategic objective of the Fund	Target	Achievements 2024
H&S best practices		LTIF at 0.12	2027	The LTIF (Lost Time Injury Frequency) for the Fund Group was 0.13 in 2024 (0.14 in 2023).
		Developing a culture of safety	-	More than 120,000 employees of the Fund's portfolio companies and their contractors have been trained on the Occupational Safety Culture course by Samruk Business Academy and internal trainers.
Human capital development		Building human resources capacity, strengthening competences in new areas	-	The average number of training hours per employee was 26 academic hours (23 hours in 2023).
Resource conservation		Reducing energy intensity of production	-10% by 2027	Total energy consumption across the Fund is reduced by 9.7 per cent, from 492 million GJ in 2021 to 444,2 million GJ in 2024[31].
Decarbonisation		Reduction of direct and indirect greenhouse gas emissions (Scope 1 and Scope 2)	-10% by 2032	Greenhouse gas emissions of 57.84 million tonnes of CO_2-eq. in 2024 are reduced by 19.9% compared to 2021 (72.24 million tonnes of CO_2-eq.)
		Increasing the share of low-carbon generation in electricity purchases	45% by 2032	The share of low-carbon generation in electricity purchases remained at the 2023 level of less than 1 per cent.
		Building the offset project portfolio	5.8 million tonnes of CO_2-eq by 2032	The Fund's offset portfolio was 489,7 tonnes CO_2-equivalent (as of end 2024).
Green financing		Share of RES and HPPs in electricity generation	26% by 2032	18% (15% in 2023).[32]

[31] Progress on energy saving is tracked from 2021 – the base reporting year at the time of adoption of the Low Carbon Development Concept of Samruk-Kazyna JSC. GRI 302-4
[32] Restated for changes in the reporting boundaries for Companies with HPPs.

Sustainable Development Governance Structure

Sustainable development management is closely integrated into the Fund's corporate governance structure, which allows these issues to be considered at all levels, from the Board of Directors to the executive bodies and heads of divisions.

The Management Board of the Fund is responsible for operational activities, economic and sustainable development. The Management Board is accountable to the Board of Directors and reports to it on the Fund's performance every quarter. The Management Board is also responsible for the fulfilment of the strategic objectives and development of the Fund in the field of sustainable development approved by the Board of Directors and the Single Shareholder.

Board Committees play an important role in scrutinising issues within their remit, particularly in the areas of sustainable development, including health and safety and environmental safety.

The Fund's Board of Directors made a decision on 10 December 2024 to terminate the Strategy Committee. Strategic planning was transferred to, and is reserved directly for, the Board of Directors.

Strategic Level

Sole Shareholder
Approval of the Corporate Governance Code, appointment/dismissal of Directors, Chief Executive Officer. Approval of the Fund's Development Plan, approval of financial results and receipt of dividends

Board of Directors
Strategic management and control, approval of goals and KPI in the field of SD, SR, ESG policies, hearing reports on HSE

Strategy Committee
Consideration of issues affecting the strategic directions of the Fund's activities

Audit Committee
Control over risks in the field of SD and the quality of non-financial information and reporting

Nomination and Remuneration Committee
Makes recommendations on the HR Policy of the Fund, evaluates the activities of members of the Management Board, Corporate Secretary, Ombudsman

Ombudsman
Ensuring compliance with the principles of business ethics, settlement of disputes and conflicts

Corporate Secretary
Ensuring the effective operation of the Board of Directors and its Committees, ensuring compliance by bodies and officials with the rules and procedures of corporate governance

Compliance Service
Organization and functioning of the anti-corruption system

Internal Audit Service
Audits and control

Management Level

Chief Executive Officer, a member of the Board of Directors

Management Board
Control and monitoring of activities in strategic areas of development, programs and activities, monitoring the implementation of goals and KPI in the field of SD, approval of the list of material topics

Management and structural divisions of the Fund
Develop initiatives and activities in the field of SD and integrate ESG principles into key processes and aspects of activities in the areas of their responsibility

SD Committee
Development of recommendations for the Management Board of the Fund and representatives of the Fund on the Boards of Directors of the PC, coordination of activities carried out by the PC in the field of SD

Scientific and Technical Council
Selection, accounting, monitoring and control of R&D and innovation projects

HSE Committee
Development of recommendations for the Management Board of the Fund and representatives of the Fund on PC Boards of Directors, as well as coordination of PC activities in the H&S field

Investment and Strategy Committee
Consideration of investment projects of the Fund and the PC

Operational Level

Heads of portfolio companies
Responsibility for operational management of specific aspects of ESG, implementation of initiatives, programs, plans and activities in the field of SD

ESG and Climate Ratings

Portfolio companies of the Fund Group introduce the practice of preparing annual non-financial reports (sustainability reports) in accordance with advanced international standards such as GRI (Global Reporting Initiative), TCFD (Task Force on Climate-related Financial Disclosures) and CDP (Carbon Disclosure Project). ESG ratings (Environmental, Social, Governance), which play a key role in assessing and managing the social and environmental aspects of business, have been introduced as a tool to track real changes in the business.

The Fund's development plan has set a target for large portfolio companies to reach the 70% percentile for ESG rating performance by 2032.

The Fund's 2024 portfolio companies performed well in ESG ratings:

Sustainalytics Agency[33]:

- NC KazMunayGas JSC – 32.8 points.

S&P Global[34] S&P Global CSA Score 2024:

- NC Kazakhstan Temir Zholy JSC – 60/100;
- KEGOC – 55/100;
- NAC Kazatomprom JSC – 50/100;
- Kazakhtelecom JSC – 50/100.

International rating agency Sustainable Fitch[35] assigned ESG rating to Samruk-Energy JSC at level 3 with total score of 52.

CDP's Climate Change Ratings:

- NAC Kazatomprom JSC –B
- NC KazMunayGas JSC – B
- Samruk-Energy JSC – D
- NC QazaqGaz JSC – B

CDP's Water Security Ratings:

- NAC Kazatomprom JSC – C
- NC KazMunayGas JSC – B
- Samruk-Energy JSC – C-

These assessments help the Fund and its portfolio companies to make informed decisions and increase their sustainability efforts in an effort to reduce risks and improve social and environmental performance. In addition, international ESG ratings are an independent tool to measure and validate progress in managing ESG aspects in organisations.

[33] Sustainalytics' ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well the company manages these risks. The rating is absolute, i.e. companies from different industries can be compared against each other.
[34] S&P Global ESG Evaluation assesses a company's ability to manage future ESG-related risks and opportunities. The methodology is based on the experience of industry analysts and relies on in-depth engagement with management to assess the material past, present and future impact of ESG on the company.
[35] Sustainable Fitch uses a scale from 1 to 5, with 1 representing the best score and 5 representing the worst.

Corporate Governance

In this section:

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF SAMRUK-KAZYNA JSC

Realising the importance of compliance with high standards of corporate governance, Samruk-Kazyna JSC continues to actively improve the Fund's governance system, guided by international standards and best practices. The principles of corporate governance remain key to increase transparency and efficiency of the Fund's activities, as well as to ensure long-term efficiency and sustainability.

In 2012, the Sole Shareholder of Samruk-Kazyna JSC adopted the Resolution of the Government of the Republic of Kazakhstan On Approval of the Code of Corporate Governance of Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company (hereinafter – the Code), which was an important step towards ensuring transparency and efficiency of the corporate governance system.

Taking into account that the practice of corporate governance is constantly evolving, Samruk-Kazyna JSC regularly revises and improves the principles of corporate governance in accordance with the best international practices. In 2023, including taking into account the provisions of the UK Corporate Governance Code and OECD principles, Samruk-Kazyna JSC developed a new version of the Code, which was approved by the Resolution of the Government of the Republic of Kazakhstan No. 590 dated 14 July 2023.

In pursuance of the Decree of the President of the Republic of Kazakhstan dated 8 May 2024 No. 542 On Measures to Liberalise the Economy on 15 August 2024, the Government of the Republic of Kazakhstan adopted a resolution No. 659 to amend and supplement the Code. The amendments include strengthening the provisions on non-interference of the Fund in the operational (current) activities of companies, including personnel decisions, procurement and production processes. In addition, the recommended number of independent directors on a company's Board of Directors is set at up to 60% of the total number of Board members. At the same time, the process of search and selection of independent directors of the Fund, companies and organisations should be carried out on a competitive basis in accordance with the procedure determined by the internal documents of the Fund. In addition to the above measures, the requirements for candidates for the position of a member of the Board of Directors have been expanded.

The Fund attaches special importance to the issues of proper compliance with the Code in order to achieve sustainable success in the long term. Annually, a report on compliance/non-compliance with its principles and provisions is submitted for consideration and approval by the Fund's Board of Directors.

Samruk-Kazyna JSC strives to observe high standards of corporate governance, as it is an integral part of the obligation to the Sole Shareholder, partners and society as a whole.

In the reporting year, the Fund largely complied with all the principles set out in the Code. Detailed information is provided in Annex 5.

Corporate Governance System

The Fund represents and warrants that it strictly adheres to the standards of good corporate governance, focusing on improving existing governance practices, as well as ensuring transparency and accountability of the Fund's activities.

The Fund has an effective corporate governance system in place that complies with international standards. This system consists of processes that facilitate the management and control of the Fund's activities, including interactions between the Sole Shareholder, the Board of Directors, the Management Board and Stakeholders. It is aimed at increasing the long-term value of the Fund and its sustainable development. The Board of Directors regularly considers issues of improving the efficiency of these relationships. The powers of the management bodies and decision-making procedures are strictly regulated by the Fund's Charter.

Sole Shareholder

The Government of the Republic of Kazakhstan acts as the Sole Shareholder of the Fund. The Government manages the Fund and the Organisations exclusively by exercising the powers of the Sole Shareholder of the Fund, as provided for by the Law on the Fund and Charter of the Fund, and by representation on the Board of Directors of the Fund. The key principles and issues of interaction between the Government and the Fund are defined in the Cooperation Agreement. The Government of the Republic of Kazakhstan delineates its powers as the sole shareholder of the Fund and powers related to state regulation. It manages the Fund in order to increase the Sovereign Wealth of the Republic of Kazakhstan by increasing the long-term value and effective management of the Fund's and Organisations' assets.

The Government grants the Fund and its Organisations full operational autonomy, excluding interference in their current and investment activities, except in cases specifically provided for by the legislation and acts of the President of the Republic of Kazakhstan. The Management of the Fund, including the Chairman of the Management Board, as well as the governing bodies of the Organisations have full autonomy and independence in making decisions and taking actions within the scope of their authority.

The list of tasks to be resolved directly by the Sole Shareholder is clearly defined. Below is an overview of the key issues attributed to its exclusive competence. These aspects are critical for the Fund when analysing its strategic and financial performance, namely:

- Approval of the Statutes of the Fund;
- Approval of the annual financial statements of the Fund;
- Approving the Fund Development Plan;
- Approving the Fund's Corporate Governance Code;
- Shaping the Fund's dividend policy, making a decision on distribution of the Fund's net income based on the results of the reporting period, making a decision on dividend payment;
- Making decisions on voluntary reorganisation or liquidation of the Fund;
- Setting the term of office of the Fund's Board of Directors, election of its members and early termination of their powers;
- Appointing and dismissing early the Chairman of the Management Board;
- Alienating shares of companies according to the list establsihed by the Sole Shareholder of the Fund, as well as transfer of these shares into trust management;
- Making decisions on liquidation, reorganisation of companies according to the list determined by the Sole Shareholder of the Fund.

The full list of issues referred to the exclusive competence of the Sole Shareholder is disclosed in the Charter of the Fund at www.sk.kz.

The Board of Directors and its Committees

LEADING ROLE OF THE BOARD OF DIRECTORS

The Board of Directors of the Fund is a management body accountable to the Sole Shareholder, providing strategic guidance and control over the activities of the Management Board of the Fund. Its work is based on the principles of efficiency, responsibility and observance of interests of the Sole Shareholder and the Fund.

The Board of Directors makes decisions within its remit as established by the Law on the Fund, the Code and the Charter. The Board of Directors is not authorised to consider issues within the exclusive competence of the Sole Shareholder or Management of the Fund, except for cases stipulated by the legislation. In 2024, the Board of Directors carried out its activities in strict compliance with the established requirements.

In 2024, the Board of Directors focused on medium-term planning, monitoring the implementation of major investment projects, risk management, and corporate governance, with special attention to analysing and assessing the performance of the Management Board.

The full list of issues within the exclusive competence of the Board of Directors is set out in the Law on the Fund and disclosed in the Fund's Charter on the corporate website www.sk.kz.

The Board of Directors adheres to the principles of objectivity, transparency and independence. Decisions are made on the basis of thorough analysis, consideration of long-term prospects and assessment of possible risks. To improve the quality of management, the Board of Directors:

- strengthens corporate governance and improves internal policies;
- regularly evaluates its performance and management procedures;
- communicates effectively with Stakeholders, including the Fund's management and regulatory authorities;
- attracts independent directors with international experience in asset management, investment and corporate governance.

Members of the Board of Directors effectively fulfil their duties, contributing to the achievement of the Fund's strategic goals and sustainable development.

For more in-depth and qualitative consideration of issues, the Board of Directors has committees that provide detailed analyses and expert evaluation of key aspects of the Fund's activities.

COMPOSITION OF THE BOARD OF DIRECTORS[36]

OLZHAS BEKTENOV

Chairman of the Board of Directors, Prime Minister of the Republic of Kazakhstan

Date of election:
February 2024

Education:

- Kazakh State Law Academy (Maqsut Narikbayev Kazakh Humanitarian Law University) – Jurisprudence
- Candidate of Legal Sciences (dissertation: Organisational and legal aspects of prevention of administrative tort of minors in the Republic of Kazakhstan)

Working experience:

- Olzhas Bektenov started his career in 2002 as a chief specialist in the Department of Justice of the city of Almaty; in 2005–2006 worked as an expert, chief expert of the Legal Department of the Office of the Prime Minister of the Republic of Kazakhstan; from 2006 to 2009 in the Administration of the President of the Republic of Kazakhstan.
- From 2009 to 2012, he was Deputy Chairman of the Committee for Registration Service and Legal Assistance of the Ministry of Justice of the Republic of Kazakhstan. In 2012–2014, he held the position of Head of Department at the Central Office of the Agency of the Republic of Kazakhstan for Combating Economic and Corruption Crime (Financial Police). In 2015–2016, he was the Chief of Staff of the Akim of Astana City, Head of the Secretariat of the Head of the Administration of the President of the Republic of Kazakhstan; in 2016–2017, he was the Head of the Department of the National Anti-Corruption Bureau (anti-corruption service) for the city of Astana. From 2017 to 2018, he was Deputy Akim of Akmola region; from 2018 to 2019, Deputy Chairman of the Agency of the Republic of Kazakhstan for Civil Service and Anti-Corruption; from 2019 to 2022, he was First Deputy Chairman of the Agency of the Republic of Kazakhstan for Anti-Corruption.
- From February 2022 to April 2023, he was the Chairman of the Agency of the Republic of Kazakhstan on Combating Corruption. On 3 April 2023, by Decree of the Head of State, he was appointed Head of the Administration of the President of the Republic of Kazakhstan.
- On 6 February 2024 he was appointed Prime Minister of the Republic of Kazakhstan by the Decree of the President of the Republic of Kazakhstan.
- He was awarded the Orders of Aibyn of II Rank (2014), Dank of II Rank (2021).

[36] The composition of the Board of Directors of the Fund is presented as of 12 April 2025.

KANAT SHARLAPAEV

Member of the Board of Directors, Assistant to the President of the Republic of Kazakhstan for Economic Affairs

Date of election:
April 2025

Education:

- Saratov Socio-Economic University, Cranfield School of Management (UK), specialising in economics, Master of Finance and Management

Working experience:

- He started his career in 2003 as a manager of the Customer Relations Department of Petrokommerts Bank of the Russian Federation.
- 2006–2008 – Specialist in the Finance Department of the City of London Investment Bank in Prague.
- 2008–2014 – Senior Analyst, Junior Vice President, Vice President of the Regional Equity Market Division of the City of London Investment Bank of the United Kingdom.
- 2014–2015 – Vice President of the Regional Strategic Planning and Analysis Group for Europe, Middle East and Africa at City Investment Bank in the UK.
- 2015–2017 – Chief Financial Officer, Deputy Chairman of the Management Board, Senior Vice President of Citibank Kazakhstan.
- 2017–2020 – Chief Financial Officer for Russia, Ukraine and Kazakhstan, Senior Vice President of Citibank Russian Federation.
- 2020–2022 – Regional Director for Strategy, Planning and Analysis for Emerging Markets in Africa, Middle East and Eastern Europe at City Investment Bank UAE.
- From February 2022 to September 2023 – Chairman of the Management Board of JSC National Management Holding Baiterek.
- 2023–2025 – Minister of Industry and Construction of the Republic of Kazakhstan.
- Since 28 February 2025, he has been Assistant to the President for Economic Affairs.

WONG HEANG FINE

Member of the Board of Directors, Independent Director

Date of election:
October 2024

Education:

- Bachelor of Science (Mechanical Engineering), First Class Honors, University of Leeds
- MSc (Engineering Production and Management), University of Birmingham

Working experience:

- Wong H.F. has over 40 years of experience in senior management positions across various industries (developer, contractor and consultant).
- He has contributed to the development of top tier private and listed enterprises such as Cathay Organisation, Sembcorp E&C, CapitaLand Residential Singapore and Surbana Jurong (SJ). Since 2015, as the founding Group CEO of Surbana Jurong, he led the company to achieve six-fold growth, transforming it into one of Asia's largest urban, infrastructure, and management services consultancy firms. Under his leadership, Surbana Jurong expanded its global talent pool to over 16,500 employees across 120+ offices in more than 40 countries. He retired in September 2022.
- Wong H.F. serves on the Boards of Directors of several government organizations and private companies such SusDev Pte Ltd, Building and Construction Authority (BCA), Fineland Holdings Pte Ltd, National University Health System Pte Ltd, Temasek Trust Ltd, Changi Airport International Pte Ltd, and GISI Consulting Group Inc. He will be retiring as a director on BCA at the end of March 2025.
- Wong H.F. has been awarded the Public Service Star (BBM) for his contributions during COVID-19, the Medal of Commendation at the NTUC May Day Awards 2020 and the honorary title of iBuildSG Distinguished Fellow from the Building and Construction Authority (BCA). He has also received the Start Partner Award from the Corrupt Practices Investigation Bureau (CPIB). Wong H.F. was formerly a Fellow of the Royal Institution of Chartered Surveyors (RICS).

BOLAT ZHAMISHEV

Member of the Board of Directors, Independent Director

Date of election:
July 2022

Education:

- Kazakh Agricultural Institute – Economics
- Candidate of Economic Sciences

Working experience:

- BIn different years, Bolat Zhamishev held senior positions in the public service: Vice-Minister of Labour and Social Protection of the Population of the Republic of Kazakhstan from November 1997 to March 1999; Vice-Minister of Finance of the Republic of Kazakhstan from March 1999 to June 2001; Vice-Minister of Internal Affairs of the Republic of Kazakhstan from June 2001 to February 2002; First Vice-Minister of Finance of the Republic of Kazakhstan from February 2002 to February 2003; Deputy Chairman of the National Bank of the Republic of Kazakhstan from February 2003 to January 2004; Chairman of the Agency of the Republic of Kazakhstan for the Protection of Human Rights and Fundamental Freedoms of the Republic of Kazakhstan.
- From June 2006 to November 2007, he was Deputy Chairman of the Management Board of the Eurasian Development Bank (EDB), from November 2007 to November 2013 – Minister of Finance of the Republic of Kazakhstan; from November 2013 to August 2014 – Minister of Regional Development of the Republic of Kazakhstan. He served as Chairman of the Management Board of Development Bank of Kazakhstan JSC from August 2014 to April 2019; Chairman of the Board of Directors of the Social Health Insurance Fund from April 2020 to August 2022. From 15 January 2022 to 31 January 2025, he was Chairman of the Board of the Public Fund "Kazakhstan Khalkyna".
- On 2 September 2019, Bolat Zhamishev was elected as an independent director, member of the Board of Directors of Aitas KZ JSC.
- On 30 October 2020, he was elected as an independent director, Chairman of the Board of Directors of Bank RBK JSC.
- On 17 February 2022, he was elected the Chairman of the Public Council of Samruk-Kazyna JSC.
- Awarded orders: Kurmet, Parasat, Barys of III degree, medals.

LUCA SUTERA

Member of the Board of Directors, Independent Director

Date of election:
July 2020

Education:

- Bocconi University (Italy) – Master's Degree in Business Economics
- IE Business School International School (Spain) – Global Executive MBA programme for top executives
- Certified Public Accountant (CPA)
- Chartered Institute of Directors (CIoD)

Working experience:

- Mr. Sutera is an experienced financial and investment executive with a 27-year track record, including 20 years serving as a Chief Financial Officer for global energy companies and sovereign wealth funds in Europe, Russia, and the Middle East. Currently, Mr. Sutera is an Operating Partner at Asterion Industrial Partners, a leading European investment management firm specializing in European infrastructure with assets under management exceeding €7 Billion invested across 3 Funds and 18 portfolio companies in UK, Italy, Spain, France, Ireland, Germany.
- Prior to joining Asterion Industrial Partners, from 2015 to 2020, Mr. Sutera held the position of Chief Financial Officer at Nebras Power, a state-owned global energy company based in Qatar. From 2011 to 2015, Mr. Sutera served as Chief Financial Officer of the Global Power & Water Business of TAQA, a state-owned global energy company based in Abu Dhabi, United Arab Emirates.

MOHAMED JAMEEL AL RAMAHI

Member of the Board of Directors, Independent Director

Date of election:
August 2023

Education:

- University of Evansville (USA) – Business Administration (Finance)
- Diploma in Compliance

Working experience:

- Mohamed Jameel Al Ramahi is the CEO of Masdar. Under his leadership, Masdar has evolved into a global leader in renewable energy, growing its portfolio of clean energy projects to over 50GW, on the road to delivering 100GW by 2030.
- Mr Al Ramahi first joined Masdar in 2008 and has held senior positions in the company for nearly a decade and a half, including CFO and COO before his appointment as CEO in 2016.
- In addition to his role as Chief Executive Officer, Mr Al Ramahi holds a number of prominent executive positions. He is Chairman of the Masdar Executive Committee, Vice Chairman of the Global Council on Sustainable Development Goals and also serves on the Board of Directors of Emirates Waste to Energy Company, Shuaa Energy 2 PSC and Shuaa Energy 4 PSC, which are developing Phase 3 and Phase 6 of the Mohammed Bin Rashid Al Maktoum Solar Park in Dubai respectively.
- Mr Al Ramahi was awarded the Order of National Merit by President Emmanuel Macron of the French Republic and the Order of Friendship by President Shavkat Mirziyoyev of the Republic of Uzbekistan for his commitment to strengthening the UAE's bilateral relations with the said countries.
- Mr. Al Ramahi is an Honorary Fellow of the Energy Institute and has been named CEO of the Year 2023 by S&P Global Platts, among various other international accolades.

NURLAN ZHAKUPOV

Member of the Board of Directors, Chairman of the Management Board of Samruk-Kazyna JSC

Date of election:
April 2023

Education:

- Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, Department of International Economic Relations – Bachelor of Economics, Master of Economics, Candidate of Economic Sciences

Working experience:

- Nurlan Zhakupov was as a financial analyst at the Eurasian Industrial Association (ENRC) from 2001 to 2003. In 2003–2004 he was a business manager at Chambishi Metals PLC (Kitwe, Zambia) and in 2004–2007 a project manager at Research, Investment and Development Ltd. From 2007–2009, he worked as a share price analyst for publicly traded companies in Credit Suisse's basic materials team. In 2009–2011, he was Managing Director, member of the Management Board of Tau-Ken Samruk National Mining Company JSC. In 2011–2012, he became the Director of Investment Banking Department, Head of Representative Office in Astana city of JSC Subsidiary Bank RBS (Kazakhstan). In 2012–2016, he worked as Executive Director of the Investment Banking Department, Head of the Astana Representative Office of UBS AG Almaty Representative Office.
- In 2016–2017, he was Managing Director for Development and Investments – member of the Management Board of NAC Kazatomprom JSC. In 2017–2019, he worked as Chairman of the Management Board of JSC SPK Astana.
- In 2019–2020 he was the Representative in Kazakhstan of Rothschild & Co. From 2020 to April 2023, he worked as the Chairman of the Management Board of Kazakhstan Investment Development Fund (KIDF) Management Company Ltd.
- On 4 April 2023, he was appointed the Chairman of the Management Board of Samruk-Kazyna JSC.

CHANGES IN THE COMPOSITION OF THE FUND'S BOARD OF DIRECTORS 2024–2025

Date	Member of the Board of Directors	Event
16 January 2023 to 5 February 2024	Alikhan Smailov	The Prime Minister of the Republic of Kazakhstan was elected the Chairman of the Board of Directors ex officio
6 February 2024	Olzhas Bektenov	The Prime Minister of the Republic of Kazakhstan was elected the Chairman of the Board of Directors ex officio
11 January 2022 to 5 February 2024	Alibek Kuantyrov	The Minister of National Economy of the Republic of Kazakhstan was elected as an ex-officio member of the Board of Directors
6 February 2024 to 19 October 2024	Nurlan Baibazarov	Deputy Prime Minister – Minister of National Economy of the Republic of Kazakhstan was elected as an ex-officio member of the Board of Directors
4 October 2023 to 16 May 2024	Aset Irgaliev	The Assistant to the President of the Republic of Kazakhstan for Economic Affairs was elected as an ex-officio member of the Board of Directors
from 21 June 2024 to 17 February 2025	Yerulan Zhamaubaev	Advisor to the President of the Republic of Kazakhstan was elected as an ex-officio member of the Board of Directors
19 October 2024	Wong Heang Fine	Elected to the Board of Directors as an independent director
12 April 2025	Kanat Sharlapaev	The Assistant to the President of the Republic of Kazakhstan for Economic Affairs was elected as an ex-officio member of the Board of Directors

WORK OF THE BOARD OF DIRECTORS IN 2024

In 2024, the Board of Directors provided strategic guidance and oversight of the Fund's activities in accordance with the established goals and objectives. The meetings considered issues aimed at ensuring sustainable development, improving management efficiency and implementing investment projects.

Meetings of the Board of Directors were held in accordance with the approved Work Plan of the Fund's Board of Directors. Meetings of the Board of Directors and its Committees were organised using in-person or absentee voting.

During 2024, the Board of Directors held 17 meetings, including 4 in-person and 13 virtual meetings. The Board considered a total of 83 issues, resulting on relevant decisions and 202 instructions.

The analysis of the Board of Directors' activities for the period from 2019 to 2024 shows an increase in the number of meetings from 10 to 17, with the maximum value recorded in 2023 (20 meetings). At the same time, there is a decrease in the average number of issues per meeting, which indicates an in-depth consideration of the issues put on the agenda. In 2024, the tendency to hold virtual meetings remained, including in connection with the flood situation in the country, which led to hold a scheduled in-person meeting in April 2024 as virtual.

IN 2024

17

meetings of the Board of Directors held

TOTAL

83

issues reviewed

Indicator	2019	2020	2021	2022	2023	2024
Number of meetings	10 (6 in-person/ 4 virtual)	15 (5 in-person/ 10 virtual)	10 (8 in-person/ 2 virtual)	18 (12 in-person/ 6 virtual)	20 (8 in-person/ 12 virtual)	17 (4 in-person/ 13 virtual)
Number of questions	88	101	116	121	111	83
Average number of questions per meeting (rounded to whole numbers)	9	7	12	7	6	5

PARTICIPATION IN MEETINGS OF THE BOARD OF DIRECTORS

№	Member of the Board of Directors, position	Participation/Total number of meetings of the Board of Directors in 2024
1.	Olzhas Bektenov, Chairman of the Board of Directors, Prime Minister of the Republic of Kazakhstan	16/16
2.	Alijhan Smailov, Chairman of the Board of Directors, Prime Minister of the Republic of Kazakhstan	1/1
3.	Aset Irgaliev, member of the Board of Directors, Assistant to the President of the Republic of Kazakhstan on economic issues	4/5
4.	Yerulan Zhamaubaev, member of the Board of Directors, Advisor to the President of the Republic of Kazakhstan	9/11
5.	Alibek Kuantyrov, Member of the Board of Directors, Minister of National Economy of the Republic of Kazakhstan	1/1
6.	Nurlan Baibazarov, member of the Board of Directors, Deputy Prime Minister – Minister of National Economy of the Republic of Kazakhstan	10/12
7.	Bolat Zhamishev, Independent Director	17/17
8.	Luca Sutera, Independent Director	15/17
9.	Mohamed Jameel Al Ramahi, Independent Director	14/17
10.	Wong Heang Fine – Independent Director	4/4
11.	Nurlan Zhakupov, member of the Board of Directors, Chairman of the Management Board of the Fund	17/17

Note: members of the Board of Directors did not participate in the meetings of the Fund's Board of Directors for valid reasons

MEASURES TAKEN BY THE BOARD OF DIRECTORS TO ACHIEVE THE STRATEGIC GOALS OF THE FUND FOR THE LONG-TERM VALUE GROWTH AND SUSTAINABLE DEVELOPMENT OF THE ORGANISATION

In 2024, the Board of Directors provided strategic management of the Fund's activities, making key decisions aimed at achieving long-term goals and improving the efficiency of asset management.

The Board of Directors reviewed important industry initiatives as part of setting objectives for the 2025–2029 mid-term period and monitoring the fulfilment of the Fund's key performance indicators for 2023 as part of the Fund's 2023–2027 Action Plan.

Special attention was paid to monitoring investment projects of the Fund's Group companies. To increase responsibility for the timely implementation of projects, starting from 2023, the key tasks for such projects are included in the Fund's system of motivational indicators with a transition to the next year.

In September 2024, the Board of Directors revised the corporate key indicator "Implementation of major investment projects" by expanding the list of projects based on Intergovernmental Agreements in accordance with the strategic plans of the Government of the Republic of Kazakhstan.

While monitoring project implementation, the Board of Directors developed recommendations and instructions, including on the issues of interaction with state authorities to minimise the risks of increasing the time or cost of projects.

The Board of Directors actively participated in the implementation of the privatisation plan under the Resolution of the Government of the Republic of Kazakhstan dated 29 December

2020 No. 908. During 2024, decisions were made on the realisation of two major assets of the Fund Group. Twice a year the Board of Directors reviewed a detailed report on the progress of the privatisation plans of the Government of the Republic of Kazakhstan within the framework of the implementation of the abovementioned decree on the results of 2023 and for the first half of 2024.

At each regular in-person meeting of the Board of Directors during 2024, the information reports of the CEO of the Fund were heard, containing information on key events, operational data on production and financial indicators, information on the support of domestic commodity producers in the procurement of the Fund's group, on the charitable activities of the group of companies and plans of the Fund. This report also provided information on the progress of work in the field of R&D development as instructed by the Fund's Board of Directors.

The Board of Directors proactively participates in discussions on issues within the risk management and internal control system and provides recommendations on the efficiency and improvement of relevant business processes. To improve the effectiveness of risk management and promptly respond to potential challenges, the Board of Directors revised its approach to reporting in December 2024. Quarterly risk reports are prepared considering up-to-date financial data at the time of their preparation and are submitted no later than one month after the end of the reporting period.

In order to improve corporate governance and bring it in line with the principles of liberalisation of the economy, stipulated by the Decree of the President of the Republic of Kazakhstan dated 8 May 2024 No. 542, the Board of Directors supported the amendments to the Corporate Governance Code of the Fund aimed at increasing the transparency of the competitive selection of independent directors, increasing their share in the composition of the Boards of Directors up to 60%, as well as ensuring non-interference of the Fund in the operational activities of portfolio companies, including personnel decisions, exercising control over the management of the Fund's portfolio companies.

In 2024, the Board of Directors reviewed and approved key reports, including a report on compliance with the principles and provisions of the Corporate Governance Code, and took note of a progress report on the implementation of the Agreement on Cooperation with the Government of the Republic of Kazakhstan.

In addition, in June 2024, the Board of Directors approved the Annual Report and the Sustainability Report 2023. The Sustainability Report has been prepared in accordance with international GRI standards and has been independently externally assured by PricewaterhouseCoopers LLP in accordance with ISAE 3000. In addition, the Sustainability Report has been verified for the first time by GRI Services with the original Content Index mark.

The most important issues considered by the Board of Directors in 2024:

Reports	• Monitoring of major investment projects of the Fund Group • Report on the progress of withdrawal for sale of assets of the Fund and its subsidiaries in the framework of implementation of the Resolution of the Government of the Republic of Kazakhstan dated 29 December 2020 No.908 • Report on the implementation of the Agreement on Cooperation between the Government of the Republic of Kazakhstan and the Fund • Reports on the activities of the Committees of the Board of Directors in 2023 • Quarterly risk report • Report on the implementation of the Fund's Action Plan for 2023–2027 for the year 2023 • Charity Programme Performance Report for 2023
Strategic and transactional issues	• Approval of the Fund's Action Plan 2025–2029 and the Fund's budget 2025 • Approval of the Annual Financial Statements and Net Profit Allocation Procedure for 2023 • Approval of motivational key performance indicators • Raising funds by issuing bonds of the Fund and determining the terms of their issuance • Conclusion of related-party transactions • On Certain Issues of Transferring Assets in a Competitive Environment • Acquisition, disposal of interests in other legal entities • On certain issues of the Fund's participation in other legal entities
Corporate governance issues	• Introduction of amendments and additions to the Fund's Corporate Governance Code • Approval of the Board of Directors' Work Plan 2025 • Approval of the Annual Report 2023 • Approval of the Sustainability Report 2023 • Matters relating to the work of the committees, including their composition • Approval of the Report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code 2023
Approval of internal regulatory documents	• Approval of amendments to the Fund's internal regulatory documents
Issues of structures reporting to the Board of Directors	• Compliance, Internal Audit and Ombudsman reports • Personnel issues of the Internal Audit Service • Approval of the Compliance Service Work Plan and Annual Audit Plan 2025

FURTHER IMPROVEMENT OF THE CORPORATE GOVERNANCE EFFICIENCY FOR THE GROUP

Strengthening corporate governance is one of the main aspects for increasing the long-term value of companies. Implementation of the best global corporate governance practices will increase the level of trust in the Fund on the part of shareholders and investors, reduce the cost of borrowed capital and, as a result, increase the long-term value of the company.

In 2024, the Fund carried out a number of activities in this direction.

UPDATING THE FUND'S CORPORATE GOVERNANCE CODE

In pursuance of the Decree of the President of the Republic of Kazakhstan On Measures to Liberalise the Economy, the Decree of the Government of the Republic of Kazakhstan No.659 dated 15.08.2024 amended the Code of Corporate Governance of the Fund to improve the independence, quality and independence of corporate governance of the Fund and its subsidiaries and affiliates. In particular,

- norms on non-interference of the Fund in the operational (current) activities of the company, including personnel decisions, procurement and production processes were strengthened;
- increased the recommended number of independent directors in the Company's Board of Directors to sixty per cent of the total number of members of the Board of Directors;
- included provisions on search and selection of independent directors of the Fund, companies and organisations on a competitive basis in accordance with the procedure determined by the internal documents of the Fund;
- additional requirements for candidates for the position of a member of the Board of Directors are included.

ENSURING GENDER EQUALITY

As part of the fulfilment of the Head of State's instruction to gradually increase the share of women to 30% in the governing bodies of companies with state participation, additions were made to the Fund's Corporate Governance Code on the recommended number of women in the Boards of Directors of the Fund's portfolio companies, as well as in the executive bodies of the Fund and its portfolio companies, not less than 30% of the total number of members.

As part of this task, the Fund regularly analyses and monitors the number of women on the SB/NS of portfolio companies. The Fund and its SCs search for and select female candidates who meet the requirements established by the legislation of the Republic of Kazakhstan, the Code and the Fund's internal regulatory documents for election to the Board of Directors and Supervisory Boards of portfolio companies.

The Fund also co-operates on a regular basis with the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan on gender equality issues. Thus, together with the National Commission, Gender Equality, a programme to increase the share of women in the governing bodies of state-owned companies, was implemented. The project was aimed at developing management skills and training women leaders to increase the proportion of women in the Board of Directors and management bodies.

The weighted average of the proportion of women in the Boards of Directors/Supervisory Boards in portfolio companies as of 31 December 2024 was 17%.

COMPOSITION OF THE BOARDS OF DIRECTORS/SUPERVISORY BOARDS OF PORTFOLIO COMPANIES

According to the Fund's Corporate Governance Code, the Boards of Directors and Supervisory Boards, as well as their committees, should have a balance of skills, experience and expertise to ensure independent, objective and effective decision-making in the interests of the Company.

Company boards of directors should ensure transparency and legality of company operations, efficiency of the executive body, fulfilment of strategies and development plans, take necessary measures to prevent corruption, and develop a risk management and internal control system.

In this regard, taking into account the goals, objectives, plans and sectoral directions of the Fund's companies, in accordance with the requirements of the legislation of Kazakhstan, the Code of Corporate Governance of the Fund and internal regulatory documents of the Fund, the work on qualitative renewal of the professional composition of the Boards of Directors and Supervisory Boards in the portfolio companies of the Fund is systematically carried out.

This work includes analysing the market and searching for potential candidates for the Boards of Directors and Supervisory Boards, making a list of documents, conducting meetings/interviews, verifying data for compliance with the established requirements, coordinating candidates with stakeholders, preparing and ensuring that the relevant corporate decisions are taken by authorised bodies of the portfolio companies.

As a result, the composition of the Boards of Directors and Supervisory Boards is enhanced, the levels of sectoral expertise increases, and the gender component improves.

In 2024, the composition of the Boards of Directors and Supervisory Boards of the Fund's portfolio companies was renewed by attracting the best experts with relevant industry expertise and work experience, which is especially important in the framework of the ongoing IPO/SPO of the Fund's large companies. As a result, this has strengthened the Boards of Directors and Supervisory Boards of the Fund's portfolio companies and brought in new competences.

ENSURING TRANSPARENCY AND DISCLOSURE OF INFORMATION

The Fund discloses information in accordance with the requirements of the legislation of the Republic of Kazakhstan, in particular the Law of the Republic of Kazakhstan On Joint Stock Companies, the Law of the Republic of Kazakhstan On Sovereign Wealth Fund, the Law of the Republic of Kazakhstan On Securities Market, the Law of the Republic of Kazakhstan On Access to Information and other regulatory legal acts, as well as the Fund's Corporate Governance Code and the Fund's internal documents on disclosure and safekeeping of the Fund's information.

In order to fully exercise the rights of the Sole Shareholder to receive information in accordance with the procedure determined by the legislation of the Republic of Kazakhstan and the Charter of the Fund, to ensure transparency of important aspects of the Fund's activities for stakeholders, to confirm the Fund's readiness to follow the standards of good corporate governance, to form and maintain a positive image of the Fund, the Information Disclosure Policy of Samruk-Kazyna JSC was approved by the decision of the Board of Directors of the Fund No. 131 dated 29 June 2016.

INTERNATIONAL CO-OPERATION IN THE FIELD OF CORPORATE GOVERNANCE

The OECD Survey of Corporate Governance of State-Owned Enterprises in Kazakhstan 2024 indicated a favourable conclusion that the Fund's corporate governance is in line with general OECD principles and approaches.

In particular, the review states that according to the World Bank, the Sovereign Wealth Fund Law and its policies, standards, rules and regulations apply to all companies in the Fund, with most of these policies and practices in line with good international practice.

The review states that the Code of Corporate Governance of Samruk-Kazyna JSC is one of the significant achievements, as it is aimed at increasing transparency and accountability, ensuring respect for human rights and environmental protection, as well as provides for the development of action plans in the field of sustainable development.

OECD recommendations are accepted as one of the main sources of corporate governance development. As part of consistent work to improve internal processes, taking into account the findings and recommendations set out in previous reports, the Fund has developed and amended the Code, making it more comprehensive and structured. At the same time, the Code is aligned with international best practice in corporate governance, including the provisions of the UK Corporate Governance Code and OECD principles. The integrated approach based on the synergy of international practices, conclusions and recommendations is aimed at sustainable improvement of corporate governance in the Fund and the Group of Companies.

KEY PLANS FOR 2025

- Monitoring updating of the corporate governance codes in portfolio companies, taking into account the provisions of the Fund's Code.
- As part of the fulfilment of the Head of State's instruction to bring the share of women in the governing bodies of companies with state participation to at least 30%, work was intensified to create a pool of female candidates in order to increase the share of women in the Boards of Directors/Supervisory Boards of portfolio companies.
- Monitoring corporate governance at portfolio companies, including by reviewing reports on the implementation of Corporate Governance Plans and ESG Plans.
- In order to further improve the efficiency of the Boards of Directors/Supervisory Boards of the portfolio companies, update the composition of the Boards of Directors/ Supervisory Boards of the portfolio companies in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Corporate Governance Code and internal regulatory documents of the Fund.

EVALUATION OF THE BOARD OF DIRECTORS' PERFORMANCE

The performance of the Fund's Board of Directors is evaluated in accordance with the Regulations on Evaluation of the Performance of the Board of Directors, Committees of the Board of Directors, Chairman and Members of the Board of Directors of Samruk-Kazyna JSC, approved by the decision of the Board of Directors of the Fund dated 14 December 2020 No.181.

In 2023, this Regulation was approved in a new version due to the entry of the Prime Minister of the Republic of Kazakhstan into the Fund's Board of Directors, which required the addition to the Regulation of norms establishing the procedure for assessing the performance of the Board of Directors, if the Chairman of the Board of Directors is the Prime Minister of the Republic of Kazakhstan ex officio.

In 2024, under the guidance of the Chairman of the Board of Directors, the performance of the Fund's Board of Directors was assessed by questioning the members of the Board of Directors, its Committees and the Corporate Secretary Service in the form of self-assessment. In general, the members of the Board of Directors positively assessed the work of the Board of Directors, noting that the Board of Directors fully understands the mission, vision, strategic directions, goals and key objectives, challenges and values of the Fund and takes all of the above into account when making decisions on key issues.

Committees of the Board of Directors

Decisions of the Board of Directors are made by simple majority vote after careful consideration by the relevant committees, which take sufficient time to discuss and analyse each issue.

The Committees play a key role in ensuring in-depth analysis and scrutiny of issues that fall within the competence of the Board of Directors, thus contributing to the quality of decision-making.

Committees are established to conduct detailed analyses and develop recommendations on the most significant issues prior to their consideration at meetings of the Board of Directors. The existence of committees does not exempt members of the Board of Directors from responsibility for decisions made within the competence of the Board of Directors. The Chairmen of the Committees prepare annual reports on the activities of the Committees, which are then presented and considered at meetings of the Board of Directors.

AUDIT COMMITTEE

ROLE OF THE COMMITTEE

The Audit Committee is an advisory and consultative body of the Fund's Board of Directors and was established to assist the Fund's Board of Directors in fulfilling its control functions over the integrity of financial reporting, the effectiveness of internal control and risk management systems, as well as compliance with the principles of corporate governance and legislation

In addition, the Audit Committee makes recommendations to the Fund's Board of Directors regarding the appointment or reappointment of external auditors.

In accordance with the provisions of the Corporate Governance Code, only independent directors with in-depth knowledge and practical experience in the areas of accounting and audit, risk management, and internal control may be members of the Audit Committee.

CHANGES IN THE COMPOSITION OF THE AUDIT COMMITTEE

On 10 December 2024, Wong Heang Fine, an independent director, joined the Audit Committee of the Fund (Minutes No. 244).

WORK OF THE AUDIT COMMITTEE FOR 2024

Over the past year, the Audit Committee considered 46 issues in the field of external and internal audit, internal control and risk management system, financial reporting, corporate governance and compliance. In order to improve the quality of materials as well as recommendations provided to the Fund's Board of Directors, the Audit Committee paid special attention to the planning and preparation of meetings to allocate sufficient time for consideration and discussion of each agenda item, taking into account the number of participants involved.

ON EXTERNAL AUDIT

- Coordinated the process of joint selection of the audit organisation for the Fund and NC KazMunayGas JSC and their subsidiaries, and tentatively approved the appointment of PricewaterhouseCoopers LLP as the audit organisation that will conduct the audit of the Fund in the period from 2025 to 2029;
- Reviewed the Fund's audit planning reports for 2023 and 2024;
- Reviewed the results of the audit of the consolidated and separate financial statements of the Fund for the year ended 31 December 2023 and satisfy itself as to the independence of the auditors;
- Read the results of limited review procedures of the interim condensed consolidated and separate financial statements of the Fund for the 3 and 6 months ended 30 June 2024;
- Considered the information on audit and non-audit services performed for the Fund's Group in 2023 and approved for publication on the Fund's corporate website the information on the remuneration paid by the Fund to the external auditor for the provision of audit and non-audit services for 2023 and 2024;
- Reviewed and approved matters relating to the provision of non-audit advisory services for the Fund and its subsidiaries.

ON INTERNAL AUDIT

- Reviewed the Annual Report 2023 and Quarterly Audit Reports for Quarters 1 to 3 of 2024 in accordance with the approved Annual Audit Plan, and reviewed the surprise audit reports;
- Evaluated the performance of the Internal Audit Service employees, as well as their individual development plans for 2023;
- To enhance the independence of Internal Audit and the availability of sufficient resources, the Audit Committee approved the introduction of a separate budget for the Internal Audit Service, subject to review and approval by the Board of Directors;
- Significant efforts were made during the year to promote value-oriented audits aimed at improving business process efficiency and value creation;
- Reviewed and approved matters relating to the appointment and determination of the salaries of the employee and the Internal Audit Manager;
- Noted the objectives of the Internal Audit Service employees, approved their individual development plans for 2024, and approved and recommended to the Board of Directors of the Fund to approve the objectives of the Head of the Internal Audit Service for 2024;

- Approved the Annual Audit Plan of the Internal Audit Service for 2025, including synergy audits jointly with the Internal Audit Services of the Fund's Group of Companies.

ON COMPLIANCE SERVICE

- Considered the Compliance Service reports for the H2 2023 and H1 2024;
- Evaluated the performance for the second half of 2023 and the first half of 2024 and the individual development plans of the Head of Compliance for the second half of 2023;
- Approved and recommended that the Board of Directors approve the Goal Map for the first and second half of 2024 and the individual development plan for the Chief Compliance Officer for 2024, as well as the Compliance Service Work Plan for H1 and H2 2024;
- Considered and provided recommendations to the Board of Directors on approval of the Fund's Anti-Corruption Policy and the Regulations on the Compliance Service of the Fund in a new version;
- Reviewed and approved the appointment of an employee to the Compliance Service based on a proposal provided by the Chief Compliance Officer;
- Examined the results of the work on the assessment of the effectiveness of the heads of compliance functions of the Fund's portfolio companies and internal analysis of corruption risks in the Fund for 2023, as well as the automation of compliance processes.

ON INTERNAL CONTROL AND MANAGEMENT

- Reviewed and presented to the Board of Directors the consolidated quarterly and annual risk reports of the Fund Group for 2023 and 9 months of 2024, as well as the risk map and register, and the risk appetite for 2024;
- Reviewed and proposed recommendations for a tentative plan to develop a second line of defence within the Fund's internal control framework;
- During the year, the Audit Committee spent significant time discussing risk and engaging with risk owners, facilitating open and transparent communication as well as high quality discussions on key risks;
- Additionally, the Audit Committee provided guidance on the timing and quality of risk reporting, risk classification, the impact on the Company's financial condition, and risk management measures;
- Reviewed and evaluated the 2024 Internal Control Framework Progress Report, including the developed risk and control matrices and a monitoring report with recommendations for improving controls across the Fund's three business processes.

ON FINANCIAL REPORTING

- Reviewed and presented to the Board of Directors for approval the Separate and Consolidated Financial Statements of the Fund for the year ended 31 December 2023;
- Considered the interim condensed consolidated and separate financial statements of the Fund for the 3 and 6 months ended 30 March and 30 June 2024;
- Conducted a detailed review and discussed with management and external audit representative:
    - the main indicators included in the financial statements, especially those related to the impairment of non-current assets;
    - continuity of operations and liquidity;
    - compliance with credit covenants;
    - the impact of the Global Tax Reform – Pillar Two model rules and the Comfort Schools project on the Fund's consolidated financial statements.

ON CORPORATE GOVERNANCE

- Recommended the Board of Directors to approve the report on compliance/non-compliance with the principles and provisions of the Fund's Corporate Governance Code;
- Reviewed and presented to the Board of Directors for approval the Annual Report and the 2023 Sustainability Report of the Fund;
- Recommended the Board of Directors to approve amendments and additions to the Fund's Corporate Accounting Policy;
- Approved and recommended the Board of Directors of the Fund to submit for consideration of the Sole Shareholder of the Fund the Amendments and Additions to the Resolution of the Government of the Republic of Kazakhstan dated 5 November 2012 No. 1403 On Approval of the Code of Corporate Governance of Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company.

In 2024, the Audit Committee held 18 meetings, including 9 in-person and 9 virtual meetings. In total, the Audit Committee considered 46 issues in various areas within its competence, of which 80 per cent were considered at in-person meetings and 20 per cent were considered at virtual meetings.

It should be noted that the virtual meetings were mainly dedicated to the approval of non-audit services provided by the external auditor in accordance with the Fund's policy and in order to ensure that the independence of the external audit organisation is maintained.

In addition, a number of meetings were organised between members of the Audit Committee and the Head of Internal Audit, Head of Compliance and the Fund's management outside of the Audit Committee meetings to discuss internal and external audit, risk management and internal control, corporate governance and compliance.

Participation of Committee members in meetings in 2024

№	Committee Member	Position	Participation in Committee meetings (%)
1.	Luca Sutera	Independent Director, member of the Board of Directors of the Fund, Chairman of the Committee	100% (18 of 18)
2.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, member of the Committee	100%(18 of 18)
3.	Wong Heang Fine	Independent Director, member of the Board of Directors of the Fund, member of the Committee	100% (2 of 2)

STRATEGY COMMITTEE

ROLE OF THE COMMITTEE

By the decision of the Fund's Board of Directors dated 13 December 2018, the Strategy Committee was established with the competence to make recommendations to the Fund's Board of Directors on issues:

- Preliminary approval of the Fund's Development Plan for the 10-year period and the Fund's Action Plan for the 5-year period for further consideration by the Fund's Board of Directors;
- Consideration of reports on the progress of implementation (monitoring) of the Development Plan, Action Plan of the Fund for the purpose of monitoring and control over the implementation of the Development Plan and Action Plan of the Fund by the Board of Directors of the Fund;
- Investment activities of the Fund's group of companies, the consideration of which is within the competence of the Fund's Board of Directors;
- Approval of indicative forecast/range of forecast of preliminary and final macroeconomic indicators for use in the Fund's Development Plan, the Fund's Action Plan and business plans of the Fund's companies.

CHANGES IN THE COMPOSITION OF THE STRATEGY COMMITTEE

The Committee consisted of at least 3 (three) members, one of whom must be an independent director. The term of office of the Committee members coincides with their term of office as members of the Fund's Board of Directors.

In accordance with paragraph 1 of Article 9 of the Law of the Republic of Kazakhstan On Sovereign Wealth Fund, the Chairman of the Strategy Committee is the first head of the central authorised body for state planning.

In accordance with the Decree of the President of the Republic of Kazakhstan dated 6 February 2024 No. 464 Nurlan Baibazarov was appointed Deputy Prime Minister – Minister of National Economy of the Republic of Kazakhstan.

Due to the above changes, the updated composition of the Strategy Committee was as follows: Nurlan Baibazarov – Deputy Prime Minister of the Republic of Kazakhstan – Minister of National Economy of the Republic of Kazakhstan – Chairman of the Committee; Bolat Zhamishev is an independent director.

WORK OF THE STRATEGY COMMITTEE IN 2024

There were 4 Strategy Committee meetings in 2024, of which 1 in-person and 3 virtual meetings.

The Committee's meetings were held on a regular basis in accordance with the Committee's Work Plan for 2024, which included the priority and most important issues of the Committee's activities. During this period, the Committee considered 15 issues within its competence.

The following issues were considered and discussed at the Committee meetings:

- Report on the activities of the Strategy Committee of the Board of Directors of Samruk-Kazyna JSC for 2023;
- On approval of the Work Plan of the Strategy Committee of the Board of Directors of Samruk-Kazyna JSC for 2024;
- Regarding monitoring of major investment projects of Samruk-Kazyna JSC group (four times);
- On indicative forecast and forecast range of preliminary macroeconomic indicators for use in the Action Plan of Samruk-Kazyna JSC and Business Plans of portfolio companies of Samruk-Kazyna JSC for 2025–2029 (twice);
- On some issues of consideration of the Action Plan of Samruk-Kazyna JSC for 2023–2027 for 2023, taking into account the audited consolidated financial statements of Samruk-Kazyna JSC;
- On the results of monitoring the implementation of Samruk-Kazyna JSC Action Plan 2023–2027 in Q3 2023 and Q1 2024;
- On participation of Samruk-Kazyna JSC in the activities of other legal entities.

Termination of the Strategy Committee

Due to the adoption of the Resolution of the Government of the Republic of Kazakhstan No.872 dated 19 October 2024, as a result of which the position of the first head of the central authorised body for state planning was removed from the Board of Directors of the Fund, it became necessary to revise the management structure. As a consequence of this decision, the function of a separate Strategy Committee is no longer relevant, as strategic planning issues can be effectively addressed at the level of the Board of Directors. This change eliminates additional layers of approvals, contributing to faster and more flexible decision-making.

In this regard, pursuant to Resolution No.244 of 10 December 2024, the Board of Directors of the Fund decided to terminate the activities of the Strategy Committee.

Participation of Committee members in meetings in 2024

№	Committee Member	Position	Participation in Committee meetings (%)
1.	Alibek Kuantyrov	Minister of National Economy of the Republic of Kazakhstan, Member of the Board of Directors of the Fund, Chairman of the Committee	100% (1 of 1)
2.	Nurlan Baibazarov	Deputy Prime Minister of the Republic of Kazakhstan – Minister of National Economy of the Republic of Kazakhstan, member of the Board of Directors, Chairman of the Committee	100% (3 of 3)
3.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, member of the Committee	100% (4 of 4)

TRANSFORMATION PROGRAMME OVERSIGHT COMMITTEE

ROLE OF THE COMMITTEE

The Transformation Programme Oversight Committee is an advisory body of the Fund's Board of Directors. Its remit includes making recommendations to the Fund's Board of Directors on the issues of monitoring and evaluation of the implementation of the Fund's Transformation Programme, as well as on the issues of privatisation and restructuring of the Fund Group's assets.

CHANGES IN THE COMPOSITION OF THE TRANSFORMATION PROGRAMME OVERSIGHT COMMITTEE

There were no changes in the composition of the Transformation Programme Monitoring Committee in 2024.

Composition of the Committee as of 31 December 2024:

- Olzhas Bektenov – Prime Minister of the Republic of Kazakhstan – Chairman of the Committee;
- Bolat Zhamishev – Independent Director, member of the Committee.

COMMITTEE'S WORK IN 2024

In 2024, the Transformation Programme Oversight Committee held five virtual meetings.

The Committee meetings were held on a regular basis in accordance with the Committee's Work Plan for 2024, which in turn included the priority and most important issues of the Committee's activities. In total, during this period the Committee considered 10 issues within its remit.

The following issues were considered and discussed at the Committee meetings:

- Report on the activities of the Committee for Control over Implementation of the Transformation Programme under the Board of Directors of Samruk-Kazyna JSC for 2023;
- On approval of the Work Plan of the Committee for Control over Implementation of the Transformation Programme under the Board of Directors of Samruk-Kazyna JSC for 2024;
- Report on the progress of withdrawal for sale of assets of Samruk-Kazyna JSC and its subsidiaries within the framework of execution of the Resolution of the Government of the Republic of Kazakhstan dated 29 December 2020 No.908 based on the results of 2023 and 1H 2024 (twice);
- On introducing amendments and additions to the Rules of transferring assets of the Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company and organisations, more than fifty percent of voting shares (participatory interests) of which directly or indirectly belong to Samruk-Kazyna JSC on the right of ownership (twice) to the competitive environment;
- On some of the issues of transferring assets in a competitive environment.

Termination of the Transformation Programme Oversight Committee

In connection with the completion of the Transformation Programme focused on digitalisation and modernisation of the portfolio companies of Samruk-Kazyna Group, as well as the transition of the remaining activities and projects within the current operational activities of the Group, the Board of Directors of the Fund decided to terminate the Transformation Programme Oversight Committee (Decision No.251 dated 23 April 2025).

Participation of Committee members in meetings in 2024

№	Committee member	Position	Participation in Committee meetings	
			Total	% attendance
1.	Olzhas Bektenov	Prime Minister of the Republic of Kazakhstan, Chairman of the Board of Directors of the Fund, Chairman of the Committee	5 out of 5	100%
2.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, member of the Committee	5 out of 5	100%

NOMINATION AND REMUNERATION COMMITTEE

ROLE OF THE COMMITTEE

The Nomination and Remuneration Committee makes recommendations and formulates proposals on the following matters:

- Election of members of the Management Board (except for the Chairman of the Management Board);
- Determining the amount and terms of remuneration and bonuses for the Chairman and members of the Management Board, the Ombudsman and the Corporate Secretary;
- Consideration of corporate KPIs of the Fund and functional KPIs of the members of the Management Board;
- Consideration of the Fund's personnel policy and induction policy for newly elected members of the Board of Directors.

CHANGES IN THE COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is formed predominantly of independent directors. This structure ensures objectivity and independence in decision-making, excluding the possibility of stakeholders' influence on the opinions and judgements of the Committee members.

There were no changes to the composition of the Nomination and Remuneration Committee in 2024.

The Committee as of 31 December 2024 consisted of the following individuals:

- Olzhas Bektenov – Prime Minister of the Republic of Kazakhstan – Chairman of the Committee;
- Mohamed Jameel Al Ramahi is an Independent Non-Executive Director and a member of the Committee;
- Luca Sutera is an independent director and a member of the Committee.

WORK OF THE NOMINATION AND REMUNERATION COMMITTEE IN 2024

In 2024, the Nomination and Remuneration Committee held four virtual meetings.

The Committee meetings were organised on a regular basis in accordance with the Committee's Work Plan for 2024, which included the priority and most important issues of the Committee's activities. In total, the Committee considered 7 issues within its competence during this period.

The following issues were considered and discussed at the Committee meetings:

- Report on the activities of the Nomination and Remuneration Committee of the Board of Directors of Samruk-Kazyna JSC for 2023;
- On approval of the Work Plan of the Nomination and Remuneration Committee of the Board of Directors of Samruk-Kazyna JSC for 2024;
- On adjustment of the Map of motivational key performance indicators of Samruk-Kazyna JSC for 2024;
- On approval of the Map of motivational key performance indicators of Samruk-Kazyna JSC with actual values for the Chairman and members of the Management Board of Samruk-Kazyna JSC for 2023, the amount of remuneration based on the results of work for 2023;
- On consideration of the map of motivational key performance indicators of Samruk-Kazyna JSC for 2025;
- On some issues of activity of the Ombudsman of Samruk-Kazyna JSC and organisations included in the group of Samruk-Kazyna JSC (twice).

Participation of Committee members in meetings in 2024

№	Member of the Nomination and Remuneration Committee	Position	Participation in Committee meetings	
			Total	% attendance
1.	Olzhas Bektenov	Prime Minister of the Republic of Kazakhstan, Chairman of the Board of Directors of the Fund, Chairman of the Committee	4 out of 4	100%
2.	Mohamed Jameel Al Ramahi	Independent Director, member of the Board of Directors of the Fund, member of the Committee	4 out of 4	100%
3.	Luca Sutera	Independent Director, member of the Board of Directors of the Fund, member of the Committee	4 out of 4	100%

SPECIALISED COMMITTEE

The Specialised Committee carries out a comprehensive and objective analysis of the impact of the activities of the Organisations included in the Fund's group on economic development as a whole or a specific industry. The analysis excludes consideration of issues related to the use of funds from the National Fund of the Republic of Kazakhstan, the republican budget, as well as state guarantees and assets.

On 13 June 2023, the Fund received a letter from the Supreme Audit Chamber of the Republic of Kazakhstan (SAC) No. 1-12-16/674/1029, which stated that the inclusion of SAC in the Specialised Committee is not possible because the permanent membership of SAC in the Specialised Committee and participation in internal audit activities in the presence of the IAS of the Fund open the door for a conflict of interest in the audit activities carried out by SAC in relation to the Fund.

Taking into account the above-mentioned position of the SAC, as well as taking into account that there is no need to continue the work of the Specialised Committee without the participation of SAC, the Fund is working on amending the Law of the Republic of Kazakhstan On Sovereign Wealth Fund in terms of abolishing the Specialised Committee.

Management Board and its Committees

The Management Board is a collegial executive body of the Fund responsible for the management of its current activities, implementation of the strategy and development plan, as well as execution of decisions made by the Board of Directors and the Sole Shareholder of the Fund.

The activity of the Management Board of the Fund is regulated by the legislation of the Republic of Kazakhstan, the Charter of the Fund, decisions of the Sole Shareholder and the Board of Directors of the Fund, as well as the Regulations on the Management Board and other internal documents of the Fund

The Chairman of the Management Board is appointed by the decision of the Sole Shareholder. Members of the Management Board are elected by the decision of the Fund's Board of Directors.

In their activities, the Management Board and the Chairman of the Management Board are accountable to the Sole Shareholder and the Board of Directors of the Fund. The competence of the Management Board includes, among other things, the following:

- Making decisions on issues related to the competence of the General Meeting of Shareholders (Participants), other body of the company or other legal entity in relation to which the Fund is a shareholder, participant or has the right to a share in the property in accordance with the legislation of the Republic of Kazakhstan and (or) the Charter, except for decisions on issues made by the Sole Shareholder or the Board of Directors of the Fund in accordance with the Law On Sovereign Wealth Fund;
- Taking operational measures with respect to companies to prevent failures in the completeness and timing of implementation of investment decisions and investment projects;
- Shaping unified policies (including by sectors of the companies' activities) on finance, investment, production and economic, R&D, money management, personnel, social and other policies in relation to the companies;
- Approval of rules for the development, coordination, approval, adjustment, execution and monitoring of the execution of the companies' action plans;
- Approval of the staffing level, staffing table and organisational structure of the Fund;
- Hearing on an annual basis on the performance of the portfolio companies and reporting on the performance of the companies to the Fund's Board of Directors;
- Decision-making on the internal activities of the Fund.

The full list of issues referred to the exclusive competence of the Management Board of the Fund is disclosed in the Charter of the Fund at www.sk.kz.

COMPOSITION OF THE FUND'S MANAGEMENT BOARD

NURLAN ZHAKUPOV

Member of the Board of Directors, Chairman of the Management Board of Samruk-Kazyna JSC

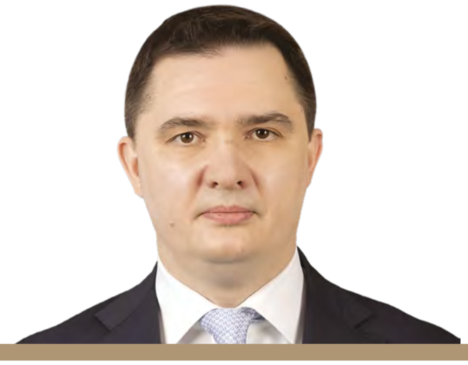
Date of election:
April 2023

Education:

- Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, Department of International Economic Relations – Bachelor of Economics, Master of Economics, Candidate of Economic Sciences

Working experience:

- Financial Analyst Eurasian Industrial Association (ENRC) (2001–2003);
- Business Manager, Chambishi Metals PLC (Kitwe, Zambia) (2003–2004);
- Project Manager Research, Investment and Development Ltd (2004–2007);
- Analyst for the value of publicly traded company shares, Credit Suisse basic materials team (2007–2009);
- Managing Director, Member of the Management Board of Tau-Ken Samruk National Mining Company JSC (2009–2011);
- Director of Investment Banking Department, Head of Representative Office in Astana of JSC Subsidiary Bank RBS (Kazakhstan) (2011–2012);
- Executive Director of the Investment Banking Department, Head of the Astana Representative Office of UBS AG Almaty Representative Office (2012–2016);
- Managing Director for Development and Investments – member of the Management Board of NAC Kazatomprom JSC (2016–2017);
- Chairman of the Board of JSC SPK Astana (2017–2019);
- Representative in Kazakhstan of Rothschild & Co (2019–2020);
- Chairman of the Management Board of "Kazakhstan Investment Development Fund (KIDF Management Company" Ltd (2020 – April 2023);
- Chairman of the Management Board of Samruk-Kazyna JSC (from 04.2023).



NIKOLAY KAZUTIN

Managing Director for Legal Support, Counselling and Risks

Date of election:
March 2022

Education:

- Turar Ryskulov Kazakh University of Economics, speciality "Accounting and Audit"

Working experience:

- Specialist on insurance and accounting of branches of Industrial Insurance Group OJSC, Almaty (2001–2003);
- Financial analyst of Amanat Insurance JSC, Almaty (2003–2005);
- Financial analyst of LLP "Insurance broker Kazinterpolis", Almaty (2005–2006);
- Senior Department Manager of PricewaterhouseCoopers Tax & Advisory LLP Almaty (2006–2016);
- Advisor to the Chairman of the Management Board of Kokshetau Mineral Waters JSC (2016–2018);
- Head of Internal Audit Service of East Kazakhstan Regional Energy Company JSC, Ust-Kamenogorsk (2018–2019);
- Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (2020–2022);
- Managing Director for Legal Support, Security and Risks of Samruk-Kazyna JSC (from 2022), Member of the Management Board (from 2022).

YELZHAS OTYNSHIYEV

Managing Director for Strategy and Asset Management

Date of election:
April 2023

Education:

- Moscow Institute of Physics and Technology, Department of General and Applied Mathematics, specialisation – applied mathematics and physics (Bachelor's degree)
- Moscow Institute of Physics and Technology, Department of General and Applied Mathematics, specialisation – applied mathematics and physics (Master's degree)

Working experience:

- Ernst&Young (Moscow) – Audit and Advisory Services, Technology and Security Services. Positions from Analyst to Senior Analyst (2007–2008);
- Ernst&Young (Moscow) – Valuation and Business Modelling Department. Position – Analyst (2008–2009);
- Tau-Ken Samruk National Mining Company JSC, Investment Projects Department, Financial Institutions Department. Positions – from Manager to Director of the Department (2009-2012);
- Samruk-Kazyna JSC, Investment Projects Department, position – Chief Manager (2012–2014);
- Samruk-Kazyna Invest LLP (seconded to Samruk-Kazyna JSC), position – Director of the Department for Project Analysis of Investment Activity of the Fund (2014–2016);
- Samruk-Kazyna JSC, Position – Project Director of New Projects Development Department (management of growing portfolio companies) (2016–2018);
- Samruk-Kazyna JSC, Position – Head of the Mining Assets Development Sector of the Asset Development Department (2018–2019);
- PlanetCare Management LLP, Position – Deputy General Director for Investment and Development (2019–2021);
- Kazakhstan Investment Development Fund (KIDF) Management Company Ltd., Position – Deputy Chairman of the Management Board (2021–2023);
- Samruk-Kazyna JSC, Co-Managing Director for Strategy and Asset Management (2023–04.2025);
- Samruk-Kazyna JSC, Managing Director for Strategy and Asset Management (from 04.2025).

AIDAR RYSKULOV

Managing Director for Economics and Finance

Date of election:
August 2023

Education:

- Karaganda Buketov University, speciality "Finance and Credit", qualification: Economist
- Karaganda Economic University of Kazpotrebsoyuz – Speciality "Legal Regulation in the Sphere of Economy (Bachelor of Law)
- Nazarbayev University, Executive MBA

Working experience:

- Engineer-economist in NC Kazakhstan Temir Zholy JSC (Karaganda branch) (2002–2003);
- Specialist of the Client Attraction Sector, Specialist of the Service Managers Service of the Operations Department, Specialist of the Lending Sector under the EBRD Programme of the SME Lending Department, Leading Specialist of the 2nd Level of the Microcrediting Sector of the SME Lending Department in ATF Bank JSC (Astana Branch) (2003–2006);
- Senior Credit Officer of the Business Clients Department of the Credit Office of JSC Bank Centre Credit (2006);
- Head of the Middle Business Sales Centre Department at JSC Halyk Bank of Kazakhstan (2006–2008);
- Chief Specialist of the Corporate Lending Department at Eurasian Bank JSC (2009);
- Chief Manager of the Project Analysis Division of the Investment Projects Department, Head of the Project Analysis Division of the Investment Projects Department, Deputy Director of the Investment Projects Department at JSC National Managing Holding KazAgro (2009–2012);
- Director for Financial Asset Management, Director of the Corporate Finance Department of Samruk-Kazyna JSC (2012–2019);
- Managing Director for Economics and Finance – Member of the Management Board of Samruk-Energy JSC (2019–2023);
- Managing Director for Economics and Finance – Member of the Management Board of Samruk-Kazyna JSC (from 08.2023).

SALTANAT SATZHAN

Managing Director for Development and Privatisation

Date of election:
August 2023

Education:

- Australian National University, Bolashak Programme – Bachelor of Economics
- MBA, University of Warwick

Qualifications:

- ACCA, an international qualification in accounting and finance
- CFA Level 3 candidate
- Financial mentor in the school of financial literacy at Finmentor.kz LLP

Working experience:

- Honorary member of the Association of Chartered and Certified Accountants, ACCA;
- 10 years of experience in finance, audit and economic analysis in a Big4 company and in the Sovereign Wealth Fund of the Republic of Kazakhstan;
- 5 years of experience as a Business Coach (EY Academy, Agency of the Republic of Kazakhstan for Civil Service, KUSK);
- Head of the Economic Analysis Sector of the Asset Management Directorate of Samruk-Kazyna JSC (2018–2021);
- Head of the Department for Consolidated Analytical Work and Control of Samruk-Kazyna JSC (2021–08.2023);
- Managing Director for Development and Privatisation – Member of the Management Board of Samruk-Kazyna JSC (from 08.2023).

REPORT ON THE ACTIVITIES OF THE MANAGEMENT BOARD

IN 2024, THE FUND'S MANAGEMENT BOARD HELD
67
meetings

TOTAL REVIEWED
323
issues

The most important issues considered by the Fund's Management Board were:

- Approval of the annual financial statements of the Fund's portfolio companies for 2023, and the interim financial statements of the Fund's portfolio companies for the respective reporting periods of 2024;
- Election of the Boards of Directors and Supervisory Boards/Boards of Trustees of the Fund's portfolio companies;
- Approval and/or appointment of the first managers of the Fund's portfolio companies;
- Acquisition of shares/contributions to authorised capitals of the Fund's portfolio companies;
- Amendments to the charters and other internal regulatory documents of the Fund's portfolio companies;
- Preliminary approval and submission of issues for consideration by the Fund's Board of Directors;
- Approval and/or amendments to the Fund's internal regulatory documents;
- Changes in the organisational structure and staffing of the Fund;
- Adjusting the Fund budget;
- Issues on execution of the privatisation programme of the Government of the Republic of Kazakhstan;
- Investment project issues;
- Approval of transactions in which the Fund has an interest.

PLANS FOR 2025

In 2025, the Management Board is set to consider:

- Issues of day-to-day operations of the Fund, including budget, procurement process and implementation of investment projects;
- Transactions of the Fund (interested and/or major transactions);
- HR issues of the Fund (organisational structure, staffing table);
- Matters related to portfolio companies, including appointments and elections to supervisory and trustee boards, boards of directors, approval of annual financial reports, consideration of internal regulatory documents, changes in authorised capital or number of shares, and participation in other legal entities;
- Approval or amendment of the Fund's internal regulatory documents;
- Reports (reports of the structural units of the Fund and reports submitted to the Board of Directors of the Fund).

Committees of the Management Board

COMMITTEES OF THE MANAGEMENT BOARD

- Investment and Strategy Committee
- HR Committee
- Scientific and Technical Council
- HSE Committee
- Sustainable Development Committee
- Information Security Committee

INVESTMENT AND STRATEGY COMMITTEE

The main objective of the Investment and Strategy Committee is to improve the efficiency of the management decision-making process within the framework of the Fund's asset portfolio management. The Committee is designed to ensure achievement of the Fund's strategic KPIs through coordination and formulation of recommendations and proposals on key issues. This includes creating conditions for a risk-oriented approach to decision-making on issues:

- Strategic Development of the Fund and the portfolio companies;
- Management of the Fund's Asset Portfolio and the portfolio of the Fund's Investment Projects and the PC;
- Risk management (financial, investment, operational);
- Implementation of the Investment Policy, Credit Policy, Debt Management and Financial Stability Policy;
- Implementation of Corporate Standards for investment activities, strategic and business planning, and management of large capital projects.

In 2024, the Investment and Strategy Committee held 79 meetings.

HR COMMITTEE

The task of the HR Committee is to coordinate the implementation of the Fund's HR policy, to develop recommendations on human resources management, as well as to provide methodological and analytical support in the field of HR for the companies of the Fund's group.

The composition of the Personnel Committee is determined by the decision of the Fund's Management Board and consists of at least 5 (five) permanent members, including the Chairman of the Personnel Committee. Representatives of the Working Body and the Secretary of the Committee (without the right to vote) take part in the work of the Personnel Committee.

In 2024, the HR Committee held 11 meetings, including 1 in-person meeting and 10 virtual meetings. A total of 16 issues were considered and 34 decisions were made.

In particular, the following issues were considered at these meetings:

- Issues of job evaluation (grades) of individual employees of the Fund;
- Issues of revision of official salaries of certain employees of the Fund;
- Issues of one-time bonuses for the Fund's employees;
- Issues of training and professional development of individual employees of the Fund;
- Questions on awarding the employees of the Fund's group for the Republic Day;
- Questions regarding the final evaluations for the second half of 2024 for individual employees of the Fund.

MODERNISATION COUNCIL

The Modernisation Council performs the functions of management and coordination of activities for the implementation of the Transformation Programme within the Group, as well as for the introduction of best management practices, technologies and standards. This body is a collegial advisory body under the Management Board of the Fund, and its decisions are important for the successful implementation of the Transformation Programme

The main tasks of the Modernisation Board are:

- Defining the content, main directions, funding issues, key performance indicators, scope and timing of the Transformation Programme;
- Coordination of implementation of the Transformation Programme in the functional areas of the Fund and the Companies;
- Ensuring communication between the participants of the Transformation Programme in the Fund and the companies;
- Control over compliance with uniform quality requirements for the implementation of the Transformation Programme;
- Monitoring of the implementation of the Transformation Programme, evaluation, analysis of the results of the implementation of changes, adjustment of the Programme itself;
- Prompt consideration of issues and problems arising during the implementation of the Transformation Programme, including issues and problems common to several companies;
- Initiation of submission for consideration by the relevant bodies of the Fund and state bodies of the Republic of Kazakhstan of issues as part of implementation of the Transformation Programme.

No meetings were held in 2024.

SCIENTIFIC AND TECHNICAL COUNCIL

Scientific and Technical Council in Samruk-Kazyna JSC was established in 2019 to provide a collegial and transparent decision-making process, selection, accounting, monitoring and control of R&D and innovation projects to ensure Sovereign Wealth.

In 2022, a restated Corporate Standard on R&D and Innovation of Samruk-Kazyna JSC was approved, which regulates a unified approach in the management of R&D and innovation portfolio of the Fund Group.

In 2024, the Scientific and Technical Council held 11 meetings, as a result of which 19 promising projects were approved for financing, and agreements on 4 projects were concluded. In total, more than 57 applications for R&D projects were considered.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE (HSE COMMITTEE)

In 2024, the Health, Safety and Environment Committee continued to coordinate the improvement of working conditions and accident-free production in the Fund's companies.

This committee, in operation since 2019, effectively serves as a platform for dialogue, discussing current issues, sharing experiences and presenting strategic initiatives and ideas in the field of health and safety.

In September 2024, the regular 39th meeting of the Committee was held under the chairmanship of the Managing Director for Corporate Governance, Social and Employee relations and Health & Safety of the Fund, the chief executives of portfolio companies were given specific instructions for implementation.

The meeting was devoted to discussing the results of the cross audits conducted in the field of industrial safety at the end of the last two years.

SUSTAINABLE DEVELOPMENT COMMITTEE

The Sustainable Development Committee was established to develop recommendations for the Management Board of the Fund and the Fund's representatives in the Boards of Directors of portfolio companies, as well as to coordinate sustainable development activities in these companies. The key areas of the Committee's tasks include:

- Implementation of a system of systematic and continuous adherence to the principles of sustainable development;
- Developing an effective stakeholder engagement system that demonstrates the company's commitment to sustainability standards;
- Ensuring that the strategic goals of the Fund and the PC are achieved without compromising their sustainability in the long term, taking into account the interests of stakeholders.

No meetings were held in 2024.

INFORMATION SECURITY COMMITTEE

The Information Security Committee develops recommendations for the Fund's Management Board regarding the creation and development of a unified information security system within the Fund's group.

We revised the structure of the Information Security Committee to include employees of the Fund's group companies directly involved in the Committee's activities involving information security.

In the reporting period, within the framework of the meeting of the Information Security Committee of the Fund Group, the issues of IT equipment inventory, active use of information security systems, revision of the organisational structure of portfolio companies, subsidiaries and affiliates on the separate status of information security units, timely reporting of information security incidents to the Fund and approval by the Fund of candidates appointed to the positions of information security officers were considered.

In 2024, the Information Security Committee held one meeting.

Remuneration Policy for Members of the Board of Directors and the Management Board

In accordance with the Fund's Charter and the Law of the Republic of Kazakhstan On Sovereign Wealth Fund, the amount of remuneration of Independent Directors is determined by the Sole Shareholder. Independent Directors are paid remuneration and reimbursed for expenses related to the performance of their duties.

The salary, terms of remuneration and remuneration of the Chairman and members of the Management Board of the Fund are set by the Board of Directors of the Fund. The Nomination and Remuneration Committee of the Fund's Board of Directors plays a key role in determining their remuneration.

The remuneration system for the Chairman and members of the Management Board of the Fund is determined in accordance with the Terms of Remuneration and Bonuses for the Chairman and members of the Management Board of the Fund, approved by the decision of the Board of Directors of the Fund, and includes a salary, remuneration based on the results of work for the relevant period, as well as a one-time bonus for the Independence Day of the Republic of Kazakhstan. Remuneration based on the results of work for the relevant period is paid depending on the results of evaluation of the performance of the Chairman and a member of the Management Board in order to provide material incentives for success and improved performance.

Payment of remuneration is subject to the Fund achieving consolidated total return for the reporting year. In 2024, the total amount of remuneration paid to key management personnel and included in general and administrative expenses totalled KZT 7,687 million. This amount covers remuneration for both Independent Directors of the Board of Directors and members of the Management of the Fund.

Internal Audit Service

The Fund has an independent Internal Audit Service, which is subordinate and accountable to the Fund's Board of Directors and supervised by the Audit Committee of the Fund's Board of Directors. The Board of Directors determines the composition of the Internal Audit Service, the amount of remuneration of employees, approves internal audit policies and procedures, as well as the annual audit plan and budget.

In its activities, the Service is guided by the legislation of the Republic of Kazakhstan, the Charter of the Fund, decisions of its bodies, the annual audit plan approved by the Board of Directors of the Fund and other internal regulatory documents.

The main purpose of the Internal Audit Service is to provide the Board of Directors of the Fund with independent and objective assurance and advice aimed at improving the risk management, internal control and corporate governance systems in the Fund.

In 2024, the Service fulfilled its annual audit plan by 105%, including unscheduled audits during the year. It issued recommendations to improve internal control and risk management systems, processes, principles and methods of procurement and investment activities, and the results of monitoring the implementation of recommendations were presented to the Board of Directors on a quarterly basis. Additionally, as part of consulting work, employees of the Internal Audit Service participated in unscheduled audits of individual subsidiaries of the Fund as part of working groups, and consulting work was provided to individual representatives of the Fund in the Boards of Directors of the companies.

In 2023, the Internal Audit Service successfully passed an external independent assessment conducted by the audit company PwC for compliance with the International Professional Standards for Internal Auditing and the Code of Ethics developed by the Institute of Internal Auditors. The results of the assessment confirmed that the Internal Audit Service's activities comply with the established standards and ethical norms, which demonstrates the efficiency and effectiveness of the service's work.

At the same time, no facts adversely affecting the independence or individual objectivity of internal auditors were recorded during 2024. On a quarterly basis, the reports of the Internal Audit Service were considered and discussed at the meetings of the Audit Committee and the Board of Directors of the Fund.

Compliance Service

The Compliance Service of Samruk-Kazyna JSC in its activities is guided by the Regulations on the Compliance Service of the Fund, the new version of which was approved by the decision of the Board of Directors of Samruk-Kazyna JSC dated 20 May 2024 No. 235, anti-corruption legislation of the Republic of Kazakhstan and best international practices in the field of compliance and anti-corruption.

The main purpose of the Compliance Service of the Fund is to ensure compliance with the anti-corruption legislation of the Republic of Kazakhstan, development of the compliance programme, including coordination of activities of the compliance services of portfolio companies, communications and training, support of the proactive information line (hotline), inspections and investigations, interaction with third parties, identification and settlement of conflicts of interest, development of other areas of compliance in the group of companies of the Fund.

In 2024, the Compliance Service of the Fund continued the development of the compliance function in the Group of Companies of the Fund, automation of individual elements of the compliance programme at the level of the Group of Companies of the Fund and development of interaction with the regulator, increasing the transparency of the activities of the Group of Companies of the Fund.

The Fund's management carries out systematic work aimed at promoting the ideology of integrity and strengthening public control in the corporate governance of the Fund. The Fund's management also sets the right "tone from the top", emphasises the need to comply with legal requirements and compliance policies.

The Head of the Compliance Service of the Fund takes an active part in standard-setting work on the compliance function in the quasi-public and private sectors, meetings with government agencies and the business community.

RESULTS OF THE COMPLIANCE SERVICE IN 2024:

- In connection with the amendments made to the Law of the Republic of Kazakhstan On Combating Corruption, as well as the approval in December 2023 of the Corporate Standard on Compliance Function of the Fund (hereinafter – the Corporate Standard), a new version of the Anti-Corruption Policy of Samruk-Kazyna JSC was approved on 20 May 2024.
- By the decision of the Board of Directors of the Fund dated 20 May 2024, restated Regulations on Compliance Service of Samruk-Kazyna JSC were approved.
- On 11 March 2024, the Instruction on combating corruption in Samruk-Kazyna JSC, developed by the Compliance Service in accordance with the provisions of the Law of the Republic of Kazakhstan "On Combating Corruption".
- By the decision of the Management Board of the Fund dated 26 December 2024, amendments and additions to the Corporate Standard on the Compliance Function of the Samruk-Kazyna JSC Group were approved, taking into account the analysis of the work of the Compliance Services of the Fund Group.
- In order to develop proposals to improve the methodology and reporting, to discuss problematic issues arising in practice, a Working Group was formed consisting of the Heads of Compliance Services of

the Compliance Group of the Fund under the chairmanship of the Head of the Compliance Service of the Fund.

- The Organisation for Economic Co-operation and Development (OECD) has completed the 5th round of monitoring of Kazakhstan legislation under the Istanbul Action Plan against Corruption. The monitoring includes critical areas such as procurement transparency and combating corruption in the quasi-public sector.
- All companies have adopted anti-corruption standards and implemented comprehensive measures to ensure integrity and prevent corruption. The issues of transparency and openness were separately noted. All assessed companies of the Fund publicly disclose information on financial and operational results, significant transactions with third parties, implementation of anti-corruption compliance programmes, as well as provide channels for whistleblowers and reporting violations of anti-corruption rules.
- The Fund's Compliance Service continues to automate the compliance function.

The E-Compliance system has been put into operation, the main purpose of which is to automate compliance processes in terms of full and comprehensive review of appeals received by the Hotline, verification of counterparties, including access to information on counterparties contained in state databases, determination of risk level, formation of standard conclusions and storage of verification results through a single interface with access for all companies of the Fund's group.

- In terms of training activities, in 2024, the Fund's Compliance Service developed and launched an online course "Business Ethics and the Role of Senior Management in the Corporate Compliance System".
- To improve the competences of the employees of the Compliance services of the Fund's Group, a training programme "Compliance Expert" was launched on the basis of Samruk Business Academy.

PLANS FOR 2025:

In 2025, the Compliance Service will continue further development of the compliance function in the Group of Companies, including improvement of the methodological framework and formation of anti-corruption culture, further digitalisation of the compliance function, identification of compliance risks in the Fund's activities and development of a methodology for assessing the efficiency of the compliance function of the Fund's portfolio companies.

Risk Management and Internal Control

The risk management system is aimed at ensuring the achievement of strategic and operational objectives, as well as objectives in the area of reliable reporting and compliance with applicable laws and internal requirements.

Internal control focuses on achieving operational objectives, ensuring the reliability of reporting and compliance with the legislation and internal requirements of the Fund and its Portfolio Companies.

The objectives of the Corporate Risk Management and Internal Control System are as follows:

- Strengthening the risk culture and integrating risk management and internal control into all aspects of the Fund's activities.
- Reducing volatility of results by improving the Fund's ability to prevent adverse situations, respond effectively to adverse events and minimise their impact to an acceptable level.
- Ensuring that opportunities are seized to increase the value of the Fund's assets and profitability over the long term.

The main principles and approaches to the organisation of risk management and internal control in the Fund Group are reflected in the Fund's Policy on Risk Management and Internal Control. This Policy has been drawn up taking into account the recommendations of COSO, COSO Enterprise Risk Management – Integrating with Strategy and Performance and is designed to strengthen the responsibility of risk owners for risk management at all levels of the Fund, increase the integration of risk management into all processes of the Fund.

According to the Policy, the Board of Directors and the Management Board of the Fund in the performance of their functions are based on the "Three Lines of Defence" model, where the first line of defence (business functions) is represented by structural units represented by each employee who, within their competence, directly identify, manage risks and perform control procedures. The second line of defence (monitoring functions) is represented, among others, by the Risk Management and Internal Control Department and the Compliance Service of the Fund, which are responsible for monitoring the implementation by structural units of effective risk management and internal control practices, compliance with the legislation and internal regulatory documents of the Fund. The third line (independent assurance) includes the Internal Audit Service, which provides an independent assessment of the effectiveness of the risk management and internal control system.

The Fund and portfolio companies annually approve the risk appetite, risk register and risk map, and regularly submit the Report on Significant Risks to the Board of Directors for consideration.

A corporate reinsurance programme under the administration of the Fund's captive is being implemented, which is aimed at comprehensive organisation of reinsurance protection of risks of the Fund's companies.

Work continues to improve the internal control system, including documentation of control procedures in the Fund's internal regulatory documents.

THE NON-EXHAUSTIVE LIST OF RISKS OF THE FUND AND THE PORTFOLIO COMPANIES IS AS FOLLOWS

Strategic Risks:

The risks of significant investment projects range from internal to external, including classic project risks such as delays and increased capital expenditure, as well as external factors such as inflation, currency fluctuations and logistical challenges. The process of risk identification and minimisation is carried out on a regular basis and measures to minimise risks are developed.

Reputational damage risk includes potential negative perception of the Fund and Portfolio Companies by various stakeholders. This risk is managed through the development and maintenance of the overall image and communication policy, as well as compliance with the legislative and ethical standards of behaviour of the Fund and Portfolio Companies.

Financial Risks:

Liquidity and covenant/listing risks. These arise when a company is unable to finance its operations and meet its obligations. Management of these risks includes setting and monitoring debt limits and various measures to improve financial stability.

Operational Risks:

Social instability risk is a risk associated with social tension of various groups of employees of the Fund and Portfolio Companies. To monitor the state of social stability risk, the Centre for Social Interaction and Communications analyses the level of social stability in the Fund Group's workforce on an annual basis. In order to monitor and regulate social and employee relations , the complaints and appeals of the Fund Group's employees are also monitored. The Fund, together with Portfolio Companies, republican and local authorities, works out systemic measures to improve the welfare of employees and resolve emerging issues.

The risk of accidents is one of the key risks for the Fund's production Portfolio Companies. The Plan of Measures on Industrial Safety for 2024 was approved, consisting of 33 specific measures in 4 areas: People, Equipment, Prevention of Emergencies, Outreach and Information and Advocacy.

In January 2024, a list of critical risks that may lead to accidents (emergencies), accidents with two or more victims, loss of life, as well as significant environmental pollution was formed. An instruction was given on the need to adopt appropriate systematic measures to prevent accidents and incidents.

Cybersecurity risks, cyberattacks – a risk associated with the possibility of cyberattacks, system hacks, data breaches or other information security incidents. In order to mitigate cybersecurity risks and cyberattacks, measures are taken at three management levels: at the level of the Fund, strategic initiatives are developed to create a long-term policy and ensure proper control; at the level of Portfolio Companies, centralised data protection and information security processes are implemented; at the level of subsidiaries and affiliates, operational response and control over the state of security at the local level is carried out.

Public Council

The Public Council of Samruk-Kazyna JSC is a consultative and advisory, supervisory body. It was established to represent the interests of civil society and to take into account the opinion of the public during discussion and decision-making, to increase accountability and transparency of the Fund's activities. The scope of the Council's activities includes research, preparation of information and analytical materials and development of proposals on further development of corporate governance of the Fund; development of human capital; comprehensive analysis, forecasting of trends and development of conceptual approaches to economic policy. Over the years of its work, the Public Council, without replacing the Board of Directors and the Management Board, has become a significant element in ensuring transparency of Samruk-Kazyna JSC due to collegiality, publicity and openness of the decisions made.

HOW THE PUBLIC COUNCIL WORKS

Meetings of the Fund's Public Council take the form of hearing reports on the activities of the Fund and its national companies, which provides an effective mechanism of public control.

The hearing of the performance report includes a report of the Managing Director supervising the issue under consideration and a co-report of the Chairman of the Public Council of the Fund. Following the results of the hearing, decisions are made with proposals to improve the work of the Fund and its companies.

The objectives of the Fund's Public Council are to protect the interests of civil society, develop constructive dialogue, collect and take into account public opinions, as well as public monitoring of the strategies and development plans of the Fund and development of recommendations for its improvement.

The Chairman and members of the Public Council are a qualified group of experts from various fields such as corporate governance, legislation, media, science and economics. Their experience and professional skills contribute to a multifaceted approach to solving the Council's tasks.

External experts, opinion leaders, public figures and other stakeholders are invited to each meeting of the Public Council of Samruk-Kazyna JSC. This practice allows to ensure a high level of competence on the issues under discussion, bringing to the dialogue the diversity of views and approaches. This approach facilitates deeper analysis and comprehensive consideration of key topics and initiatives underlying the work of the Fund and its portfolio companies.

Also, within the framework of the activities of the Public Council of Samruk-Kazyna JSC, open accreditation for mass media representatives is carried out. This approach ensures transparency of the Council's work and provides an opportunity for the general public, including journalists and media organisations, to receive direct information on the progress and results of meetings, as well as on key initiatives and projects of the Fund.

Involvement of external experts and media representatives ensures openness and constructive dialogue with the society, which strengthens the understanding and support of the public in the implementation of socially significant projects of the Fund.

In December 2024, the term of office of the Public Council expired. In this regard, a competition was held, following the results of which the new composition, including 15 persons, was approved on 8 February 2025.

Representatives from civil society

Chairman of the Community Council:

- Bolat Zhamishev.

Members of the Fund's Public Council:

- Olga Bulavkina, Deputy of the Senate of the Parliament of the Republic of Kazakhstan;
- Irina Tazhibaeva, Executive Director of the Nuclear Technology Safety Centre;
- Askar Bilisbekov, Co-founder, founder, managing partner of Byb Capital Ltd. Investment Fund;
- Dosym Kydyrbaev, Managing Partner of Rakurs Consulting Group LLP;
- Sholpan Zhakitova, Speaker of the Academy of Public Administration under the President of the Republic of Kazakhstan;
- Nurlan Sakuov, Deputy Director for Economics of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan;
- Olzhas Baidildinov, General Director of Almex Polymer LLP, member of the Public Council of the Ministry of Energy of the Republic of Kazakhstan, member of the Club of Experts at the Senate of the Parliament of the Republic of Kazakhstan;
- Alina Aldambergen, Chairwoman of the Board of Kazakhstan Stock Exchange JSC;
- Vladislav Galiev, Advisor – Minister of Industry and Construction of the Republic of Kazakhstan;
- Yerlan Abdiev, Deputy of the Majilis of the Parliament of the Republic of Kazakhstan, member of the Committee on Economic Reform and Regional Development, head of the Inclusive Parliament parliamentary group;
- Sergey Ponomarev – Deputy of the Majilis of the Parliament of the Republic of Kazakhstan, member of the Committee on Ecology and Nature Management.

Representatives of Samruk-Kazyna JSC:

- Aidar Ryskulov – Managing Director for Economics and Finance, member of the Management Board of Samruk-Kazyna JSC;
- Gibrat Auganov, Managing Director for Corporate Governance, Social and Employee relations and Health & Safety.

OUTCOMES 2024

In 2024, the Public Council of Samruk-Kazyna JSC continued active work on ensuring transparency, accountability and strengthening public control over the activities of the group of companies of the Fund. During the year, six key meetings were held, during which the most important areas of activity were discussed – from annual reporting and procurement procedures to charitable activities and implementation of investment projects. For the first time in the Council's practice, a meeting on procurement issues was organised in the format of public consultations, which made it possible to involve the general public and the business community in discussing systemic issues.

Particular attention was paid to the issues of sustainable development and progress in the implementation of priority infrastructure initiatives. The Council heard reports from such key national companies as NC KazMunayGas JSC, NC QazaqGaz JSC and Samruk-Energy JSC. In addition, in 2024, field meetings of the Public Council were organised in the regions, which allowed not only to get acquainted with the activities of the Fund's subsidiaries on the ground, but also to develop more substantial and practice-oriented recommendations.

Thus, on 5 April, a field meeting of the Public Council was held in Atyrau with the participation of Bolat Zhamishev, Chairman of the Council. As part of the rich programme of the visit, the delegation visited key production facilities, including Karabatan Utility Solutions Company, gas chemical complex of Kazakhstan Petrochemical Industries Inc., where the laboratory, propane dehydrogenation and polypropylene production units, as well as finished product warehouse were inspected. The excursion to the construction site of the gas processing plant and booster compressor station was also conducted. The meeting of the Public Council was held on the basis of the central operator's room of the gas chemical complex and included hearing the reports of JSC NC KazMunayGas and QazaqGaz. As a result of the visit, specific recommendations on sustainable development and further development of oil and gas infrastructure in the region were made.

On 29 July, the city of Ekibastuz hosted a regular field meeting dedicated to the issues of electric power industry. Members of the Public Council were introduced to new technologies at Bogatyr open pit mine, where the project of cyclic-flow technology in coal mining is being implemented, and visited Ekibastuz Thermal Power Plant (TPP), Ekibastuz State District Power Plant-2 (SDPP-2) and Ekibastuz State District Power Plant-1 (SDPP-1 named after Bulat Nurzhanov). The Council's final meeting summarised the results of the visit and outlined areas for modernising the facilities and ensuring energy sustainability.

PLANS FOR 2025

In 2025, the Public Council of Samruk-Kazyna Joint Stock Company is to hold 13 meetings aimed at strengthening public control, increasing transparency and sustainable development of the Fund's group of companies. The agenda includes strategic issues covering the topics of corporate governance, ESG (environmental, social and corporate governance), industrial safety, privatisation, as well as the implementation of priority state initiatives.

Among the key topics of the year are the results of the Fund's group of companies for 2024, public hearings with Samruk-Energy JSC, QazaqGaz JSC and NC KazMunayGas JSC, including a field meeting at the desalination plant in Atyrau region (Kenderli).

Thus, the work plan of the Public Council for 2025 reflects the aspiration to a systematic approach in controlling the key areas of the Fund's activities and contributes to increasing trust on the part of the society, partners and stakeholders.

Information Security

ENSURING CYBERSECURITY IN THE DIGITAL AGE: THE FUND’S ROLE AND RESPONSIBILITY

Information security is an integral part of stable operation of the information network, protection of national interests and maintenance of trust on the part of society and partners. With the development of digital technologies, Samruk-Kazyna JSC constantly increases the level of information security to prevent cyber threats, as well as brings information security requirements in line with legislative norms.

The Fund's key strategic objectives in this area are to ensure accessibility, integrity, confidentiality and sustainability.

CREATING A CULTURE OF SAFETY

As part of strengthening information security in accordance with the requirements of the international standard ISO 27001, work was carried out to analyse and optimise the IT infrastructure.

According to the conducted maturity assessment of information security processes, in which 11 domains were assessed according to CobiT 4.1 DS5 (Deliver and Support), the information security management system corresponds to a "certain level" of maturity.

The Fund implements best practices, defines processes, policies, procedures, and documents key actions in the field of information security. Responsibility and accountability are defined, process owners are appointed. There is formalised and structured communication of information to the Fund's management.

Physical Infrastructure.
The comprehensive survey identified existing problems, potential points of failure and vulnerabilities in the IT infrastructure.

Detailed documentation of the changes made and recommendations for a smooth transition to the updated configuration with minimal risk and disruption were prepared.

As a result of this work, the reliability, security and efficiency of the IT infrastructure have been significantly improved, which will ensure its stable functioning and compliance with modern requirements.

Training.
Training sessions and testing using specialised software are conducted to develop cyber hygiene skills among the Fund's employees.

SHAPING EFFECTIVE INFORMATION SECURITY POLICIES

The Fund's Group of Companies implemented the Corporate Information Security Standard regulating the general set of rules for ensuring information security and managing the process of coordination of activities. The Fund implemented the requirements of the "Basic Rules of Information Security" and the relevant rules and regulations.

Within the framework of effective management of the process of categorisation of the Fund's information assets, establishment of information security requirements for protected information assets, as well as assignment of access levels to employees, the development of the methodology of classification of information assets in Samruk-Kazyna JSC was initiated. It is planned to implement the process of establishing gradations of importance of information and assigning specific information resources to the appropriate categories according to the degree of their confidentiality.

PROTECTING CRITICAL INFRASTRUCTURE

Server and network equipment placement was optimised to improve performance and serviceability.

Modern software products for monitoring, preventing information leakage, scanning and obtaining operational information on vulnerabilities have been implemented.

COUNTERING CYBERATTACKS

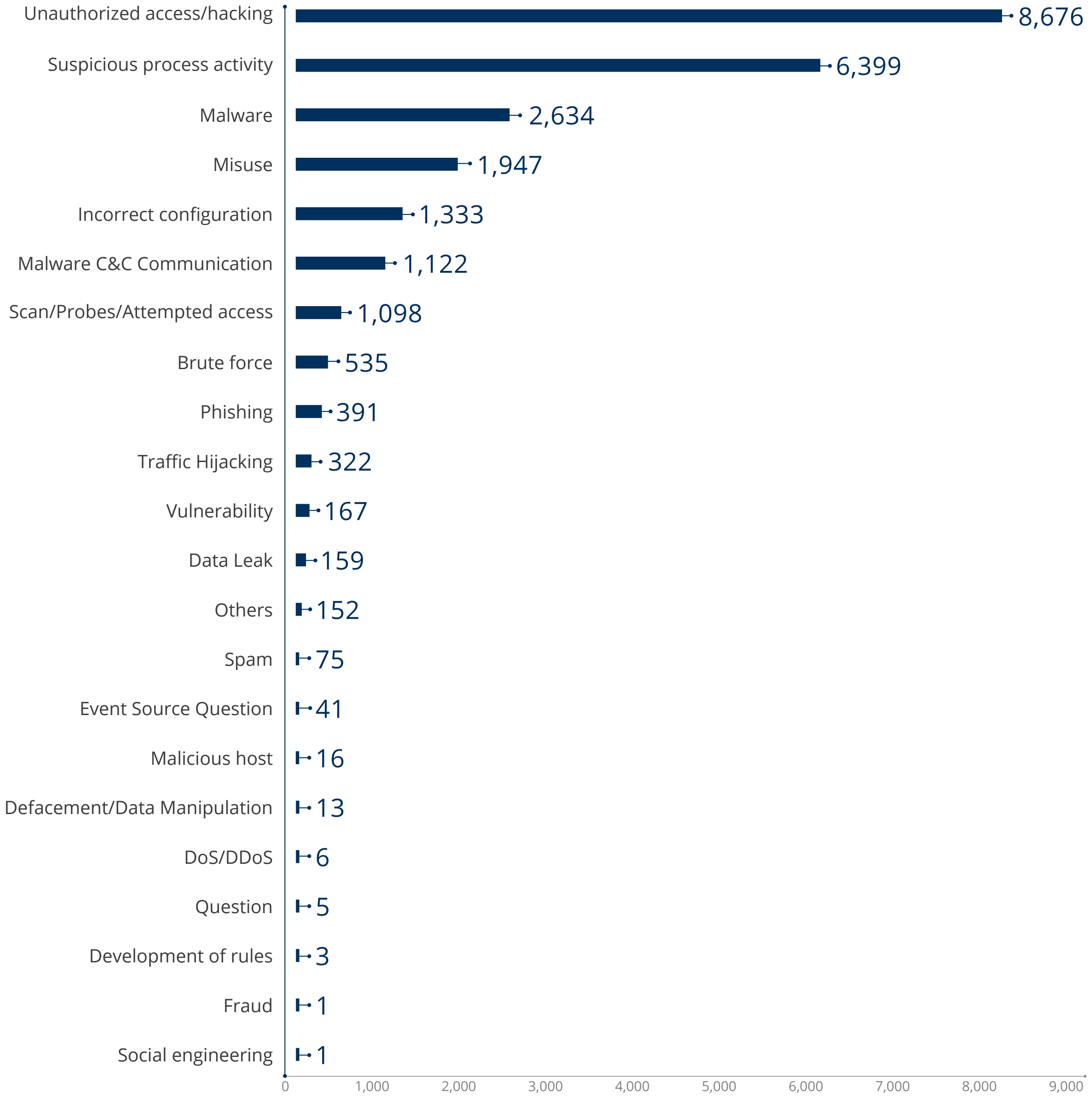
In the conditions of the Fund, a monitoring centre operates to maintain information security systems and promptly respond to external and internal threats to the IT infrastructure.

In accordance with the requirements of the Fund's internal documents and applicable information security standards, scans were performed using specialised software at least 6 times during the reporting period

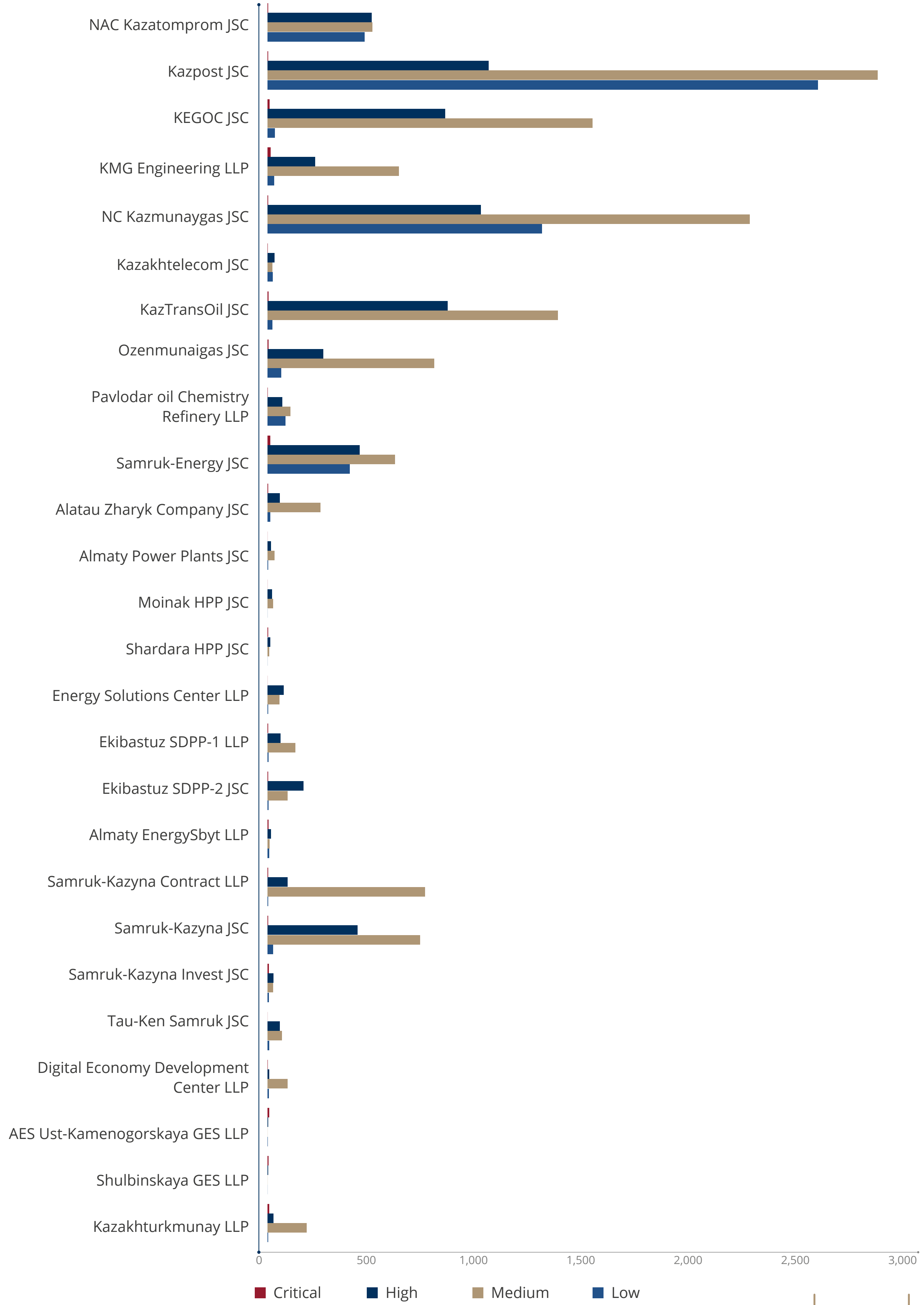
In 2024, audits of the Fund's portfolio companies for compliance with the information security requirements were conducted, based on the results of which recommendations were developed to improve the level of information security

To identify cybersecurity risks, a list of risk sources and events is compiled to assess the negative impact on the Fund's activities. Quarterly risk reports are also generated.

INCIDENT STATISTICS BY THREAT TYPE FOR 2024 IN THE FUND GROUP



INCIDENT STATISTICS ACROSS THE GROUP, 2024



Personnel Management

Personnel management in the group of companies of the Fund is in line with the Personnel Policy of Samruk-Kazyna JSC approved by the decision of the Board of Directors of the Fund dated 14 December 2022 (the Personnel Policy). The Personnel Policy was developed in line with international practices, reflects the interests of employees of the Group of Companies of the Fund and is aimed at meeting the needs of the Group of Companies of the Fund in qualified, competent and motivated personnel, as well as creating the necessary working conditions and a favourable environment for employees of the Group of Companies of the Fund.

In accordance with the Personnel Policy, one of the conditions for the realisation of the task of personnel recruitment in the Group of the Fund is to ensure inclusiveness in attraction and selection: non-discrimination on national, gender, age and other grounds.

Issues of gender equality and women's empowerment are a priority for Kazakhstan, and the Fund actively supports these initiatives, working in close cooperation with the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan (hereinafter – the National Commission), as well as with the United Nations Development Programme (UNDP).

In 2024, the Fund signed a Memorandum of Co-operation with UNDP. Under this agreement, a project was implemented for 100 young people from socially vulnerable categories of population in Kyzylorda region. Online master classes and practical seminars were organised for the project participants by women leaders, graduates of the Gender Equality Programme.

At the same time, realising its social responsibility to society, special attention is paid to the employment of people with disabilities in the group of companies of the Fund. At the beginning of 2024, as part of the work carried out by the Fund in the field of inclusion, the relevant Roadmap for the employment of persons with disabilities in the group of companies of Samruk-Kazyna JSC for 2024 was developed and approved, as a result of the implementation of which, 581 people with disabilities were employed in 2024. The number of persons with disabilities in employee relations with the portfolio companies of the Fund at the end of 2024 was 3,007 people.

In 2024, more than 160,000 employees of the Fund's Group of companies underwent training, thereby improving their qualifications.

In 2024, the work on organisation of training in the corporate format was continued in order to systematise knowledge within the holding company and form high-quality human resources, which, among other things, took place through self-development, training events, mentoring, coaching, HR projects and formation of professional communities within the Group of companies of the Fund.

At the same time, work is underway to develop the corporate culture and employer brand in order to attract and retain specialists, especially young talent. By the end of 2024, the Fund's Group of Companies will have over 76,000 young specialists under 35. A systematic approach to work with young people is ensured by a focus on the intellectual and professional development of young specialists

As part of the programme to support youth policy, the Fund continued to implement the Zheti kadam programme. Within the framework of this programme, participants worked on individual projects, which were defended at the personnel and technical committees of the companies. Portfolio companies of the Fund selected 15 projects, which started their implementation.

Occupational Safety

In 2024, for the first time, the Fund approved a new corporate Strategy for the Development of the Occupational Safety Management System.

The Strategy adopted key performance indicators for each of the four areas of industrial safety development: improving safety culture; safety in equipment operation; prevention of emergencies; and information and awareness raising.

In general, significant work was carried out to improve the occupational safety management system, increasing the level of safety culture of employees of the enterprises of Samruk-Kazyna JSC Group, as well as of achieving the indicators of the Development Strategy for 2024–2028, including:

1. More than 120,000 production workers have been trained in the Occupational Safety Culture training course.
2. Workplace Safety Leader modular programme was developed and accredited by the UK Institute of Occupational Safety and Health (IOSH).
3. Exchanging practices both within the group of companies of the Fund and with the advanced companies of the industry, namely, SSGPO JSC, Kaz Minerals Management, AES Shulbinsk HPP LLP and AES Ust-Kamenogorsk HPP LLP.
4. In accordance with the "Technical Upgrade Plans", the replacement of equipment posing a threat to life and health of personnel is monitored. The fulfilment of the plans for 2024 was over 80%.
5. The Fund continued the positive practice of holding joint exercises on liquidation of conditional accidents at hazardous production facilities, and took part in exercises at the territory of Aktau Commercial Sea Port, at the territory of the gas pipeline of Beineu-Shymkent Gas Pipeline LLP and Asian Gas Pipeline LLP, Karamurun field, RU-6 LLP.
6. With the participation of experts of portfolio companies, cross audits of 17 enterprises of the Fund's group were conducted, more than 1000 non-compliances potentially causing accidents were identified, the elimination of which is under control.
7. To develop the habit of wearing seat belts in a car, a campaign for practical testing of a "convincer" (simulator of a frontal collision in an accident) was conducted with the assistance of KMG JSC and KEGOC.
8. The HS Young Workers Centre for occupational safety was established. Various youth events are planned for 2025 to involve young professionals in occupational safety.
9. Information and awareness-raising work was actively carried out, namely the publication of articles, development and demonstration of video clips, placement of posters, holding open days, master classes for children of the Fund's group employees. Thus, the following activities were carried out 59 children's drawing contests, Safety through the Eyes of a Child, and 69 interactive masterclasses, and 55 industrial safety videos were developed, including those featuring injured workers, 639 information letters were sent to the family members of employees who have positively distinguished themselves in occupational safety issues.

The results of jointly implemented measures with portfolio companies for 2024 were a 21% reduction in the total number of injured people compared to 2023. LTIF injury frequency rate decreased by 7% to 0.13 compared to 0.14 in 2023.

Annexes

In this section:

Annex 1. Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024 WITH INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

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«Эрнст энд Янг» ЖШС
Әл-Фараби д-лы, 77/7
«Есентай Тауэр» ғимараты
Алматы қ., 050060
Қазақстан Республикасы
Тел.: +7 727 258 59 60
Факс: +7 727 258 59 61
www.ey.com

ТОО «Эрнст энд Янг»
пр. Аль-Фараби, д. 77/7
здание «Есентай Тауэр»
г. Алматы, 050060
Республика Казахстан
Тел.: +7 727 258 59 60
Факс: +7 727 258 59 61
www.ey.com

Ernst & Young LLP
Al-Farabi ave., 77/7
Esentai Tower
Almaty, 050060
Republic of Kazakhstan
Tel.: +7 727 258 59 60
Fax: +7 727 258 59 61
www.ey.com

Independent Auditor's Report

To the Shareholder, Board of Directors and Management of "Sovereign Wealth Fund "Samruk-Kazyna" JSC

Opinion

We have audited the consolidated financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries (hereinafter - the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA)International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key audit matter	*How our audit addressed the key audit matter*
Impairment of non-current assets	
We considered this matter to be one of the matters of most significance in our audit due to the high level of subjectivity in respect of assumptions underlying impairment analysis of non-current assets and significant judgements and estimates made by the management. In addition, increased cost of debt and uncertainty regarding future economic growth affects the Group's business prospects and triggers potential impairment of the Group's assets. Significant assumptions included discount rates, commodities prices, tariffs forecasts, inflation and exchange rate forecasts. Significant estimates included production forecasts, future capital expenditures and commodity reserves available for development and production. Information on non-current assets and the impairment tests performed is disclosed in *Note 4* to the consolidated financial statements.	We obtained management's impairment analysis, including analysis of impairment indicators and impairment test models. We involved our internal business valuation specialists in the testing of the impairment analysis and calculation of recoverable amounts performed by the management. We analysed the assumptions underlying management forecast. We compared natural resource and commodity prices used in the calculation of recoverable amounts to available market forecasts. We compared the discount rate and long-term growth rates to general market indicators and other available information. We tested the mathematical accuracy of the impairment models and assessed their sensitivity to changes in assumptions. We analysed the disclosures made in the consolidated financial statements in respect of the impairment of non-current assets.
Compliance with loan covenants	
In accordance with the terms of certain financing arrangements, the Group should comply with certain loan covenants. Breaching covenants could result in significant fines and penalties along with funding shortages. In addition, cross default provisions are in place under many of the Group's financing arrangements. Compliance with covenants was one of the matters of most significance in our audit since it can have a major impact on the going concern assumption used in the preparation of the consolidated financial statements, and on classification of interest-bearing liabilities in the consolidated statement of financial position. Information on compliance with covenants is disclosed in *Note 19* to the consolidated financial statements.	We examined the terms of financing arrangements on covenants including additional clauses on cross default conditions. We compared data used in the calculations with the consolidated financial statements and with the financial statements of subsidiaries. We assessed arithmetic accuracy of financial covenants calculations. We analysed the forecast made in approved budgets as of 31 December 2024, to assess if a breach is likely to occur in the next 12 months, we obtained and analysed management's analysis for the potential impact on going concern. We analysed communication with creditors in respect of compliance with covenants as at 31 December 2024. We also analysed the information disclosed in the consolidated financial statements.

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Provisions and contingent liabilities	
Provisions are recognized and contingent liabilities are disclosed by the Group in respect of the results of the government inspections, and general legal proceedings, as well as other matters. The assessment as to whether, or not, a liability should be recognized and whether the amounts can be reliably estimated involves estimation and judgement. Predicting the outcome of the matter and estimating the potential impact in case of an unfavourable outcome represent a complex process, and the potential impact on the consolidated financial statements may be significant. We considered provisions and contingent liabilities to be one of the matters of most significance in our audit because of their significance to the consolidated financial statements, the significant judgment and events occurred in 2024. Information on provisions, contingent liabilities and commitments is disclosed in *notes 21* and *37* to the consolidated financial statements.	We inquired the Group's management and legal department for instances of non-compliance with laws and regulations and the status of any pending and ongoing litigations, claims and proceedings. We obtained legal letters from internal legal advisers. We inspected relevant correspondence, the minutes of the meetings of the Group's management and Board of Directors. We analysed the most significant legal cases and discussed them with the Group's legal department. We have engaged our internal legal and tax specialist for the analysis. We analysed the Group's management's estimates underlying the amounts recognized as provisions in the consolidated financial statements and assessed judgements in respect of the probability of potential outcomes of contingent liabilities in the consolidated financial statements. We analysed the related disclosures in the consolidated financial statements.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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Responsibilities of management and the Audit Committee for the consolidated financial statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

Ernst & Young LLP

Adil Syzdykov Auditor	Rustamzhan Sattarov General Director Ernst & Young LLP
Auditor Qualification Certificate No. МФ - 0000172 dated 23 December 2013	State audit license for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of finance of the Republic of Kazakhstan on 15 July 2005

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

17 April 2025

Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Assets			
Non-current assets			
Property, plant and equipment	8	17,657,438	15,419,563
Intangible assets	9	2,499,343	2,026,102
Exploration and evaluation assets	10	236,999	205,074
Investment property		26,320	33,273
Investments in joint ventures and associates	11	7,705,833	6,900,007
Amounts due from credit institutions	13	33,845	55,684
Loans issued and net investment in finance lease	12	228,134	102,538
Other non-current financial assets	14	1,064,864	594,194
Other non-current assets	16	1,317,851	1,220,514
Deferred tax assets	33	121,591	108,379
		30,892,218	**26,665,328**
Current assets			
Inventories	15	1,029,992	1,008,646
VAT receivable		602,083	386,977
Income tax prepaid		248,343	190,850
Trade accounts receivable	16	1,449,604	1,292,858
Amounts due from credit institutions	13	1,523,660	1,243,196
Loans issued and net investment in finance lease	12	65,682	131,472
Other current financial assets	14	704,277	1,134,317
Other current assets	16	535,664	445,854
Cash and cash equivalents	17	3,212,242	2,740,336
		9,371,547	8,574,506
Assets classified as held for sale or distribution to the Shareholder	7	835,891	1,684,900
		10,207,438	10,259,406
Total assets		**41,099,656**	**36,924,734**

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Notes 5 and 16.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	18.1	5,540,872	5,492,783
Additional paid-in capital	18.2	243,931	–
Currency translation reserve		2,047,629	1,270,562
Revaluation reserve of investments at fair value through other comprehensive income		32,209	36,091
Hedging reserve		(15,628)	(3,469)
Other capital reserves		(17,003)	(17,003)
Retained earnings		11,772,144	10,351,317
		19,604,154	17,130,281
Non-controlling interests	18.10	5,989,330	4,609,251
Total equity		**25,593,484**	**21,739,532**
Non-current liabilities			
Borrowings	19	5,831,896	5,383,218
Loans from the Government of the Republic of Kazakhstan	20	1,074,868	861,818
Provisions	21	482,604	471,062
Lease liabilities	22	326,589	282,171
Employee benefit liabilities		139,340	128,229
Other non-current financial liabilities	23	52,590	101,714
Other non-current liabilities	24	179,796	132,334
Deferred tax liabilities	33	2,267,777	1,756,505
		10,355,460	**9,117,051**
Current liabilities			
Borrowings	19	836,272	980,684
Loans from the Government of the Republic of Kazakhstan	20	12,204	11,028
Provisions	21	89,660	96,453
Income taxes payable		24,942	38,834
Trade and other payables	24	1,850,910	1,597,615
Lease liabilities	22	91,631	70,906
Employee benefit liabilities		16,400	15,451
Other current financial liabilities	23	786,833	533,042
Other current liabilities	24	1,097,920	1,150,318
		4,806,772	**4,494,331**

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Notes 5 and 16.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	7	343,940	1,573,820
		5,150,712	6,068,151
Total liabilities		**15,506,172**	**15,185,202**
Total equity and liabilities		**41,099,656**	**36,924,734**

Managing Director for Economy and Finance – Member of the Management Board

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Notes 5 and 16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Continuing operations			
Revenue	25	16,433,066	15,434,005
Government grants		57,477	61,042
		16,490,543	**15,495,047**
Cost of sales	26	(12,494,639)	(11,771,789)
Gross profit		**3,995,904**	**3,723,258**
General and administrative expenses	27	(567,403)	(526,381)
Transportation and selling expenses	28	(901,135)	(870,498)
Expected credit losses on financial assets, net		(9,880)	(38,814)
Impairment loss, net	29	(137,996)	(325,807)
Gain from remeasurement of the previously existing interest in joint venture	5	295,719	–
Gain on disposal of subsidiaries, net	7	141,792	193,585
Other operating income		26,424	32,182
Other operating loss		(16,646)	(55,700)
Operating profit		**2,826,779**	**2,131,825**
Finance costs	30	(574,418)	(709,947)
Finance income	31	605,581	486,364
Other non-operating loss		(64,922)	(57,852)
Other non-operating income		56,518	45,456
Share in profit of joint ventures and associates, net	32	1,148,846	945,079
Net foreign exchange gain, net	2	240,193	20,428
Profit before income tax from continuing operations		4,238,577	2,861,353
Income tax expenses	33	(925,562)	(731,053)
Net profit for the year from continuing operations		**3,313,015**	**2,130,300**
Discontinued operations			
Loss from discontinued operations, net of income tax	6	(10,373)	–
Net profit for the year		**3,302,642**	**2,130,300**

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations	18.11	1,482,698	(193,838)
(Loss)/gain from hedge instruments for the net investment in the foreign operations	18.11	(363,581)	46,478
Unrealized (loss)/gain from revaluation of investments at fair value through other comprehensive income		(3,936)	1,102
Share of the other comprehensive income of associates and joint ventures	11	11,459	5,362
(Loss)/gain on transactions with hedge instruments	18.12	(17,783)	5,002
Net realized gain/(loss) on debt instruments at fair value through other comprehensive income		392	(566)
Reclassification of loss on cash flow hedge instruments	7, 18.12	3,130	–
Recycling of foreign currency translation reserve to gain on disposal of a subsidiary	7	(6,285)	–
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		**1,106,094**	**(136,460)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Share of the other comprehensive gain of associates and joint ventures	11	8	554
Actuarial gain on defined benefit plans		1,332	1,855
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**1,340**	**2,409**
Other comprehensive income/(loss) for the year, net of tax		**1,107,434**	**(134,051)**
Total comprehensive income for the year, net of tax		**4,410,076**	**1,996,249**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Net profit for the year attributable to:			
Equity holder of the Parent		2,354,397	1,699,569
Non-controlling interests		948,245	430,731
		3,302,642	**2,130,300**
Total comprehensive income for the year, attributable to:			
Equity holder of the Parent		3,120,098	1,602,883
Non-controlling interests		1,289,978	393,366
		4,410,076	**1,996,249**
Earnings per share in net profit attributable to Equity holder of the Parent – tenge			
Basic and diluted	18.14	676.17	488.11
Basic and diluted, from continuing operations		679.15	488.11
Basic and diluted, from discontinued operations		**(2.98)**	**–**

Managing Director for Economy and Finance – Member of the Management Board — Aidar Ryskulov

Chief accountant — Almaz Abdrakhmanova

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2024

In millions of tenge	Note	Attributable to the equity holder of the Parent: Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2022		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,787,891	17,289,406	2,504,016	19,793,422
Net profit for the year (restated)*		–	–	–	–	–	1,699,569	1,699,569	430,731	2,130,300
Other comprehensive income/(loss) for the year		–	574	(107,271)	2,866	–	7,145	(96,686)	(37,365)	(134,051)
Total comprehensive income/(loss) for the year (restated)*		**–**	**574**	**(107,271)**	**2,866**	**–**	**1,706,714**	**1,602,883**	**393,366**	**1,996,249**
Issue of shares	18.1	223,964	–	–	–	–	(66,075)	157,889	–	157,889
Distributions to the Shareholder		–	–	–	–	–	(1,423,899)	(1,423,899)	(172,201)	(1,596,100)
Dividends	18.3	–	–	–	–	–	(1,268,852)	(1,268,852)	(172,201)	(1,441,053)
Distributions to the Public Foundation "Qazaqstan halqyna"	18.4	–	–	–	–	–	(66,614)	(66,614)	–	(66,614)
Other distributions to the Shareholder	18.5	–	–	–	–	–	(88,433)	(88,433)	–	(88,433)
Other transactions with the Shareholder	18.6	–	–	–	–	–	(29,848)	(29,848)	–	(29,848)
Transfer of assets to the Shareholder	18.7	–	–	–	–	–	(3,796)	(3,796)	–	(3,796)
Discount on loans from the Government	18.8	–	–	–	–	–	177,932	177,932	–	177,932
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	18.1	–	–	–	–	–	145,967	145,967	(235,172)	(89,205)
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	18.9	–	(2)	(842,858)	193	(17)	56,431	(786,253)	2,119,242	1,332,989
Other equity movements		–	–	628	(628)	–	–	–	–	–
Balance as at December 31, 2023 (restated)		**5,492,783**	**36,091**	**1,270,562**	**(3,469)**	**(17,003)**	**10,351,317**	**17,130,281**	**4,609,251**	**21,739,532**

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended December 31, 2024

			Attributable to the equity holder of the Parent								
In millions of tenge	Note	Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Net profit for the year		–	–	–	–	–	–	2,354,397	2,354,397	948,245	3,302,642
Other comprehensive (loss)/income for the year		–	–	(3,555)	777,067	(12,159)	–	4,348	765,701	341,733	1,107,434
Total comprehensive (loss)/income for the year		–	–	**(3,555)**	**777,067**	**(12,159)**	**–**	**2,358,745**	**3,120,098**	**1,289,978**	**4,410,076**
Issue of shares	18.1	48,089	–	–	–	–	–	(342)	47,747	–	47,747
Capital contribution	18.2	–	243,931	–	–	–	–	–	243,931	–	243,931
Distributions to the Shareholder		–	–	–	–	–	–	(983,229)	(983,229)	(313,079)	(1,296,308)
Dividends	18.3	–	–	–	–	–	–	(736,819)	(736,819)	(313,079)	(1,049,898)
Distributions to the Public Foundation “Qazaqstan halqyna”	18.4	–	–	–	–	–	–	(50,000)	(50,000)	–	(50,000)
Other distributions to the Shareholder	18.5	–	–	–	–	–	–	(196,410)	(196,410)	–	(196,410)
Other transactions with the Shareholder	18.6	–	–	–	–	–	–	(287,429)	(287,429)	–	(287,429)
Transfer of assets to the Shareholder	18.7	–	–	–	–	–	–	(14,848)	(14,848)	–	(14,848)
Discount on loans from the Government	18.8	–	–	–	–	–	–	49,204	49,204	–	49,204
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	18.9	–	–	(327)	–	–	–	298,726	298,399	169,024	467,423
Acquisition of subsidiary	5	–	–	–	–	–	–	–	–	291,010	291,010
Disposal of subsidiaries	7	–	–	–	–	–	–	–	–	(48,475)	(48,475)
Other equity movements		–	–	–	–	–	–	–	–	(8,379)	(8,379)
Balance as at December 31, 2024		**5,540,872**	**243,931**	**32,209**	**2,047,629**	**(15,628)**	**(17,003)**	**11,772,144**	**19,604,154**	**5,989,330**	**25,593,484**

Managing Director for Economy and Finance – Member of the Management Board — Aidar Ryskulov

Chief accountant — Almaz Abdrakhmanova

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023
Cash flows from operating activities			
Receipts from customers		18,182,350	16,725,154
Payments to suppliers		(10,297,189)	(9,465,532)
Payments to employees		(2,027,800)	(1,785,243)
Other taxes and payments		(2,258,894)	(2,125,159)
Receipt of deposits from customers		38,197	40,720
Proceeds from subsidized interest rates on financial liabilities		22,300	–
Short-term lease payments and variable lease payments		(125,634)	(142,511)
Cash received under agency agreements		839,833	675,532
Cash paid under agency agreements		(949,314)	(397,794)
Return of VAT from the budget		108,718	43,281
Contributions to social and health insurance funds		(76,890)	(73,286)
Sponsorship and charity		(30,633)	(6,741)
Other receipts		310,896	177,749
Other payments		(312,653)	(202,137)
Income taxes paid		(773,539)	(815,837)
Interest paid		(576,058)	(634,980)
Interest received		421,460	384,115
Net cash flows received from operating activities		**2,495,150**	**2,397,331**
Cash flows from investing activities			
Acquisition of property, plant and equipment, and exploration and evaluation assets and other non-current assets		(2,316,356)	(2,571,821)
Acquisition of intangible assets		(39,955)	(213,388)
Proceeds from sale of property, plant and equipment		7,646	6,068
Proceeds from sale of other non-current assets		3,512	13,180
Dividends received from joint ventures and associates	11	1,448,438	808,125
Acqusition of subsidiaries, net of cash acquired	5	13,228	(156,390)
Issuance of bank deposits		(2,367,629)	(1,781,998)
Redemption of bank deposits		2,308,465	2,127,548
Loans issued		(351,424)	(74,107)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		(62,743)	114,522
Proceeds from sale/(acquisition) of joint ventures and associates, net		2,731	(4,488)
Additional contributions to share capital of joint ventures and associates without change in ownership	11	(75,610)	(21,229)
Repayment of loans issued		52,225	34,554
Acquisition of notes of the National Bank of RK		(1,046,579)	(2,974,308)
Redemption of notes of the National Bank of RK		1,132,011	3,036,637
Purchase of government debt securities		(1,180,958)	(557,357)
Proceeds from sale/repayment by issuers of government debt securities		834,540	487,347
Acquisition of other equity and debt instruments		(455,530)	(765,522)
Proceeds from sale/repayment by issuers of other equity and debt instruments		794,001	341,825

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended December 31, 2024

In millions of tenge	Note	2024	2023
Other receipts		22,375	11,449
Other payments		(7,876)	(12,327)
Net cash flows used in investing activities		**(1,285,488)**	**(2,151,680)**
Cash flows from financing activities			
Proceeds from borrowings	19, 20	1,717,560	1,601,116
Repayment of borrowings	19	(1,787,650)	(1,550,405)
Repayment of lease liabilities	22	(77,092)	(161,898)
Contributions to the share capital by the Equity holder of the Parent	18.1	–	49,478
Dividends paid to the Shareholder	18.3	(736,819)	(1,268,852)
Distributions to the Public Foundation "Qazaqstan halqyna"	18.4	(45,964)	(20,650)
Other distributions to the Shareholder	18.5	(189,023)	(96,671)
Other transactions with the Shareholder		(81,737)	(20,885)
Dividends paid to non-controlling interests of subsidiaries	18.3	(313,311)	(173,976)
Disposal of interest that does not result in the loss of control	18.9	467,423	1,332,944
Repo transactions		15,613	(11,458)
Other payments		(21,183)	(8,487)
Net cash flows used in financing activities		**(1,052,183)**	**(329,744)**
Net increase/(decrease) in cash and cash equivalents		**157,479**	**(84,093)**
Effects of exchange rate changes on cash and cash equivalents		221,121	(35,288)
Changes in cash and cash equivalents disclosed as part of assets held for sale		94,003	(86,072)
Change in allowance for expected credit losses		(697)	173
Cash and cash equivalents at the beginning of the year		2,740,336	2,945,616
Cash and cash equivalents at the end of the year	**17**	**3,212,242**	**2,740,336**

Managing Director for Economy and Finance – Member of the Management Board

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

Notes to the consolidated financial statements

For the year ended December 31, 2024

1. GENERAL INFORMATION

Corporate information

"Sovereign Wealth Fund "Samruk-Kazyna" JSC (hereinafter – the "Fund" or "Samruk-Kazyna") was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan No. 669 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" JSC and "Kazakhstan Holding Company for State Assets Management "Samruk" JSC and the additional transfer to the Fund of interests in certain entities owned by the Government of the Republic of Kazakhstan (hereinafter – the "State" or the "Government"). The Government is the sole shareholder of the Fund (hereinafter – the "Shareholder" or the "Parent").

During this process the Government's overall objective was to increase management efficiency and to optimise organisational structures for them to successfully achieve their strategic objectives as set in the respective Government programs.

The Fund is a holding company combining companies listed in Note 34 (hereinafter – the "Group"). Prior to February 1, 2012, the Fund's activities were governed by the Law of the Republic of Kazakhstan On National Welfare Fund No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies' efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 On Sovereign Wealth Fund No. 550- 4, the Fund's activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments as follows (Note 38):

- Oil-and-gas and petrochemical segment includes operations related to exploration and production of oil and gas, transportation of oil and gas, refining and trading of crude oil, gas and refined products, and production of oil-and-gas and petrochemical products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration;
- Industrial segment includes industry enterprises and projects of chemical industry;
- Corporate center segment covers Fund's investing and financing activities, including provision of loans to related and third parties;
- Other segment includes operations related to assisting the Government in increasing housing availability by investing into residential development and other operations.

The address of the Fund's registered office is 17/10 Syganak str., Astana, the Republic of Kazakhstan (hereinafter – "RK").

These consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance – Member of the Management Board and Chief accountant of the Fund on April 17, 2025 and preliminary approved by the Audit Committee of the Board of Directors of the Fund. These consolidated financial statements should be further approved by the Board of Directors and the Sole Shareholder.

Privatization plan

On April 30, 2014 the Government approved the initial Complex privatization plan for 2014-2016. On December 30, 2015 the Government approved the new 2016-2020 Complex privatization plan (replacing previous 2014-2016 Complex privatization plan) and the list of all state owned assets to be privatized, including certain Fund subsidiaries. On December 29, 2020, by the Resolution of the Government of the Republic of Kazakhstan No. 908 On Some Issues of Privatization for 2021-2025, a new comprehensive Complex privatization plan for 2021-2025 was approved, which includes a new list of state owned organizations and assets of the Fund's group to be transferred to a competitive environment.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

These consolidated financial statements are presented in Kazakhstan tenge ("tenge") and all monetary amounts are rounded to the nearest million tenge except when otherwise indicated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standard Board ("IASB").

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

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern. The management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Foreign currency translation

Functional and presentation currency

Items included in these consolidated financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in tenge, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group entities

Gains, losses and financial position of all of the Group's subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

	December 31, 2024	December 31, 2022	Weighted average for 2024	Weighted average for 2023	April 18, 2025
United States dollar ("USD")	525.11	454.56	469.31	456.21	523.20
Euro ("EUR")	546.74	502.24	507.63	493.22	594.30
Russian ruble ("RUR")	4.88	5.06	5.07	5.41	6.38

The following table presents currency exchange rates to tenge:

For the year ended December 31, 2024, the Group had foreign exchange loss of 8,922,454 million tenge (for the year ended December 31, 2023: 7,051,068 million tenge) and foreign exchange gain of 9,162,647 million tenge (for the year ended December 31, 2023: 7,071,496 million tenge), due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

New and amended standards and interpretations

The accounting principles adopted in preparing the consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for new standards and interpretations that became effective on 1 January 2024.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

The Group presented only the list of standards effective and applicable for the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements. The Group disclosed the information on compliance with covenants under the terms of the loan agreements in Note 19.

Standards that have been issued but not yet effective

There are new pronouncements issued as at December 31, 2024:

- Amendments to IAS 21 – Lack of Exchangeability (issued in August, 2023);
- IFRS 18 Presentation and Disclosure in Financial Statements (issued in April 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued in May 2024);
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued in December 2024);
- Annual Improvements Volume 11 (issued in July 2024);
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued in May 2024).

The amendments are not expected to have a material impact on the Group's consolidated financial statements, except for IFRS 18 Presentation and Disclosure in Financial Statements. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Amended standards the Group applied the exception to recognizing and disclosing information in 2023

Pillar 2
International Tax Reform – Pillar II Model Rules – Amendments to IAS 12 Income Taxes

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar II rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

Subsidiaries of the Group are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes in 2023.

In 2024, the Group, based on operational financial information for 2024, assessed the preliminary potential impact associated with the implementation of the Pillar II Model Rules at the legislative level. Based on the results of its assessment, the Group has identified that preliminary potential income tax risk on profits determined under the Pillar II model rules and earned by certain companies with above-mentioned jurisdictions is not material to the consolidated financial statements of the Group. The Group continues to progress on the assessment.

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Fund and its controlled subsidiaries (Note 34).

Subsidiaries

Subsidiaries are the entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Except for acquisition in transactions between entities under common control, subsidiaries are consolidated from the date when control is obtained by the Group and are de-consolidated from the date when control ceases. At the acquisition of the subsidiary, acquisition cost is distributed between assets and liabilities based on their fair value as at the date of acquisition. Financial statements of the subsidiaries are prepared for the same reporting period as those of the Fund, using consistent accounting policies.

All intra-group balances and transactions, including unrealized gains resulting from intra-group transactions are eliminated in full. Unrealized losses are eliminated in the same manner as unrealized gains, except that they are eliminated to the extent that there is no evidence of impairment.
Non-controlling interests represents a portion of equity in subsidiaries, which is not owned by the Group, and is recorded separately in equity in the consolidated statement of financial position separately from the equity attributable to the Parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in its deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as an aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes an analysis of the need of separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, equity interest previously held by the Group in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. If the contingent consideration is not within the scope of IFRS 9, it is measured at fair value through profit and loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, the goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date of an entity by the Group, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operations disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured on the basis of the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Acquisition of subsidiaries from parties under common control

Acquisition of subsidiaries from parties under common control (entities under the Government's control) is accounted for using the pooling of interest method.

Assets and liabilities of the subsidiary transferred under common control are recorded in these consolidated financial statements at the carrying amounts of the transferring entity (the "Predecessor") at the date of the transfer. Related goodwill, if any, inherent in the Predecessor's original acquisition is also recorded in these consolidated financial statements. Any difference between the total book value of net assets, including the Predecessor's goodwill, and the consideration paid is accounted for in these consolidated financial statements as an adjustment to equity.

These consolidated financial statements are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Change in ownership interests in subsidiaries

In transactions where part of the interest in existing subsidiary is either sold or acquired, but control is retained, the differences between the carrying amounts of net assets attributable to interests in subsidiaries acquired or disposed and the consideration given or received for such increases or decreases are charged or credited to retained earnings.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognizes its: Assets, including its share of any assets held jointly; Liabilities, including its share of any liabilities incurred jointly; Revenue from the sale of its share of the output arising from the joint operation; Share of the revenue from the sale of the output by the joint operation; Expenses, including its share of any expenses incurred jointly.

Investment in joint ventures and associates

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint ventures and associates are accounted for using the equity method.

The consolidated statement of comprehensive income reflects the share of the results of operations of the joint venture/associate. Where there has been a change in net assets recognized directly in the equity of the joint venture/associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture/associate are eliminated to the extent of the Group's interest in the joint venture/associate.

The share in profit of joint ventures/associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the joint venture/associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the joint ventures/associates.

Financial statements of the joint venture/associate are prepared for the same reporting period as those of the Parent. Where necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint ventures/associates.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture/associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of investment in the joint venture/associate and its carrying amount and recognises impairment loss in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture and significant influence over associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the investment in the joint venture/associate upon loss of joint control/significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Assets classified as held for sale

Assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through the continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 (one) year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated.

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

Costs incurred before obtaining full subsoil use rights (licenses) are expensed in the period in which they are incurred, except when costs are incurred after signing preliminary agreements with the Government of the Republic of Kazakhstan, in such cases costs incurred after this date are capitalized.

Expenditures for acquisition of subsurface use rights

Expenditures for acquisition of subsurface use rights (exploration and production) comprise signature bonuses, historical costs, obligatory expenditures for ecological and social programs and are capitalized within intangible assets as subsurface use rights at exploration and evaluation phase.

Expenditures for acquisition of subsurface use rights are accounted for on a field-by-field basis. Each field is tested for impairment on an annual basis. If no future activity is planned, the remaining balance of the acquisition costs is written off. Starting from the commercial production on fields subsurface use rights (remaining costs) shall be transferred to the property, plant and equipment and shall be amortized using unit-of-production method on actual production based on total proved reserves.

Exploration and evaluation expenditures (construction in progress)

Exploration and evaluation expenditures include geological and geophysical costs; costs directly related to exploration drilling; stripping activities; overhead and other expenses on exploration and evaluation, which could be related to a certain field. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. Except for geological and geophysical costs, exploration and evaluation expenditures are capitalized within exploration and evaluation assets, accounted for by subsurface use contracts and are not amortized. If mineral or hydrocarbon resources are not found, this could be an indication of impairment. All capitalized costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. If mineral or hydrocarbon resources are determined and development is sanctioned, relevant costs are then transferred to oil and gas or mining assets subclasses.

Development and production expenditures (oil and gas and mining assets)

Development and production expenditures comprise previously capitalized (and reclassified in commencement of production) expenditures for acquisition of subsurface use rights and exploration and evaluation costs; drilling of producing wells regardless of the drilling results; construction of landfills; development of surface technological facilities required for production, collection and preparation of hydrocarbons and mineral resources at fields; other costs incurred in the process of organization of commercial production at fields; capitalized discounted costs for wells and mines abandonment and site restoration.

Development and production expenditures are capitalized within property, plant and equipment (oil and gas and mining assets), and are accounted for on a field-by-field basis. Oil and gas and mining assets are depreciated using a unit-of-production method based on actual production from commencement of commercial production at fields. Certain oil and gas and mining assets (surface facilities and equipment) with useful lives significantly differing from those of the fields are depreciated on a straight-line basis over their useful lives. The cost of acquisition of subsurface use rights including discounted decommissioning costs are depreciated over total proved reserves. The other field development costs are amortized over proved developed reserves.

Property, plant and equipment (other than oil and gas and mining assets)

On initial recognition, property, plant and equipment is measured at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Property, plant and equipment, other than oil and gas and mining assets, principally comprise the following classes of assets, which are depreciated on a straight-line basis over the expected useful lives:

Unified power system assets	8-100 years
Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and premises	2-100 years
Railway tracks and infrastructure	10-80 years
Machinery, equipment and vehicles	2-50 years
Other	2-20 years

In cases when items of property, plant and equipment are subject to major inspection, the cost is recognized in the carrying amount of property, plant and equipment as a replacement of component if the recognition criteria set out in IAS 16 are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period the asset is derecognised.

Residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset. Intangible assets with the finite useful life principally comprise the following classes of assets which are amortised over a straight-line basis over the expected useful lives:

Licenses	3-20 years
Software	1-14 years
Other	2-15 years

Indefinite lives intangible assets are not amortized, but tested for impairment annually or whenever there are indications of impairment and, if necessary, written down to the recoverable amount.

Investment properties

Investment property is initially measured at cost, including transaction costs.

Since the Group adopted cost model, after initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 16 Property, Plant and Equipment, that is, at cost less accumulated depreciation and less accumulated impairment losses.

The depreciation is calculated based on straight line method basis over the expected remaining useful average life of 2-100 years.

Investment property is derecognised (eliminated from the consolidated statement of financial position) on its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected in the future. The difference between the net inflows arisen from the disposal and carrying amount of the asset is recognised in the consolidated statement of comprehensive income for the period in which it was derecognized.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible or intangible assets or whenever facts and circumstances indicate impairment. One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Group entity has the right to explore and appraise in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of hydrocarbon resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of hydrocarbon resources in the specific area have not led to the discovery of commercial viable quantities of hydrocarbon resources and the Group entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, loans due from third and related parties, debt securities of third and related parties and bank deposits. Also, the Group includes in its financial assets measured at amortized cost notes of the National Bank of the Republic of Kazakhstan with a maturity of up to 3 months due to the fact that these investments are part of the Group's investment activities and not part of cash management.

The Group's financial assets at FVOCI include mainly debt securities of third and related parties.

The Group's financial assets at FVPL include mainly loans issued, debt and equity securities of third and related parties.

Derecognition

A financial asset is primarily derecognised (removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Hedge accounting

The Group designates certain hedging instruments in respect of foreign currency risk, as either hedges of net investments in foreign operations or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of foreign operations or cash flows of the hedged item attributable to the hedged risk.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued:

a) When the Group revokes the hedging relationship;
b) When the hedging instrument expires or is sold, terminated, or exercised; or
c) When it no longer qualifies for hedge accounting.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Investments in foreign operations hedge

Foreign currency gain or loss arising on items that are designated as part of the hedge of the Group's net investment in foreign operations are recognized in consolidated statement of comprehensive income within currency translation reserve.

Cash flow hedges

Foreign currency gain or loss arising from financial instruments that are designated and qualify as cash flow hedges is recognized in consolidated statement of comprehensive income within hedge reserve.

Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Costs comprise charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to sell. The same cost formula is used for all inventories having a similar nature and use. Inventories of oil and gas and energy operating segments are valued on a first-in first-out ("FIFO") basis. All other inventories are valued on the weighted-average cost basis.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than 3 (three) months readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR).

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contracts after initial recognition at the higher of the amount initially recognized less, when appropriate, the cumulative amount of income/amortization in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and the amount of the estimated allowance for expected credit losses.

Leases

Determining whether the agreement is a lease or whether it contains evidence of a lease is based on an analysis of the content of the agreement at the date of the commencement of the lease. The agreement is a lease or contains signs of a lease if the implementation of the agreement depends on the use of a particular asset (or assets), and the right to use the asset or assets as a result of this agreement is transferred from one party to the other, even if this asset (or these assets) is not indicated (not specified) in the agreement explicitly.

The Group as lessee

For the lease contracts (or separate components of the contracts), under which the Group is granted the right to control the use of an identified asset (as defined by IFRS 16 Leases) for a certain period of time in exchange for consideration, the Group recognizes a right-of-use asset and a corresponding lease liability at the inception of the contract. Non-lease components of the contracts are accounted for in accordance with other relevant standards.

In accordance with IFRS 16 Leases, the Group applies practical expedient for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, for the leases with variable lease rates that do not depend on an index or rate and for the leases of low value assets.

The Group recognizes short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted by using the

Group incremental borrowing rate, except when the rate is implicit in the lease and can be readily determined.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

At the commencement date, the Group measures the right-of-use asset at cost that includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured according to the accounting policy that is applied for own assets, including for depreciation and amortization and impairment measurement.

The recognised right-of-use asset is depreciated over the shorter period of expected useful life of the underlying asset or lease term.

The Group presents lease liabilities in the consolidated statement of financial position as a separate line (Note 23), while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment (Note 8).

In accordance with the requirements of IFRS 16, the Group classifies repayment of principal in cash flows from financial activities. In accordance with the Group's accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the carrying amount of the related item of property, plant and equipment in the amount equivalent to the provision is also recognized. This amount is subsequently depreciated as part of the capital costs of the production and transportation facilities in accordance with respective depreciation method.

Changes in the measurement of an existing decommissioning provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or change in the discount rate, is accounted for so that:

- Changes in the provision are added to, or deducted from, the carrying amount of the related asset in the current period;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the consolidated statement of comprehensive income; and
- If the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36.

Other provisions

Provisions are recognized in the consolidated financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits

Contributions to pension funds

The Group withholds 10% from the salary of its employees limited to certain annual amounts as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits payable by that pension funds and the Group has no present or future obligation to further compensate its employees upon their retirement in relation to these arrangements.

Social tax

The Group pays social tax on salaries payable to employees according to the current statutory requirements of the Republic of Kazakhstan. Social tax is expensed as incurred.

Defined benefit plan

In accordance with the Collective Agreements signed with trade unions and other benefit regulations, some subsidiaries of the Group provide certain benefits to its employees upon their retirement ("Defined Benefit Plan").

The Group recognises actuarial gains and losses arising from the reassessment of the employee benefit liability in the period they are identified in OCI and profits and losses, and recognises benefit costs and obligations based on estimates determined in accordance with IAS 19 Employee Benefits.

The obligation and cost of benefits under the defined benefit plan are determined using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing benefits is charged to profit and loss, so as to attribute the total benefit cost over the service lives of employees in accordance with the benefit formula of the defined benefit plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit plan obligation. The defined benefit plans of Group's subsidiaries are unfunded.

Equity

Share capital

Common shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess or deficiency of the fair value of consideration received over the par value of shares issued is recognized as an increase or decrease in the retained earnings.

Non-controlling interests

Non-controlling interests are initially recognized in proportion to identifiable net assets at the acquisition date.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the Parent. Losses of subsidiaries are attributed to the non-controlling interests even if this results in a deficit balance.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed in the consolidated financial statements when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

Other distributions to the Shareholder

Other distributions to the Shareholder recognized as deductions from retained earnings are represented by expenses incurred or asset distribution made at the discretion of the Shareholder, including property, plant and equipment, interest in another entities, other disposal groups, cash and other assets in accordance with accounting policy of the Group.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Sale of goods

Revenues are recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which usually occurs when the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. For export sales, title generally passes at the border of the Republic of Kazakhstan. Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Sales of support services are recognized as services are performed provided that the service price can be determined and no significant uncertainties regarding the receipt of revenues exist.

Rendering of services

Revenue from rendering of services is recognized when the services have been performed.
In respect of services related to transportation, revenue is recognized with reference to the stage of completion of the transportation at the reporting date provided that the stage of completion of transportation and the amount of revenue can be measured reliably. Prepayments received from customers relating to transportation services that have not been started yet are recognized upon receipt as "advances received from customers". Deferred income is credited to current revenue, as the service is provided.

The Group's revenue in the energy, communications and transportation segments is primarily recognized over a period of time, while the rest of the Group's revenue is primarily recognized at a point in time.

Sale and lease back transactions

The Group accounts for a transfer of an asset in a sale and leaseback transaction as a sale only if the transfer meets the requirements of IFRS 15 Revenue from Contracts with Customers.
If, under IFRS 15, a sale is to be recognised by the seller-lessee, then the right-of-use asset leased back is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to proceeds for the transfer by applying IFRS 9 Financial Instruments.

Interest and finance income and expenses

Interest income and expenses on financial instruments, issued and received in the framework of achieving the goal, fulfilling the tasks and carrying out the core activities of the Group is disclosed as interest income and expense. All other interest income and expense not related to the core activities of the Group are disclosed in finance income and expenses. Finance income includes interest on cash and cash equivalents, amounts due from credit institutions, loans issued, financial guarantees and other financial assets and liabilities. Finance expenses include amortization of discount on borrowings, costs associated with attracting and servicing borrowed funds internally and externally, including interest expenses and other similar expenses.

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments held at FVOCI, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Contract liabilities from contracts with customers

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Costs to obtain a contract

The Group pays commission to sales agents for new connected subscribers in the communication segment. The commission to sales agents is capitalized within other non-current assets in the consolidated statements of financial position. Costs to obtain a contract are amortized over the period the service is provided to the customer.

Establishment of tariffs

A number of subsidiaries of the Group are subject to regulation by the Committee for regulation of natural monopolies of the Republic of Kazakhstan ("CRNM"). This Committee is responsible for approval of the methodology for tariff calculation and tariff rates, under which the subsidiaries derive a significant portion of their revenues.

Government grants

Due to the fact that the Government of the Republic of Kazakhstan is the sole shareholder of the Fund, the Group analyses all transactions with the Government to assess its role: where the Government acts primarily in its capacity of the Shareholder or where it acts as a regulator.

If it is determined that in a specific transaction the Government acts in capacity of the Shareholder any gains or losses incurred by the Group as a result of such transaction are reflected directly in equity as either a contribution or withdrawal of equity by the Shareholder.

If it is determined that in a specific transaction the Government does not act in capacity of the Shareholder such transactions are accounted for using provisions of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. In such circumstances, government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments. Grants related to income are presented separately in the consolidated statement of comprehensive income within revenues from operating activities.

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the profits and losses, except to the extent that it relates to items charged or credited to other comprehensive income or equity, in which case it is recognized in other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Excess profit tax ("EPT") is treated as an income tax and forms part of income tax expense. In accordance with the subsurface use contracts, the Group accrues and pays EPT, at specified rates of after tax profit which has been adjusted for specific deductions in accordance with the applicable subsurface use contracts, when certain internal rates of return are exceeded.

Deferred tax is calculated with respect to both corporate income tax ("CIT") and EPT. Deferred EPT is calculated on temporary differences for assets allocated to subsurface use contracts at the expected rate of EPT to be paid under the contract.

Deferred tax is provided using the statement of financial position method, in relation to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences arising due to the following are not provided for:

- The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Value added tax ("VAT")

Tax authorities permit the settlement of sales and purchases VAT on a net basis. VAT receivable represents VAT on domestic purchases net of VAT on domestic sales. Export sales are zero rated.

Related parties

Related parties include the Group's Shareholder, key management personnel, associates, joint ventures and entities in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's shareholders or key management personnel.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates.
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of oil and gas assets, downstream, refining and other assets

The Group assesses assets or cash generating units (hereibafter – "CGU") for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered to be impaired and is written down to its recoverable amount. In assessing recoverable values, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Impairment testing assumptions

The Group assessed the existence of impairment indicators of non-current assets and where impairment indicators were identified, the Group performed the impairment tests.

The Group's long-term assumptions for Brent oil prices, KZT/USD exchange rate and inflation projections have been revised and are based on externally sourced forecasts and rates of the independent research organizations considering long-tern market expectations. Production volumes estimates are based on proved developed and undeveloped reserves for subsidiaries, and on proved and probable reserves for significant investments in joint ventures and associates. Production period is either based on subsoil use contracts' expiration date or on extended license period, to which the Group has strong intention to extend its licenses. Estimated production volumes are based on the Group's production plans that are mostly used for the purposes of application filing for extension of subsoil use contracts.

Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 11.22-16.42% depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant CGU.

The long-term price assumptions applied were derived from Bloomberg consensus; so did the near-term commodity price assumptions, a summary of which, in real 2024 terms, is provided below:

	2025	2026	2027	2028	2029
Brent oil (ICE Brent $/bbl)	73.25	71.00	73.00	72.00	72.30

In 2024 impairment charges in Oil-and-gas and petrochemical segment were 123,248 million tenge, which mainly relate to the impairment of a seawater desalination plant and supply infrastructure in Zhanaozen city in the amount of 70,521 million tenge and exploration and evaluation assets of Abai project in the amount of 17,703 million tenge (Note 29).

The reversal of impairment charges in the Oil-and-gas and petrochemical segment amounted to 40,251 million tenge, which mainly relate to the reversal of previously recognized impairment losses of the drilling jackup rig (hereinafter "Jack-up rig") in the amount of the excess of the Jack-up rig's value in use over its carrying amount of 16,189 million tenge and a an advance paid for the construction of a desalination plant in the city of Zhanaozen in the amount of 17,324 million tenge (Note 29).

In 2023 impairment charges in Oil-and-gas and petrochemical segment were 278,177 million tenge, which mainly relate to the exploration and evaluation assets of Aktoty and Kairan project in the amount of 74,255 million tenge and Jenis project in the amount of 40,244 million tenge and the CGU KMGI in the amount of 97,636 million tenge (Note 29).

Headroom of the majority of oil and refining assets are sensitive to changes in price or other assumptions. The changes within next financial periods may result in recoverable amount of these assets above or below the current carrying amounts and therefore there is a risk of impairment reversals or charges in those periods.

KMG International N.V. (hereinafter KMGI), including goodwill

In 2023 the Group performed its impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI: CGU Refining, CGU Petrochemicals and CGU Downstream. As the result of the impairment test, recoverable amount of KMGI CGUs were lower than its carrying values. The total impairment loss for the analyzed KMGI's CGUs was 94,962 million tenge, of which CGU Refining was estimated at 80,761 million tenge, for CGU Petrochemicals at 340 million tenge and for CGU Downstream at 13,861 million tenge.

The main impairment indicators have been i) the increased oil & gas market refining margins volatility and decreased market demand in the context of strict decarbonization regulations and geopolitical instability, ii) lack of a long-term decarbonization plan of KMGI, iii) the change in the tax environment in Romania, in particular the introduction at the end of 2023 of a turnover tax in the oil and gas sector in the amount of 0.5%, starting from 2024 to 2025, and further 1% or more depending on the turnover of enterprises.
The Group considered forecasted refining margins and production volumes, among other factors, when analyzing the impairment indicators. The recoverable amount of KMGI CGU Refining was determined based on fair value less costs of disposal (FVLCD), which was calculated using the discounted cash flow method. The key assumptions used in the FVLCD calculations for the CGU were operating profit, including the assumption that KMGI will be able to recover, through an increase in the final selling price, the costs of turnover tax from 2026, discount rates and growth rate used to extrapolate cash flows beyond the budgeted period.

In addition, KMGI applied the assumption that introduced in 2024 an additional tax burden on KMGI turnover will be recovered by a phased increase in the price for the final users.

As of December 31, 2024 KMGI retested for impairment and no additional impairment or reversal of previously recognized impairment was identified.

In June 2023, an incident occurred at the Petromedia Refinery, a subsidiary of KMGI, which led to the temporary decommissioning of the Mild Hydrocracker installation. Petromedia Refinery conducted assessments to estimate the incident consequences and recognized impairment of property, plant and equipment for 2,674 million tenge.

Reversal of impairment of Jackup rig

As of December 31, 2024, KMG Drilling & Services LLP, a subsidiary of the Group, conducted an impairment test for the jack-up rig and recognized a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the jack-up rig over its carrying amount in the amount of 16,189 million tenge (Note 29).

Value in use was determined by discounting the expected future cash flows from the operation of the jack-up rig under a three-year contract with Dragon Oil (Turkmenistan) Ltd for drilling operations in the Turkmen sector of the Caspian Sea, with an option to extend it for two years.

The following significant assumptions were made in calculating value in use:

Discount rate	17.7%
Daily operating rate for the operation of a jack-up rig	130 thousand USD
Daily operating expenses	68 thousand USD
Number of operating days per year during which the jack-up rig will be used	365
Load factor including idle days	95%

Reversals of impairment are limited so that the carrying amount of the asset as at December 31, 2024 does not exceed its recoverable amount, and does not exceed the carrying amount at which Drilling jackup rig would have been recognized in case of had no impairment loss been recognized in prior years.

Pavlodar refinery, including goodwill

As of December 31, 2024, and 2023 the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery (Note 9). In December 2024 and 2023 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2024, the discount rate of 14.12% (2023: 16.02%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2032 were based on five-years business plan of Pavlodar refinery 2025-2029 (2023: 2024-2028 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2024 and 2023 the recoverable amount of goodwill, which was determined based on fair value less cost to sell, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognized.

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of Pavlodar refinery goodwill are sensitive to changes in key assumptions, in particular, assumptions related to changes in discount rate and target EBITDA in terminal period. Increase in discount rates by 1.0% to 15.12% (2023: 17.02%) and decrease of target EBITDA in terminal period by 1% would not result decrease of the recoverable amount of CGU Pavlodar refinery to its carrying value.

Transportation and storage of gas by Intergas Central Asia JSC (“ICA”)

The recoverable amount of the cash-generating unit is calculated using a discounted cash flow model. The discount rate was derived from the weighted average cost of capital after tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on ICA investments. The cost of debt capital is based on the interest-bearing loans that ICA is obligated to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data. The business plan, approved on an annual basis, is the main source of information for projected cash flows. It contains forecasts for gas transportation volumes, revenues, expenses and capital expenditures.

Various assumptions, such as transportation rates as well as inflation rates for expenses take into account existing prices, other macroeconomic factors and historical trends and fluctuations. Cash flow projections were based on the ICA's five-year business plan and projections through 2055 calculated using management's current estimates of potential changes in operating cost and capital expenditures at the level of tariff growth. The main assumptions used in the calculation were projected as follows:

- Transportation volume – average annual growth rate over the five-year forecast period based on historical results and management's expectations regarding market developments;
- Transportation tariff – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for the domestic market and tariffs under contracts with international counterparties for transportation for export and transit, taking into account the average annual growth rate and long-term inflation forecasts after a five-year forecast period;
- Annual capital expenditures – based on management’s historical experience and planned expenses according to five-year forecast data for maintaining production assets and other fixed assets directly involved in the production process, as well as investments in new projects;
- Macroeconomic forecasts – the model used auxiliary forecasts from the international source S&P Global and Oxford Economics, such as consumer and production forecasts, as well as interest rate forecasts, inflation and the forecast dollar/tenge exchange rate for the next 25 years. Data on consumer and output changes and the dollar exchange rate were obtained from S&P Global, and interest rate and inflation forecasts were obtained from Oxford Economics.

The following are the assumptions used to determine the value in use and to which the recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	December 31, 2024	December 31, 2023
Growth rates over 5 years	5.14%	4.19%
Discount rate before tax	15.21%	16.96%
Transportation volumes (throughout the forecast period):		
transportation within Kazakhstan	1,032 bln. m^3	1,073 bln. m^3
transportation of gas for export	115 bln. m^3	17 bln. m^3
international transit	1,302 bln. m^3	1,245 bln. m^3
Transportation tariffs:		
transportation within Kazakhstan (thousand m^3)	From 5,471.08 tenge	From 5,425.26 Tenge
transportation of gas for export (thousand m^3/100 km)	2.42 US Dollars – 5 US Dollars	2.42 US Dollars – 5 US Dollars
international transit (thousand m^3/100 km)	2.42 US Dollars	2.42 US Dollars – 2.9 US Dollars

As at December 31, 2024 the recoverable amount of non-current assets amounted to 1,469,770 million tenge, which exceeded their carrying amount by 135,574 million tenge (at December 31, 2023: 1,249,898 million tenge that exceeded their carrying amount by 61,870 million tenge).

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in discount rate. Increase in discount rates by 1.0% would result in impairment charge of 6,045 million tenge.
As at December 31, 2024, the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied discount rate increases from 15.21% to 16.16%.

Gas sales to local energy distributors, legal entities and individuals by QazaqGaz Aimaq JSC ("QG Aimaq")

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. Cash flow estimates include many subjective factors, including operational and financial, using the best available evidence.

The discount rate was derived from the weighted average cost of capital before tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on investments of QG Aimaq. The cost of borrowed capital is based on the interest-bearing loans that QG Aimaq is obliged to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data.

The main assumptions used in the calculation were predicted as follows:

- Volume of gas purchases and supplies – based on the Comprehensive Development Plan for the Gas Industry of the RK for 2022–2026, approved by the Decree of the Government of the RK, and the Gas Balance of the RK for 2024-2030, approved by Order of the Minister of Energy of the RK, as well as the Business Plan for 2025–2029, approved by the Board of Directors of QG Aimaq;
- Transportation tariffs – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for five years and taking into account the average annual growth rate and long-term inflation forecasts after the five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned costs to maintain production assets and other property, plant and equipment directly involved in the production process, as well as investments in new projects.

Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

The following are the assumptions used to determined the value in use was and to which recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	At December 31, 2024
Growth rates over 5 years	5.16%
Discount rate before tax	15.74%;
Gas sales volumes until 2030	120.3 bln. m^3
Gas transportation volumes until 2030	94 bln. m^3
Tariffs for:	
gas sales (thousand m3)	from 27.6 thousand tenge
gas transportation (thousand m3)	from 4.2 thousand tenge

As at December 31, 2024 the recoverable amount of non-current assets amounted to 284,628 million tenge, which exceeded their carrying amount by 33,115 million tenge (as of December 31, 2023: 282,730 million tenge, which exceeded their carrying amount by 32,923 million tenge).

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in gas sales and transportation volumes. Decrease in gas sales and transportation volumes by 5.0% would result in impairment charge of 16,325 million tenge.

As at December 31, 2024 the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied gas sales and transportation volumes decrease from 120.3 billion m^3 and 94 billion m^3 to 116.3 billion m^3 and 90.8 billion m^3, respectively.

Other CGUs

Revision to the Group's commodity price and other assumptions have not resulted in impairment charges in any other CGUs of the in Oil-and-gas and petrochemical segment.

Oil and gas reserves

Oil and gas reserves are a material factor in the Group's computation of depreciation, depletion and amortization expenses. The Group estimates its oil and gas reserves in accordance with the methodology of the Society of Petroleum Engineers (SPE). In estimating its reserves under SPE methodology, the Group uses long-term planning prices. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year-end spot prices. Management believes that long-term planning price assumptions, which are also used by management for their business planning and investment decisions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves.

All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability.

Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data, availability of new data, or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for depreciation, depletion and amortization in relation to oil and gas production assets. The Group has included in proved reserves only those quantities that are expected to be produced during the initial subsoil use contract period. This is due to the uncertainties surrounding the outcome of such renewal procedures, since the renewal is ultimately at the discretion of the Government. An increase in the Group's subsoil use contract periods and corresponding increase in reported reserves would generally lead to lower depreciation, depletion and amortization expense and could materially affect earnings. A reduction in proved developed reserves will increase depreciation, depletion and amortization expense (assuming constant production), reduce income and could also result in an immediate write-down of the property's book value. Given the relatively small number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective charges for depreciation, depletion and amortization.

Please refer Note 29 for details on annual impairment test results.

Uranium reserves (estimate)

Uranium reserves are a critical component of the Group's projected cash flow estimates that are used to assess the recoverable values of relevant assets as well as depreciation and amortisation expense. Estimates of uranium reserves also determine the life of mines, which in turn affect asset retirement obligation calculations.

On an annual basis the Group engages an independent consultant to assess the Group's ore reserves and mineral resources in accordance with the Australasian Code for reporting on geological exploration works, mineral resources and ore reserves (hereinafter JORC Code). Independent assessment of reserves and resources was carried out as of December 31, 2024 and 2023. The consultant reviewed all key information upon which the reported mineral resource and ore reserve statements for the mining assets of the Group are based.

The consultant's reports contain an assessment of the tons of uranium contained in ore which has the potential to be extracted by the existing and planned mining operations (the mineral resource), and also the tons of uranium contained in ore currently planned to be extracted as envisaged by the respective life-of-mine plans (the ore reserve). The Group used the ore reserves data for calculation of impairment of long-term assets, unit of production depreciation for each of the Group's mines as well as asset retirement obligation calculations.

Assets related to uranium production

Assets related to uranium mines include property, plant and equipment, mine development assets, mineral rights, exploration and evaluation assets, investments in associates, investments in joint ventures, and other investments. For the purpose of impairment testing assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group has identified each mine (contract territory) as a separate cash-generating unit unless several mines are technologically connected with single processing plant in which case the Group considers such mines as one cash-generating unit.

MC Ortalyk LLP, JV Akbastau JSC and Karatau LLP

Goodwill relates to prior period business combinations of MC Ortalyk LLP in the amount of 5,166 million tenge, Karatau LLP of 24,808 million tenge and JV Akbastau JSC of 18,520 million tenge (Note 9). At least annually, goodwill is tested for impairment at the level of a corresponding cash generating unit.

The carrying value of goodwill applicable to each of the entities was allocated to their respective cash generating units, Central Mynkuduk mine (Central block) and separate blocks of Budenovskoye mine (Note 5) for MC Ortalyk LLP and Karatau LLP, JV Akbastau JSC, respectively.

The recoverable amount was determined on a value in use basis, cash flows forecasts were based on approved reserves, estimated production volumes, subsurface use contracts periods and a pre-tax discount rate of 17.65% for 2024 year (2023: 18.60%).

Production volumes are consistent with those agreed with the competent authority and independent consultant's report and are based on the production capacity of the cash-generating units. Key assumptions used in calculations include forecast sales prices, production volumes. Sales prices used in developing forecasted cash flows were based on annual spot and long-term base price projections (denominated in US Dollar per pound of uranium) published by Ux Consulting LLC in the fourth quarter of 2024.

Production costs and capital expenditures are based on approved business plans for 2025–2029 and growth of 5% which approximates long-term average inflation rates. The estimated values in use significantly exceed the carrying amounts of the non-current assets of the three cash-generating units, including goodwill, and therefore even reasonably possible changes in key assumptions would not lead to impairment losses being recognized.

Railway assets

The Group considers railway assets as a single CGU because under the Group's current operating model, cash flows from railway infrastructure are not considered sufficiently independent. Railway infrastructure is holistic and is not differentiated into freight and passenger transportation lines. Accordingly, there is no objective allocation of infrastructure assets for cash flows from freight and passenger transportation. Due to the specifics of freight transportation tariff regulation and the need to cross-subsidise passenger transportation, railway infrastructure cannot generate independent cash flows. Accordingly, the railway assets are treated as one CGU.

When assessing impairment indicators of property, plant and equipment the Group considers external and internal impairment indicators. The management of the Group considered external and internal impairment indicators to determine if any events or changes in circumstances demonstrate that the carrying amount of property, plant and equipment is not recoverable.

The assessment of whether there is an indication of assets impairment is based on a number of factors, such as a change in market rates, in growth expectations in the railway industry, future cash flow estimates, changes in the future availability of financing, technological obsolescence, discontinuance of service provision, current replacement costs and other changes in circumstances.

As at December 31, 2024, the Group performed the analysis of the above external and internal impairment indicators of property, plant and equipment, in particular changes in interest rates, an analysis of the achievement of actual indicators versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

The measurement of whether each external and internal factor is an indication of impairment requires significant management judgement. Management's key judgement is based on the fact that amid the current geopolitical situation and disruption of traditional transportation and logistics chains, the country's transit potential is a key factor in the promotion of transcontinental trade.

The management of the Group did not identify any events that occurred in 2024 that could be considered as an indicator of the impairment of the railway infrastructure assets as at December 31, 2024.

Power generating assets

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

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

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

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

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

- Increase in the tariff for heat energy from January 1 and September 1, 2024. In accordance with the Law of RK "On natural monopolies" there is a possibility to adjust tariffs in case of changes in the type and cost of strategic goods;
- It is planned to modernize the two main power plants of AlES - Almaty CHP-2 and CHP-3 (Note 37). The residual value of the existing assets of the coal-fired power units of these plants, subject to conservation or dismantling, by the time the new combined cycle power units are put into operation will be equal to zero;
- No significant changes that have occurred during the period or are expected to occur in the near future and can have a material effect on the asset's recoverable amount.

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

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

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

In 2023 the Group has identified an individual impairment indicator of impairment for Ereymentau Wind Power LLP due to the delay in the implementation of the 50 MW wind power plant construction project in Ereymentau and the litigation of Ereymentau Wind Power LLP with the RFC in relation to prolongation of contract on provision of tariff for electricity sales. The Group recognized a full impairment of construction in progress objects in the amount of 4,913 million tenge and prepayments on long-term assets in the amount of 9,156 million tenge (Note 29).

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

In 2008 EGRES-2 began preparations for the construction of power unit No.3 with a capacity of 500 MW. Subsequently, the project was revised and until 2016 the Company was at the stage of implementing design and estimate documentation, preliminary construction and purchasing the necessary equipment for the new power unit No. 3 with a capacity of 630 MW. On August 29, 2016, EGRES-2 terminated the general contract for the construction of power unit No. 3, concluded between EGRES-2 and KVARTS KZ LLC due to the postponement of the construction deadlines.
In the following years, steps were taken to implement the project:

- On March 14, 2022, the Market Council Commission for Review of Investment Programs made a unanimous decision to recommend the investment program of EGRES-2 "Expansion and reconstruction of EGRES-2 with the installation of power unit st. No. 3" for admission to consideration by the authorized body;
- Measures were taken to prepare for the receipt and proper storage of equipment from the People's Republic of China (hereinafter "China"), heated hangar-type buildings were built and guarded storage facilities were allocated. A significant part of the process equipment for the power unit was accepted. However, to complete the construction of the power unit, an additional order for the missing part of the equipment will be required.

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

With regard to the stated facts, the Group's management is considering strategic options for using the acquired Chinese equipment. Among the possible scenarios are: a) continuing the construction of a maneuverable power unit at EGRES-2 using this equipment, and b) transferring the equipment for the implementation of the project to build a new station GRES-3.

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

On April 18, 2024, the Minutes of the meeting of the Ministry of Energy on the development of the electric power industry recommended amending the technical specifications for the preliminary feasibility study of the construction project of GRES-3, providing for an increase in the installed capacity of the station to four power units, as well as considering the possibility of using equipment purchased in China, which was originally intended for power unit No. 3 of EGRES-2.

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

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

Currently, the Group is developing a preliminary feasibility study for the project "Construction of GRES-3 based on clean coal technology".

In accordance with the current plans of the Government of the RK, the Group's management considers the most likely scenario to be the implementation of the GRES-3 construction project and the transfer of the technological equipment purchased in China to the new organization at its book value. In this regard, an additional impairment in the amount of 18,524 million tenge as of December 31, 2024 (as of December 31, 2023: 13,216 million tenge) was accrued for the amount of other costs incurred, including costs of construction and installation works, foundation preparation and other costs related to the project for the construction of power unit No. 3 of EGRES-2, recorded as part of construction in progress (Note 29).

Telecommunication assets

For impairment testing, goodwill related to Communication segment acquired through business combinations was allocated to three unites (further “CGUs”), Mobile Telecom Service LLP, Kcell JSC and IP TV (Notes 7, 9).

Goodwill relates to the assembled workforce and synergy from integration of the acquired subsidiaries into the Group. The carrying amount of goodwill allocated to each of CGUs was as follows:

In millions of tenge	2024	2023
Kcell JSC	53,490	53,490
IP TV	2,706	2,706
Mobile Telecom-Service LLP (Note 7)	96,206	96,206
	152,402	152,402

The Group performed its annual impairment test in December 2024 and 2023.

For the purposes of impairment testing, the Group assessed the recoverable amount of each cash-generating unit to which goodwill was allocated or for which impairment indicators were identified.

In 2024 the recoverable amount of all cash-generating units was determined as value in use using a discounted cash flow model. This valuation method uses cash flow forecasts based on actual operating results and business plans approved by management, as well as appropriate discount rates that reflect the time value of money and the risks associated with the underlying cash-generating units. For periods not covered by management's business plans, terminal value is used. Terminal value is calculated from cash flow forecasts by extrapolating the results of the relevant business plans using a zero real growth rate.

Assessment of future cash flows require assumptions regarding uncertain factors, including management's expectations regarding earnings before interest, taxes, depreciation and amortization (EBITDA) margins, the timing and volume of capital expenditures, terminal growth rates and appropriate discount rates to reflect associated risks. Accordingly, the EBITDA margin and capital expenditures used to calculate value in use are primarily derived from internal sources, based on past experience and expanded to reflect management's expectations. For impairment testing purposes, EBITDA is calculated as earnings before interest, taxes, depreciation and amortization, determined on the basis of IFRS consolidated financial statements.

The table below presents the assumptions based on which the value in use of the relevant CGUs was determined:

	2024	2023
Kcell JSC		
EBITDA margin	36.78% – 48.38%	37.3% -– 45.7%
Capital costs as a percentage of revenue	18.40%	18.00%
Growth rates beyond the forecast period	4.10%	3.20%
Discount rate	15.24%	13.88%
IP TV		
EBITDA margin	5% – 10.8%	2% – 7%
Capital costs as a percentage of revenue	0.00%	1.00%
Growth rates beyond the forecast period	0.00%	5.00%
Discount rate	15.03%	15.41%
Kazakhtelecom JSC		
EBITDA margin	25.07%	23.5% – 24.3%
Capital costs as a percentage of revenue	13.00%	10.90%
Growth rates beyond the forecast period	4.10%	5.00%
Discount rate	16.24%	15.41%
Mobile Telecom-Service LLP		
EBITDA margin	47.4% – 53.2%	46.0% – 47.9%
Capital costs as a percentage of revenue	21.1%	26.3%
Growth rates beyond the forecast period	2.5%	4.31%
Discount rate	18.00%	15.42%

Sensitivity to changes in assumptions – IP TV, Kcell JSC and Mobile Telecom Service LLP

Reasonably possible changes in the EBITDA margin, growth rates beyond the forecast period and discount rates do not lead to additional impairment of IP TV, Kcell JSC and Mobile Telecom Service LLP.

Sensitivity to changes in assumptions – Kazakhtelecom JSC (hereinafter – "KTC")

The calculation of value-in-use for KTC CGU is most sensitive to such assumptions as EBITDA margin included in the financial plan, growth rates beyond the forecast period and discount rate.

Decrease in EBITDA margin by more than 0.5% from 25.07% to 24.57% throughout the forecast period would lead to an impairment loss of KTC CGU in the amount of 10,159 million tenge.

Decrease in growth rates of 0.2% from 4.1% to 3.9% would result in impairment loss of KTC CGU in the amount of 1,548 million tenge.

An increase in discount rate by 0.5% from 16.24% to 16.74% would do not lead to additional impairment of KTC CGU.

Gas turbine power plant and water treatment assets (Karabatan Utility Solutions LLP)

In 2024, new tariffs for regulated services for water supply through distribution networks and for wastewater disposal and treatment for 2025–2029 were approved, with entry into force on January 1, 2025.

In December 2024, amendments were made to the Rules for the organization and functioning of the wholesale electricity market, according to which the priority purchase of electricity from combined heat and power plants providing centralized heat supply to cities and regions will be made within the volume of the technological minimum, which should have a positive effect on the volume of electricity purchased from Karabatan Utility Solutions LLP (hereinafter referred to as "KUS").

Also, the forecast for an increase in the sale of electricity on the balancing market was based on the sale of electricity through the balance provider for large wholesale consumers in Western Kazakhstan.

In this regard, in the Business Plan for 2025–2029, KUS forecasts an increase in the share of sales on the balancing market, as well as a change in the cost of electricity sales. Thus, at the end of 2024, the cost of sales on the balancing market was 17.01 tenge/kWh. On average, when planning the cost of electricity sales for 2025–2029, KUS adopted an average cost of sales of 13.0 tenge/kWh.

In 2024, based on the results of the impairment test, the Group reversed the impairment of KUS fixed assets in the amount of 9,877 million tenge (Note 29).

The main source of information is the approved Business Plan of the company for 2025-2029, which contains forecasts for production and sales volumes, revenues, expenses and capital expenditures. The Group calculates the recoverable amount using a discounted cash flow model. The discount rate of 9.57% is applied.

Various assumptions, such as forecasts for electricity and water sales prices, inflation rates, take into account current prices, foreign exchange rates and other macroeconomic factors, and historical trends and fluctuations. The expected cash flows were limited to the expiration date of the property, plant and equipment in 2052. Costs were forecast based on the budget and business plan of KUS, as well as current estimates of KUS management on potential changes in operating and capital expenditures. Cash flows were forecast by applying the assumed inflation rate.

Assets retirement obligations

Under the terms of certain subsoil use contracts, legislation and regulations, including the Environmental Code of the Republic of Kazakhstan, the Group has legal obligations to remediate damage caused to the environment from its operations and to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings, decommissioning of mining assets and landfills, dismantling of equipment and recultivation of the contract territories.

The provision for asset retirement obligations is estimated based upon the Group's interpretation of current environmental legislation in the Republic of Kazakhstan and the Group's related programme for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering research in accordance with the applicable restoration and retirement standards and techniques.

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions for mining assets and landfills retirement obligations are recognised when there is a certainty of incurring of such liabilities and when it is possible to measure the amounts reliably.

Where neither subsoil use contracts nor legislation include an unambiguous obligation to undertake or finance such final abandonment and closure costs at the end of the subsoil use contract term, no liability has been recognized. There is some uncertainty and significant judgment involved in making such a determination. Management's assessment of the presence or absence of such obligations could change with shifts in policies and practices of the Government or in the local industry practice.

At each reporting date the Group reviews site restoration provisions, and adjusts them to reflect the current best estimate in accordance with IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.

The Group calculates asset retirement obligations separately for each contract. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market.

Oil and gas production facilities

Estimating the future closure costs involves significant estimates and judgments by management. Most of these obligations are many years in the future and, in addition to ambiguities in the legal requirements, the Group's estimate can be affected by changes in asset removal technologies, costs and industry practice. The Group estimates future well abandonment cost using current year prices and the average long-term inflation rate.

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2024 were in the range from 2.24% to 8.6% and from 6.85% to 12.15%, respectively (December 31, 2023: from 2.03% to 14.54% and from 6.20% to 11.37%, respectively). As at December 31, 2024 the carrying amounts of the Group's asset retirement obligations relating to decommissioning of oil and gas facilities were 184,354 million tenge (December 31, 2023: 163,517 million tenge) (Note 21).

Major oil and gas pipelines

According to the Law of the RK On Major Pipelines which was made effective on July 4, 2012 the Group has legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2024, the carrying values of the Group's asset retirement obligations relating to decommissioning of pipelines, compressor stations and land were 119,822 million tenge (December 31, 2023: 123,277 million tenge) (Note 21).

Assets related to uranium production

Provision is made based upon the net present values of estimated site restoration and retirement costs as soon as the obligation arises from past mining activities. The scope of work stipulated by the legislation and included in the calculations of the asset retirement obligations contains the dismantling of facilities and infrastructure (pumping, injection and observation wells, technological units for acidification and distribution of solutions, pipelines, access roads, technological sites, landfills, buildings and other facilities) and subsequent restoration of land.

The calculation of the provision for production assets retirement as at December 31, 2024 was performed by the Group's internal specialists and reviewed by an independent consultant.

Principal assumptions used in the estimations include:

- The discount rate that reflects the current market estimates of the time value of money is based on a risk-free rate determined by reference to the interest rate on government bonds with maturity matching the period of the Group's each subsoil use contract, range of 12.33% - 12.65% (2023: average 11.7% - 13.3%), risks related to the liability are reflected in the best estimate of nominal costs;

- Long-term inflation rate applied to the nominal costs calculated at current prices of 4.06% - 7.51% in 2024 (2023: average 4.01% - 6.39%);

- Discounting period in accordance with the estimated life of mines and reserves depletion period;

- Low radioactive waste management program assumes removal and disposal at special landfills owned by the Group.

In millions of tenge	Decrease) / Increase of assumptions	(Decrease) / Increase of provisions 2024	2023
Inflation rate	−1%	(5,258)	(4,640)
	+1%	4,544	3,993
Discount rate	−1%	4,935	4,348
	+1%	(4,233)	(3,714)

A sensitivity analysis of the key assumptions as of December 31, 2024 and 2023 is presented below:

At December 31, 2024, site restoration provision for mining assets was 44,662 million tenge (2023: 38,100 million tenge) (Note 21).

Assets retirement obligations related to the power generating facilities

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

- Calculation of obligations to eliminate the consequences of the operation of the facilities was performed by the Group based on the results of assessments carried out by independent and internal specialists. The scope of work provided for by law and included in the calculation included the dismantling and disposal of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures intended for removal of combustion products, as well as equipment of fuel oil facilities and chemical reagents warehouse, which have a negative impact on the environment and the safety of life and/or health of people;

- There are assets (administrative buildings and other structures) on the balance sheet of facility operators in the Group, which in the future are very likely to be converted, and also have a minimal adverse impact on the environment, for which there is no need to recognize obligations to eliminate the consequences of their operation;

- For thermal power plants, referred to the I category, the amount of reserves is determined based on the expected costs that will be incurred by the facilities during the liquidation of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures designed to remove combustion products, as well as equipment for fuel oil facilities and a chemical reagents warehouse, which really have an adverse impact on the environment;

- The Group's management applied the judgment that the deadline for the liquidation of category I facilities of EGRES-1 and EGRES-2, which have a negative impact on the environment, is in 2055 and 2053, respectively, based on the useful lives of the assets. These useful lives are justified by the fact that the residual fleet life of the main and auxiliary equipment and engineering structures of the main equipment will be extended through major repairs or reconstruction until the end of filling the existing ash dumps. Deadlines for closing ash dumps are applied in accordance with the approved working projects for closing ash dumps per the "Rules for the formation of liquidation funds for waste disposal sites" approved by Decree of the Government of the RK dated July 10, 2007 No. 591. Coal reserves are sufficient to continue the work on these stations. These periods were determined based on the need to ensure the country's energy security in response to a predicted shortage of electricity in the RK;

- For AIES, the deadlines for the liquidation of CHPP-2 and CHPP-3 facilities were applied taking into account the timing of implementation, commissioning and technical parameters of the projects "Modernization of Almaty CHPP-2 with minimization of environmental impact" and "Reconstruction of Almaty CHPP-3";

- Hydroelectric power plants of the Group belong to category II facilities.the Shardara hydroelectric power station, as a strategic complex structure, which is an integral part of the hydrotechnical complex of the Shardara hydroelectric complex on the Syrdarya River, which has a direct purpose for flood control and irrigation, due to the specifics of its activity, does not eliminate embankments/dams and adjacent hydraulic structures; at the same time, in the opinion of the station's management, the liquidation work of the company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision to cover them is not significant at the reporting date;

- For the Moinak hydroelectric power plant, in accordance with the legislation, the Group's management applied the judgment that the useful lives of the main hydraulic structures, as structures of I and II classes, in the conditions of timely overhauls amount to 60 years. After the expiration of useful lives of the main building of the hydroelectric power plant, the diversion tunnel and the halfway, in accordance with the norms of the "Methodological recommendations on the procedure for extending the life of the safe operation of technical devices, equipment and structures at hazardous production facilities," further use of these structures as a hydrological post and mudflow holders during the flood period is expected on the Sharyn River. At the same time, in the opinion of the plant's management, the liquidation work of the Company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision for their coverage is not material at the reporting date;

- AZhK facilities in III and IV categories. Due to the fact that AZhK's production facilities have an insignificant minimum negative impact on the environment, the Group has not accrued obligations for liquidation of the consequences of activities in these consolidated financial statements, as there is currently no reasonable calculation method for these types of assets, and the Group has received confirmation from government authorities on the absence of obligations to eliminate the consequences for the environment;
- Wind and solar power plants recognize provisions for dismantling and removal of generating and technological equipment, further, the liquidation terms are determined by the technical specifications of equipment and structures.

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

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

A sensitivity analysis of the key assumptions as of December 31, 2024:

In millions of tenge	(Decrease)/increase of key assumptions	(Decrease)/increase in obligation to eliminate the consequences of operation of facilities
Inflations rates	−1%	(4,405)
	+1%	5,609
Discount rates	−1%	5,026
	+1%	(3,855)
Liquidation period	−10%	3,811
	+10%	(3,129)

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

As of December 31, 2024 provision for assets retirement obligations related to the power generating facilities amounted to 29,477 million tenge (as of December 31, 2023: 24,883 million tenge) (Note 21).

Provision for taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of the Group's international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable profits and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

In assessing tax risks, management considers to be probable obligations the known areas of non-compliance with tax legislation, which the Group would not appeal or does not believe it could successfully appeal, if additional taxes are charged. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsurface use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for taxes disclosed in Note 21 relates to the Group's other taxes. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (Note 33). Further uncertainties related to taxation are disclosed in Note 37.

Provision for construction of social objects

The Government assigns various sponsorship and financing obligations to the Group. Management of the Group believes that such Government's assignments represent constructive obligations of the Group and require recognition on the basis of respective resolution of the Government of the RK. Furthermore, as the Government is the ultimate controlling party of the Group, the expenditures on these assignments are recognized as "other distributions to the Shareholder" directly in the equity.

Useful lives of items of property, plant and equipment

The Group assesses remaining useful lives of items of property, plant and equipment at least at each financial year-end. If expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

VAT recoverability

The Group conducts an assessment of the recoverability of VAT and, if required, makes provisions for doubtful VAT recoverable at each reporting date. The provision for doubtful VAT recoverable is determined based on the management's anticipated VATable turnovers and the likelihood of cash refunds for VAT. As at December 31, 2024, an amount of 602,083 million tenge related to VAT recoverable has been recognized as a current asset (as at December 31, 2023: 386,977 million tenge). The Group anticipates that this amount will either be refunded by the tax authorities or utilized to offset future VAT liabilities in 2025.

Deferred tax assets

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognized deferred tax assets as at December 31, 2024 was equal to 121,591 million tenge (December 31, 2023: 108,379 million tenge). Further details are contained in Note 33.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the consolidated financial statements. Further details are disclosed in Note 36.

Employee benefit liability

The Group uses actuarial valuation method for measurement of the present value of defined employee benefit liability and related current service cost. This involves use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, etc.) as well as financial assumptions (discount rate, future annual financial assistance, future annual minimum salary and future average railway ticket price).

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Estimation of expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's credit grading model, which assigns PDs to the individual grades;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price with one year lag, and the effect on PDs, EADs and LGDs.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

The Group, represented by Passenger Transportation JSC and Tulpar Wagon Construction Plant LLP (disposed in 2023), entered into a number of trilateral purchase-sale and finance lease agreements with Industrial Development Fund JSC, which is under the common control of the Shareholder, to renew its passenger carriage fleet. Under the agreements, Industrial Development Fund JSC finances Tulpar Wagon Construction Plant LLP's construction of passenger carriages on a 100% prepayment basis for ownership with a further finance lease to Passenger Transportation JSC.

Management of the Group concluded that the transaction between Tulpar Wagon Construction Plant LLP and Industrial Development Fund JSC does not meet the requirements of IFRS 15 Revenue from Contracts with Customers to account for the asset sale at the Group level, as control over passenger carriages is not transferred to Industrial Development Fund JSC, but remains with the Group.

Industrial Development Fund JSC finances the construction of the carriages, but is limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognises the obligation to Industrial Development Fund JSC, before the loss of control over the Railway Passenger Coach Construction Plant LLP, as a financial liability (borrowing) according to IFRS 9 Financial Instruments and recognises passenger carriages as right-of-use assets in accordance with IFRS 16.103 Leases.

Swap transactions

The Group sells part of its uranium products under swap transactions with separate agreements with the same counterparty, being for sales and purchase of the same volume of uranium for the same price at different delivery points or different timeframes. Effectively, this results in the exchange of own uranium (produced or purchased from the Group's entities) with purchased uranium.

Normally, under a swap transaction, the Group delivers physical uranium to one destination point, and purchases the same volume of uranium at a third-party converter for sale to end customers. Swap transactions are entered into primarily to reduce transportation costs for uranium delivery to end customers.

Despite the fact that swap agreements are not formally related to each other, management concluded that these transactions are in substance linked and would not have occurred on an isolated basis, driven by the existing market demand and supply forces. In management's view, supply of the same volume of homogeneous product (uranium) for the same price represents an exchange of products, which should be presented on a net basis in the consolidated financial statements, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for swap transactions requires judgement.

In 2024, the Group did not recognise sales revenue from swap transactions of 169,556 million tenge (2023: 139,322 million tenge) and related cost of sales of 158,551 million tenge (2023: 149,209 million tenge).

Purchase and sales agreements assume cash transfers on a regular payment terms, similar to contracts with customers. The Group presents cash receipts as "receipts from customers" and cash payments as "payments to suppliers".

Enrichment of natural uranium

The Group purchases uranium enrichment services from Uranium Enrichment Center JSC (UEC) in Russia. The transaction is structured as two separate agreements. Group sells natural uranium and purchases enriched uranium from UEC. Despite agreements with UEC are not formally related, the management concluded that these transactions are in substance linked and would not have occurred on an isoldated basis. Effectively, this results in the sales of uranium with an obligation to repurchase it in the form of enriched uranium, in accordance with IFRS 15 requirements no revenue from sales of uranium to UEC should be recognised, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for transactions with UEC requires judgement.

The cost of enrichment services included in cost of sales in the amount of 62,612 million tenge (2023: 40,643 million tenge) in production services rendered line item (Note 26).

Purchase and sales agreements with UEC assumed cash transfers, starting from 2023 the Group changed the contract terms to settle cash transfers on a net basis.

Control over JV Budenovskoye LLP

The Group obtained control over JV Budenovskoe LLP as a result of changes to the Charter and Production sharing agreement effective from January 1, 2024. The changes do not change the relative ownership shares of the participants, but they change their powers in relation to JV Budenovskoe LLP. The Group's ownership share did not change and represents 51%.

Sales activities of JV Budenovskoye LLP are governed by the Production sharing agreement. The Group has unilateral decision-making power in determining annual production volumes within predetermined range by simple majority vote. The predetermined range is a 20% deviation from the approved production plan in accordance with the subsoil use agreement and legislation of the RK. The specific situation when unanimous consent would be required from both participants to change production volume within 10%-20% limit depending on profitability is remote and thus is viewed rather as a protective right.

Given that all production volumes are committed to be purchased by the Group and the second participant (or a parent company of the second participant) based upon market prices, production volumes and costs have the most significant impact on financial results and therefore are considered to be relevant activities for the purpose of the control assessment. Based on these facts, the Group management has concluded that the Group gained control over JV Budenovskoye LLP (Note 5).

Fair value measurement for business combination

Fair value measurements applied in accounting for business combination had a significant impact on the Group's profit for the period ended December 31, 2024. The gain from from remeasurement of the previously existing interest in joint venture comprised 295,719 million tenge (Note 5).

The principal assumptions used by external appraiser in calculation of fair value:

- Average prices of annual uranium prices are based upon the price forecasts prepared by independent sources, and reduced further for expected discounts included in sales contracts;
- Forecasted periods and volumes of uranium produced and sold are based on the working program of subsoil use contract further amended by the delay in production schedule;
- Operating and capital expenditures for 2024-2028 are consistent with the approved five year budget of the Group and represent expenditures for the preparation of mine development assets;
- Operating and capital expenditures after 2028 will increase at the average long-term inflation rate of 4.1% per annum;
- Discount rate of 23.12% per annum; and
- Forecast long-term exchange rate at an average of 474 tenge per 1 US Dollar.

Presented below is the sensitivity analysis of the main parameters that could impact the fair value of the mineral right estimated at 709,797 million tenge as of the date of assessment:

In millions of tenge	Changes of assumptions	Increase/(decrease) of fair value
Average price of uranium (spot price)	−10/+10%	197,721/(197,721)
Sales volume	−10/+10%	141,049/(141,049)
Capital expenditures	−10/+10%	(33,486)/33,486
Discount rate	−2p.p/+2 p.p.	(104,590)/104,590
Exchange rate, US Dollar to tenge	−10/+10%	197,721/(197,721)

Changes in legislation on the electricity market in the RK from July 1, 2023

In accordance with the Rules for the organization and functioning of the wholesale electricity market with amendments and additions, approved by order of the Minister of Energy of the RK dated June 30, 2023 No. 249, from July 1, 2023, a transition was made to a new model of the electricity sales market with the introduction of a unified purchaser of electrical energy, RFC. In accordance with the new model, all energy-producing organizations are obliged to sell electrical energy to a single purchaser of electrical energy. The RFC then sells electrical energy in accordance with sales agreements by a single purchaser of electrical energy to energy transmission and energy supply organizations, consumers of electrical energy and digital miners on the wholesale electrical energy market.

The Group conducted an analysis to assess the impact of changes on the revenue recognition process in accordance with IFRS 15 Revenue from Contracts with Customers. As a result, the Group determined that for Group's consolidated financial statements, the electricity sales contracts of power plants and purchase contracts of distribution and trade entities of the Group are considered as repurchase agreements in accordance with IFRS 15. Accordingly, the Group eliminated the cost of purchasing electricity and revenue from sales of electricity by power plants at the consolidation level of the Group.

To calculate the amount of elimination, the Group used the actual electricity volume purchased by Group's subsidiaries from the RFC and weighted average selling price of electricity in accordance with the approved cap tariffs of the Group's power plants.

The elimination amount for 2024 amounted to 190,864 million tenge (2023: 84,760 million tenge). This adjustment is reflected for the purpose of presenting the revenue and costs of sales of the Group from a single economic unit perspective and does not affect the financial results of the Group.

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

Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakhstani uranium to Western conversion enterprises due to heightened geopolitical instability.

The Group enters into inventory loan agreements, according to which one party (the lender) undertakes to provide the other party (the borrower) with products, and the borrower obliges to return to the lender an identical amount of uranium products. The Group obtains inventory loans to facilitate the performance of its uranium supply obligations. The Group classifies inventory loans received as a non-financial liability.

Upon receipt of the inventory loan, the Group accounts for the inventory at the contracted cost. Liability arising from inventory loan are recognised as part of other liabilities at the fair value of the uranium products at the reporting date. Subsequent revaluation of the inventory loan is carried out through profit or loss as part of other operating income/expenses in accordance with changes in the fair value of uranium products.

As at December 31, 2024 the Group has fully returned the inventory loan (as at December 31, 2023: 91,151 million tenge) (Note 24).

Accrued payable for gas purchase agreements

As at December 31, 2024 the Group recognized a purchase of gas of 266,342 million tenge and a corresponding trade payables was recognized (Note 24). The gas purchase was recognized when control passed to the Group and was measured at the amount the Group expected to pay based on its best estimate, as the parties were in the process of agreeing prices and concluding the contracts. On February 14, 2025, the gas purchase agreement was signed for the period from 2023 to 2033. No adjustments to the accounts payable is required.

5. BUSINESS COMBINATION

Acquisitions in 2024

JV Budenovskoe LLP

As a result of changes to the Charter of JV Budenovskoe LLP and Production sharing agreement effective from January 1, 2024 the Group obtained control over JV Budenovskoe LLP. Starting from January 1, 2024 the decision over relevant activities are taken by simple majority of the voting rights. The Group's ownership share did not change and represents 51%. The Group did not make any cash payments to gain control. JV Budenovskoe LLP is strategically important asset with estimated reserves of 114 thousand tones of uranium.

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

The difference between the fair value of investment in the joint venture over its carrying value comprises a gain from remeasuring to fair value the equity interest in the JV Budenovskoe LLP held by the Group before the business combination, as presented in the table below, which was recognised immediately in profit or loss for the period less the deferred tax effect:

In millions of tenge	
Fair value of the previously existing interest in joint venture at the date of acquisition	302,888
Less: carrying value of the investment in joint venture at the date of acquisition	(7,169)
Gain from remeasurement of the previously existing interest in joint venture	**295,719**

At the acquisition date the fair value of the total consideration transferred and its components relating to JV Budenovskoe LLP are as follows:

In millions of tenge	
Cash consideration paid	–
Effective settlement of the trade receivable of the Group	(5,390)
Fair value of the Group's previously held interest in the joint ventures (Note 10)	302,888
Total purchase consideration and value of previously held interest in the acquiree	**297,498**

The assessment of the fair value of the identifiable assets and liabilities was performed by an independent professional appraiser. Based on the valuation, the assets' value increased by 707,113 million tenge to fair value, mainly due to valuation of the subsoil use (mineral) right, resulting in an increase of carrying value from 11,693 million tenge to 709,797 million tenge (Note 9). The value of finished goods inventory increased from 1,653 million tenge to 8,432 million tenge. Deferred tax of 141,423 million tenge was recorded on the excess of the fair value over the carrying value.

The fair values of the identifiable assets and liabilities as at the date of acquisition are as follows:

In millions of tenge	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment	25,748
Intangible assets	709,810
Exploration and evaluation assets	1,723
Other non-current financial assets	249
Other non-current assets	6,112
Current assets	
Inventories	8,432
Income tax prepaid	23
Trade accounts receivable	1,580
Other current assets	64
Cash and cash equivalents	11,885
Total assets	**765,626**
Non-current liabilities	
Borrowings	22,633
Provisions	106
Employee benefit liabilities	6
Deferred tax liabilities	142,437
Current liabilities	
Borrowings	6,485
Provisions	333
Income taxes payable	838
Trade and other payables	4,019
Employee benefit liabilities	2
Other current liabilities	259
Total liabilities	**177,118**
Fair value of identifiable net assets acquired	588,508
Less: non-controlling interest measured at proportionate share of net assets measured at fair value	(291,010)
Total purchase consideration and fair value of previously held interest in the acquiree	**297,498**
Less: non-cash consideration	(297,498)
Add: Cash and cash equivalents of subsidiary acquired	11,885
Inflow of cash and cash equivalents on acquisition	11,885

The Group recognized non-controlling interest as the non-controlling interest's proportionate share of net assets of JV Budenovskoe LLP measured at fair value.

The acquisition date fair value of the trade accounts receivable amounts to 1,580 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The acquired subsidiary contributed revenue of 62,223 million tenge and net profit of 28,279 million tenge to the Group for the period from January 1, 2024 to December 31, 2024.

The business of JV Budenovskoe LLP is represented in the Group's Mining segment in these consolidated financial statements.

Acquisitions in 2023

Acquisition of Dunga Operating GmbH

On October 9, 2023 the subsidiaty of the Group, National Company "KazMunayGas" JSC ("NC KMG"), signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga Operating GmbH in December 2023), engaged in the exploration and production of crude oil and natural gas at the Dunga field. The base consideration comprises of 358.5 million US dollars (equivalent to 165,913 million tenge). The agreement contains certain closing conditions precedent, which were met on October 30, 2023 and on November 20, 2023, following the re-registration of shares to NC KMG, the transaction was completed. The Group has obtained control over Dunga Operating GmbH, increasing the Group's share in the hydrocarbon resource base and production of the crude oil and natural gas on the market of the RK.

As at the date of issue consolidated financial statements for the year ended December 31, 2023, the initial accounting for the business combination was not completed, the Group assessed the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge) in accordance with IFRS 3 Business Combinations.

In 2024 the Group completed the valuation of the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition to complete the initial accounting for the business combination.

The fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition was 156,099 million tenge, which is lower than the provisional value by 9,814 million tenge. These leads to decrease in depreciation charge of property, plant and equipment and corporate income tax of 1,661 and 556 million tenge, respectively, from the acquisition date to December 31, 2023.

The 2023 comparative information was restated to reflect these adjustments.

The fair values of the identifiable assets and liabilities of Dunga Operating GmbH as at the date of acquisition are as presented below:

In millions of tenge	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment	181,462
Intangible assets	5,481
Amounts due from credit institutions	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Income tax prepaid	2,284
Trade accounts receivable	5,870
Other current financial assets	55
Other current assets	5,601
Cash and cash equivalents	8,288
Total assets	**223,973**
Non-current liabilities	
Provisions	4,346
Deferred tax liabilities	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade and other payables	8,802
Other current financial liabilities	5,527
Total liabilities	**67,874**
Total identifiable net assets at fair values	**156,099**
Purchase consideration transferred	165,913
Goodwill arising on acquisition	9,814

The business of Dunga Operating GmbH is represented in the Group's Oil-and-gas and petrochemical segment in these consolidated financial statements.

The acquisition date fair value of the trade accounts receivable amounts to 5,870 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The deferred income tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of 9,814 million tenge arising on acquisition represents the Group's future benefits from the exploration and production of crude oil and natural gas in the Dunga field (Note 9). None of the goodwill recognised is expected to be deductible for income tax purposes.

There was no recognized contingent liability at the date of acquisition.

From the date of acquisition, Dunga Operating GmbH contributed 2,872 million tenge of revenue and 1,172 million tenge to profit before tax from continuing operations of the Group in 2023. If the combination had taken place at the beginning of the 2023, contribution of Dunga Operating GmbH to the Group's revenue from continuing operations would have been 34,032 million tenge and to the Group's profit before tax from continuing operations would have been 21,468 million tenge.

6. ACQUISITION UNDER COMMON CONTROL

GPC Investment LLP (hereinafter - "GPCI")

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge for the total amount of 38,737 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of GPCI (Note 18.1). Further, the Fund transferred 100% of interest in GPCI as a contribution to the authorized capital of Fund's subsidiary National Company "QazaqGaz" JSC (hereinafter - "QazaqGaz").

On February 14, 2024, as part of the state visit of the President of the RK to the State of Qatar (hereinafter "SQ"), Agreements on the main terms of cooperation were signed, which includes a number of measures and initiatives aimed at the joint implementation of different investment projects. On March 20, 2024, an Agreement was signed to establish a long-term strategic partnership for the implementation of joint projects between the Governments of the RK and the SQ. As part of the agreement on strategic investment projects, it is planned to sell the stake in the project company GPCI with retention of Group's share of 25%, and therefore, GPCI was reclassified into disposal group in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The component was classified as discontinued operations as it was acquired exclusively with a view to resale. The period to complete the sale was extended beyond one year, and the delay is caused by events and circumstances beyond the Group's control. However, the Group remain committed to the plan to sell its 75% stake in GPCI. The expected date of completion is by June 30, 2025.

The acquisition of GPCI was accounted for as the acquisition of a subsidiary from parties under common control. The acquisition was accounted for using the carrying amount method of assets and liabilities according to the financial statements of GPCI, due to the absence of consolidated financial statements of the predecessor entity. Due to the acquisition of GPCI as a subsidiary for subsequent resale, the consolidated statement of financial position of the Group as at December 31, 2023 and the related notes to the consolidated financial statements for the year ended December 31, 2023 have not been restated. Management believes that this presentation of the financial information most fairly represents the economic substance of the transaction. The difference between the consideration transferred and the net assets of GPCI was recognized in equity.

The following is the value of the total consideration transferred and information about the carrying amounts of GPCI's assets and liabilities at the date of acquisition:

In millions of tenge	February 16, 2024
GPCI net assets acquired	91,478
Fair value of shares issued (Note 18.1)	(38,737)
Settlement of pre-existing relationship presented by the loans issued to GPCI*	(48,935)
Total consideration transferred by the Group	**(87,672)**
Difference between the consideration transferred by the Group and the carrying amount of net assets recognized in equity	3,806

* Includes expected credit losses.

The assets and liabilities of GPCI as at December 31, 2024 are presented as follows:

In millions of tenge	December 31, 2024
Assets	
Property, plant and equipment	184,791
Intangible assets	6
Other non-current assets	28,939
Deferred tax assets	2,536
Inventories	15
VAT receivable	3,073
Income tax prepaid	147
Other current assets	127
Cash and cash equivalents	19,499
Assets classified as held for sale	**239,133**
Liabilities	
Borrowings	137,208
Other non-current liabilities	1,279
Income taxes payable	180
Trade and other payables	33,814
Other current liabilities	236
Liabilities associated with assets classified as held for sale	**172,717**
Net assets held for sale	**66,416**

Net loss after tax for the period for GPCI is 10,373 million tenge.

"AsiaGas Chundzha" LLP ("AsiaGas Chundzha")

On September 27, 2024 the Fund issued 100 shares at par value of 92,941,670 tenge for the amount of 9,294 million tenge, that approximates their fair value, which were paid off by the Shareholder by means of 100% of interest in authorized capital of AsiaGas Chundzha in accordance with the Resolution of the Government of the RK (Note 18.1). Further, the Fund transferred 100% of interest in AsiaGas Chundzha as a contribution to the authorized capital of QazaqGaz.

The acquisition of AsiaGas Chundzha was accounted for as the acquisition of a subsidiary from parties under common control using the carrying amount method of assets and liabilities according to the financial statements of AsiaGas Chundzha, due to the absence of consolidated financial statements of the predecessor entity. Management believes that this presentation of the financial information most fairly represents the economic substance of the transaction. The difference between the consideration transferred and the net assets of AsiaGas Chundzha was recognized in equity.

The following is the value of the total consideration transferred and information about the carrying amounts of AsiaGas Chundzha 's assets and liabilities at the date of acquisition:

In millions of tenge	April 1, 2024
AsiaGas Chundzha net assets acquired	5,146
Fair value of shares issued (Note 18.1)	(9,294)
Difference between the consideration transferred by the Group and the carrying amount of net assets recognized in equity	**(4,148)**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER

Disposals in 2024

Air Astana JSC (hereinafter - Air Astana)

On February 14, 2024 the Fund disposed 9,884,209 (10%) of common shares at a price of 1,073.83 tenge per common share for a total amount of 10,614 million tenge through their sale on the Astana International Exchange and KASE. As a result of held IPO, the Fund's share in Air Astana decreased from 51% to 41% and the control over Air Astana was lost, however the Fund retained the significant influence. The investment retained in the former subsidiary is recognized as an investment in associate accounted for using the equity method with initial fair value of 144,612 million tenge (Note 11) at the date of loss of control.

As at December 31, 2024 the Group completed the valuation of the fair value of the net identifiable assets and liabilities of Air Astana as at the date of disposal, which comprised 181,379 million tenge. The difference between the Group's share in the fair value of the net identifiable assets and liabilities of Air Astana at the date of disposal and fair value value of investment in associate of 70,247 million tenge was recognized as an assumed goodwill within the investment in associate (Note 11).

At the date of loss of control, the carrying value of net assets of Air Astana were as follows:

In millions of tenge	February 14, 2024
Assets	
Property, plant and equipment	387,885
Intangible assets	1,289
Other non-current financial assets	15,748
Other non-current assets	8,387
Deferred tax assets	16,837
Inventories	30,705
Income tax prepaid	6,027
Trade accounts receivable	11,046
VAT receivable	4,419
Other current financial assets	1,246
Other current assets	11,524
Cash and cash equivalents	120,524
Total assets	**615,637**
Liabilities	
Borrowings	187
Provisions	115,362
Lease liabilities	326,780
Other non-current financial liabilities	283
Trade and other payables	27,885
Other current financial liabilities	7,615
Other current liabilities	43,451
Total liabilities	**521,563**
Net assets	**94,074**
Cash consideration received at the date of disposal of subsidiary	10,614
Fair value of 41% retained interest in an associate (Note 11)	144,612
Disposal of non-controlling interests	48,206
Recycling of accumulated loss on transactions with hedge instruments and foreign currency translation reserve to gain on disposal of a subsidiary	3,485
Net assets disposed	(94,074)
Gain from disposal of subsidiary	**112,843**

Gain from the disposal of Air Astana, less transaction costs of 308 million tenge, amounted to 112,535 million tenge.

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI)

On February 27, 2024 the Group completed the sale of 40% share in KPI to SIBUR Holding PJSC. The sale price of a 40% share in KPI was 180,000 thousand US dollars (equivalent to 80,993 million tenge as at date of disposal). The price under the sales agreement is payable in installments according to a payment schedule until November 30, 2026. On February 29, 2024 SIBUR Holding PJSC made payment of the 1st tranche under the sale agreement for a 40% share in KPI in the amount of 90 million US dollars (equivalent to 40,618 million tenge).

As a result, the Group lost control over the subsidiary and recognized remaining 59% share in KPI as an investment in joint venture at fair value, as decisions about the relevant activities of KPI require the unanimous consent of the parties sharing control.

At the date of loss of control assets and liabilities of KPI were as follows:

In millions of tenge	Net assets at the date of disposal
Assets	
Property, plant and equipment	921,763
Intangible assets	35,678
Other non-current financial assets	1,516
Other non-current assets	42,009
Inventories	19,811
Income tax prepaid	408
Trade accounts receivable	2,133
VAT receivable	782
Other current financial assets	352
Other current assets	3,397
Cash and cash equivalents	9,644
Total assets	**1,037,493**
Liabilities	
Borrowings	943,217
Other non-current liabilities	17
Deferred tax liabilities	8,510
Trade and other payables	68,885
Other current financial liabilities	2,120
Other current liabilities	11,552
Total liabilities	**1,034,301**
Net assets	**3,192**

The result of the disposal of a subsidiary is presented as follows:

In millions of tenge	
Cash consideration received at the date of disposal of subsidiary	40,618
Fair value of the additional consideration receivable at the date of disposal of subsidiary	34,069
Disposal of non-controlling interests	269
Recognition of the fair value of financial guarantees issued and loan commitment to KPI (Note 23)	(67,843)
Net assets disposed	(3,192)
Gain from disposal of subsidiary	**3,921**

For the period from January 1, 2024 to the date of loss of control, as a result of its operating activities KPI incurred revenue of 20,001 million tenge and expenses of 12,720 million tenge (Notes 25, 26).

The net cash flows incurred by KPI for the period from January 1, 2024 through the date of loss of control are as follows:

In millions of tenge	January 1, 2024 – February 27, 2024
Operating	(28,511)
Investing	(855)
Financing	(3,787)
	(33,153)
Effects of exchange rate changes on cash and cash equivalents	621
Net decrease in cash and cash equivalents	**(32,532)**

Karaton Operating Ltd. (hereinafter - Karaton)

On February 21, 2024, the Group, represented by its subsidiary National Company “KazMunayGas” JSC (“KMG”), and Tatneft PJSC signed a purchase and sale agreement for a 50% share of Karaton, subsidiary of the KMG, holder of a contract for the production of hydrocarbons at Karaton subsoil blocks located in Atyrau region. As a result the Group lost control over Karaton.

The sale price of a 50% share in Karaton was 18.2 million US dollars (equivalent to 8,255 million tenge at the date of disposal of subsidiary).

On March 13, 2024, Tatneft PJSC made payment of cash consideration in the amount of 18.2 million US dollars (equivalent to 8,188 million tenge at the date of payment).

The investment retained in the former subsidiary is an investment in a joint venture accounted for using the equity method and its fair value was 8,255 million tenge at the date of loss of control.

KMG and Tatneft PJSC have joint control over the Karaton where decisions about the relevant activities of Karaton require unanimous consent.

The net cash flows incurred by Karaton for the period from January 1, 2024 through the date of loss of control are as follows:

In millions of tenge	January 1, 2024 – February 21, 2024
Investing	**(118)**
Net decrease in cash and cash equivalents	**(118)**

At the date of loss of control net assets of Karaton were as follows:

In millions of tenge	Net assets at the date of disposal
Assets	
Property, plant and equipment	28
Exploration and evaluation assets	291
Other assets	21
Cash and cash equivalents	178
Total assets	**518**
Liabilities	
Trade and other payables	5
Other current liabilities	413
Total liabilities	**418**
Net assets	**100**
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture (Note 11)*	8,255
Gain from disposal of subsidiary	**16,410**

* The Group recognized 50% investment in a joint venture for the corresponding share at a fair value of identifiable net assets of Karaton.

Tau-Ken Temir LLP and Silicon mining LLP

On May 31, 2024 the Group, represented by its subsidiary National Mining Company Tau-Ken Samruk JSC (hereinafter - "TKS"), entered into an agreement with a consortium consisting of METALEEN INVESTMENTS HOLDINGS LLC and TSP ALÜMİNYUM ANONİM ŞİRKETİ on the sale of a 55% share in its subsidiaries Tau-Ken Temir LLP and Silicon Mining LLP. The sale was completed on August 27, 2024 upon receipt of full payment in the amount of 4,907 million tenge.

As of the date of loss of control, the net assets of Tau-Ken Temir LLP and Silicon Mining LLP amounted to 4,108 million tenge.

The result of the disposal of subsidiaries is presented as follows:

In millions of tenge	August 27, 2024
Cash consideration received at the date of disposal of subsidiaries	4,907
Fair value of 45% retained interests in associates (Note 11)	3,918
Net assets disposed	(4,108)
Gain from disposal of subsidiaries	4,717

Besshoky Ltd

On January 31, 2024 the Group completed the sale of its 100% interest in Besshoky Ltd. The consideration received was 4,214 million tenge, including an advance of 919 million tenge received in December 2023. As at the date of loss of control, the net assets of Besshoky Ltd were 5 million tenge. The net proceeds from the disposal of Besshoky Ltd were 4,209 million tenge.

Disposals in 2023

Railway Passenger Coach Construction Plant LLP

On December 13, 2022 the Group entered into a sale agreement with a third party for a 100% interest in the charter capital of Railway Passenger Coach Construction Plant LLP. As at December 31, 2022 the Group classified the assets and liabilities of Railway Passenger Coach Construction Plant LLP as a disposal group held for sale at the lower of their carrying amount and fair value less costs to sell. Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. On January 27, 2023 the Group completed the transaction on the date of the state re-registration and lost control over the subsidiary.

At the date of loss of control net assets of Railway Passenger Coach Construction Plant LLP were as follows:

In millions of tenge	Net assets at the date of disposal
Property, plant and equipment	5,666
Inventories	40
VAT receivable	2
Other current financial assets	40,000
Other current assets	7
Cash and cash equivalents	52
Total assets	**45,767**
Trade and other payables	20
Other current liabilities	40,029
Total liabilities	**40,049**
Net assets	**5,718**

The result of the disposal of a subsidiary is presented as follows:

In millions of tenge	
Proceeds from disposal of subsidiary	12,000
Net assets disposed	(5,718)
Result of disposal of Railway Passenger Coach Construction Plant LLP	**6,282**

Kalamkas-Khazar Operating LLP (hereinafter – "KKO")

On February 9, 2023, the Group, represented by its subsidiary the "National Company "KazMunayGas" JSC, and Lukoil PJSC signed a purchase and sale agreement for a 50% share of KKO, subsidiary of the Group, holder of a contract for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea. On September 11, 2023, KKO was re-registered after the parties fulfilled the suspensive conditions of a purchase and sale agreement. As a result of the transaction, the Group lost control over KKO.

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (the Additional consideration). The Group recognized this Additional consideration as a financial asset measured at fair value through profit or loss in the amount of 29 million US dollars (equivalent to 14,154 million tenge).

On September 21, 2023, Lukoil PJSC made payment of cash consideration in the amount of 200 million US dollars (equivalent to 94,644 million tenge at the date of payment).

The investment retained in the former subsidiary is a joint venture accounted for using the equity method and its fair value is 93,258 million tenge (Note 11).

At the date of loss of control net assets of KKO were as follows:

In millions of tenge	Net assets at the date of disposal
Property, plant and equipment	5,185
Exploration and evaluation assets	14,678
VAT receivable	626
Cash and cash equivalents	20
Total assets	**20,509**
Borrowings	2,511
Trade and other payables	3,548
Other current liabilities	5
Total liabilities	**6,064**
Net assets directly associated with the disposal group	**14,445**
Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture (Note 11)	93,258
Gain from disposal of subsidiary	**186,225**

The results of KKO for the period from January 1, 2023 through the date of loss of control are presented below:

In millions of tenge	January 1, 2023 – September 11, 2023
General and administrative expenses	(108)
Finance income	7
Finance costs	(33)
Net foreign exchange loss	(98)
Income tax expenses	(1)
Net loss for the period	**(233)**

The net cash flows incurred by KKO for the period from January 1, 2023 through the date of loss of control are as follows:

In millions of tenge	January 1, 2023 – September 11, 2023
Operating	(102)
Investing	(16,937)
Financing	17,059
Net decrease in cash and cash equivalents	**20**

Assets classified as held for sale or distribution to the Shareholder

Assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	Segment	December 31, 2024	December 31, 2023
Assets classified as held for sale, including		833,309	1,684,796
Mobile Telecom Service LLP	Communication	577,345	–
GPC Investment LLP (Note 6)	Oil-and-gas and petrochemical	239,133	–
Qazaq Air JSC	Air transportation	14,944	–
Kazakhstan Petrochemical Industries Inc. LLP	Oil-and-gas and petrochemical	–	1,064,032
Air Astana JSC	Air transportation	–	618,826
Other		1,887	1,938
Assets classified as held for distribution to Shareholder		2,582	104
		835,891	**1,684,900**

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	Segment	December 31, 2024	December 31, 2023
Liabilities associated with assets classified as held for sale		(343,940)	(1,573,820)
Mobile Telecom Service LLP	Communication	(167,487)	–
GPC Investment LLP (Note 6)	Oil-and-gas and petrochemical	(172,717)	–
Qazaq Air JSC	Air transportation	(3,736)	–
Kazakhstan Petrochemical Industries Inc. LLP	Oil-and-gas and petrochemical	–	(1,052,257)
Air Astana JSC	Air transportation	–	(521,563)
		(343,940)	**(1,573,820)**

Mobile Telecom Service LLP

On April 30, 2024 the Group announced its decision to dispose Mobile Telecom Service LLP (hereinafter - "MTS") by selling its 100% share to Power International Holding (PIH). On June 4, 2024 the Group entered into an agreement for the sale of MTS with PIH Interconnect Ltd.

As at December 31, 2024, all conditions under the MTS sale agreement were satisfied, but under this agreement, the transaction is to be completed on a date that is three business days after the date of notice from either party to the agreement confirming that the last of the conditions has been duly satisfied, or on such date as the parties to the agreement may agree in writing. As at December 31, 2024 the Group had not signed a transaction completion document with PIH and, accordingly, the Group retained control over MTS. The sale of 100% of MTS was completed on January 14, 2025.

Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation.

As of December 31, 2024 MTS's fair value less costs to sell exceeded MTS's net assets.

As of December 31, 2024 MTS's principal assets and liabilities classified as held for sale were as follows:

In millions of tenge	December 31, 2024
Assets	
Property, plant and equipment	251,257
Intangible assets, including:	256,477
Goodwill (Note 9)	96,206
Other non-current financial assets	80
Other non-current assets	2,244
Inventories	3,830
Trade accounts receivable	5,437
Other current assets	6,861
Cash and cash equivalents	51,159
Assets classified as held for sale	**577,345**
Liabilities	
Borrowings	30,540
Provisions	20,472
Lease liabilities	39,910
Other non-current liabilities	18,616
Deferred tax liabilities	12,106
Income taxes payable	339
Trade and other payables	18,492
Employee benefit liabilities	4,548
Other current liabilities	22,464
Liabilities associated with assets classified as held for sale	**167,487**
Net assets held for sale	**409,858**

During the period from the date of reclassification of property, plant and equipment to assets held for sale and December 31, 2024, MTS acquired property, plant and equipment with a total initial cost of 22,821 million tenge.

Qazaq Air JSC

On June 24, 2024, the Board of Directors of the Fund made a decision to transfer up to 100% of the shares of Qazaq Air JSC to a competitive environment through a direct targeted sale in favor of SOVICO Group JSC. On December 24, 2024, a sale and purchase agreement was signed between the Fund and a consortium consisting of Central Asia Aviation Holdings Limited (part of the Vietnamese conglomerate Sovico Group JSC) and Kazasia Holdings Limited. The sale transaction was not completed by the end of 2024, as certain conditions precedent were not met. In this regard, the Group retained control over Qazaq Air JSC as of December 31, 2024. Due to the fact that as a result of the sale, the Group will retain significant influence, the Group will recognise an investment at fair value in an associate.

Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. The management of the Group expects the transaction will be completed within 12 months after the reporting date, therefore the net assets of Qazaq Air JSC of 11,208 million tenge were reclassified as assets held for sale as at December 31, 2024.

The assets and liabilities of Qazaq Air JSC as at December 31, 2024 are presented as follows:

In millions of tenge	December 31, 2024
Assets	
Property, plant and equipment	9,041
Intangible assets	18
Inventories	2,173
Trade accounts receivable	26
VAT receivable	174
Income tax prepaid	30
Other current assets	1,312
Cash and cash equivalents	2,170
Assets classified as held for sale	**14,944**
Liabilities	
Trade and other payables	1,889
Other current liabilities	1,847
Liabilities associated with assets classified as held for sale	**3,736**
Net assets held for sale	**11,208**

8. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Net book value at January 1, 2023	**4,666,607**	**1,985,605**	**1,154,397**	**1,295,503**	**3,760,385**	**197,087**	**205,231**	**1,163,956**	**14,428,771**
Foreign currency translation	(72,665)	(6,502)	(2,831)	(172)	(8,439)	–	(2,036)	(4,015)	(96,660)
Changes in estimates	5,903	5,385	(2,927)	–	414	(2,132)	(4)	(1,572)	5,067
Additions	55,727	71,912	25,898	591	150,656	51,242	16,281	1,869,340	2,241,647
Acquisition through business combinations (Note 5)	159,728	–	6,020	–	943	–	118	14,708	181,517
Additions through lease agreements	1,447	–	13,746	–	134,196	–	40,914	–	190,303
Capitalized repair works on right-of-use assets	–	–	–	–	4,782	–	–	–	4,782
Lease modifications	2,057	19	(781)	–	65,830	–	959	–	68,084
Disposals	(39,022)	(8,819)	(10,570)	(73)	(67,495)	(52)	(7,729)	(5,737)	(139,497)
Loss of control over subsidiaries (Note 7)	–	–	–	–	–	–	–	(5,185)	(5,185)
Depreciation charge	(361,838)	(155,784)	(69,224)	(42,070)	(405,780)	(55,998)	(21,999)	–	(1,112,693)
Depreciation and impairment on disposals	23,353	8,438	6,348	58	65,220	9	7,317	3,128	113,871
Impairment, net of reversal of impairment (Note 29)	–	(83,215)	(12,154)	(922)	(1,517)	(324)	(4,528)	(26,577)	(129,237)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (Note 7)	–	–	(14,529)	–	(365,214)	(5)	(6,963)	(1,478)	(388,189)
Transfers from/(to) exploration and evaluation assets, investment property, net	12,107	(702)	(305)	–	–	2,360	(32)	19	13,447
Transfer from/(to) inventories, net	58	600	137	(5,108)	1,651	37,351	897	9,798	45,384
Other transfers and reclassifications	263,459	342,743	77,885	170,921	706,533	(48)	12,922	(1,574,415)	–
Other changes	(62)	–	–	–	73	–	–	(1,860)	(1,849)
Net book value at December 31, 2023 (restated)	**4,716,859**	**2,159,680**	**1,171,110**	**1,418,728**	**4,042,238**	**229,490**	**241,348**	**1,440,110**	**15,419,563**
Historical cost	7,613,703	4,390,002	1,991,660	1,785,016	7,184,701	538,700	463,090	1,579,608	25,546,480
Accumulated depreciation and impairment	(2,896,844)	(2,230,322)	(820,550)	(366,288)	(3,142,463)	(309,210)	(221,742)	(139,498)	(10,126,917)
Net book value at December 31, 2023 (restated)	**4,716,859**	**2,159,680**	**1,171,110**	**1,418,728**	**4,042,238**	**229,490**	**241,348**	**1,440,110**	**15,419,563**

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Including right–of–use assets under lease agreements									
Net book value at January 1, 2023	**27,643**	**95,397**	**32,585**	**–**	**470,669**	**–**	**31,092**	**–**	**657,386**
Foreign currency translation	(518)	(103)	(427)	–	(6,659)	–	(551)	–	(8,258)
Changes in estimates	–	–	–	–	–	–	(4)	–	(4)
Additions through lease agreements	1,447	–	13,746	–	134,196	–	40,914	–	190,303
Capitalized repair works	–	–	–	–	4,782	–	–	–	4,782
Lease modifications	2,057	19	(781)	–	65,830	–	959	–	68,084
Termination of lease agreements	(20,711)	–	(6,347)	–	(21,673)	–	(31)	–	(48,762)
Depreciation charge	(5,319)	(22,628)	(8,482)	–	(93,676)	–	(5,128)	–	(135,233)
Depreciation and impairment on disposals	6,195	–	4,047	–	21,438	–	22	–	31,702
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	–	(4,564)	–	(337,927)	–	–	–	(342,491)
Transfer from/(to) property, plant and equipment, net	–	–	820	–	(36,660)	–	(590)	–	(36,430)
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**–**	**200,320**	**–**	**66,683**	**–**	**381,079**
Historical cost of right–of–use assets under lease agreements	23,936	119,081	60,212	–	298,333	–	85,794	–	587,356
Accumulated depreciation and impairment of right–of–use assets under lease agreements	(13,142)	(46,396)	(29,615)	–	(98,013)	–	(19,111)	–	(206,277)
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**–**	**200,320**	**–**	**66,683**	**–**	**381,079**

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Net book value at January 1, 2024 (restated)	**4.716.859**	**2.159.680**	**1.171.110**	**1.418.728**	**4.042.238**	**229.490**	**241.348**	**1.440.110**	**15.419.563**
Foreign currency translation	572.926	40.691	15.348	(41)	13.571	–	23.227	35.797	701.519
Changes in estimates	(8.735)	(14.655)	(2.172)	–	2.228	(1.795)	1	–	(25.128)
Additions	60.100	310.627	9.960	365	125.265	100.110	11.292	2.080.332	2.698.051
Acquisition through business combinations (Note 5)	–	3.005	2.191	–	223	23.318	15	604	29.356
Additions through lease agreements	3.343	–	10.720	–	184.754	–	12.866	–	211.683
Capitalized repair works on right-of-use assets	–	–	–	–	23	–	–	–	23
Lease modifications	–	88	4.244	–	7.750	–	4.679	–	16.761
Disposals	(45.619)	(5.867)	(15.705)	(457)	(95.453)	–	(14.524)	(11.198)	(188.823)
Loss of control over subsidiaries (Note 7)	–	–	–	–	–	–	(28)	–	(28)
Depreciation charge	(400.901)	(156.934)	(64.095)	(42.330)	(347.922)	(68.345)	(24.489)	–	(1.105.016)
Depreciation and impairment on disposals	37.407	5.764	12.096	296	89.508	–	12.915	6.016	164.002
Impairment, net of reversal of impairment (Note 29)	–	(6.576)	5.988	(59)	(2.670)	–	138	(93.458)	(96.637)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (Note 7)	–	(785)	(16.639)	–	(145.501)	–	(2.607)	(70.933)	(236.465)
Transfers from/(to) exploration and evaluation assets, investment property, net	58	(425)	(5.890)	–	(27)	13.423	(4)	(618)	6.517
Transfer from/(to) inventories, net	437	169	(57)	(4.011)	2.161	54.555	908	9.265	63.427
Other transfers and reclassifications	231.209	134.354	116.841	166.546	987.482	5.986	13.594	(1.656.012)	–
Other changes	(387)	–	–	–	691	–	3	(1.674)	(1.367)
Net book value at December 31, 2024	**5.166.697**	**2.469.136**	**1.243.940**	**1.539.037**	**4.864.321**	**356.742**	**279.334**	**1.738.231**	**17.657.438**
Historical cost	8.760.473	5.063.347	2.139.106	1.938.676	8.116.694	734.297	528.634	1.960.220	29.241.447
Accumulated depreciation and impairment	(3.593.776)	(2.594.211)	(895.166)	(399.639)	(3.252.373)	(377.555)	(249.300)	(221.989)	(11.584.009)
Net book value at December 31, 2024	**5.166.697**	**2.469.136**	**1.243.940**	**1.539.037**	**4.864.321**	**356.742**	**279.334**	**1.738.231**	**17.657.438**

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Including right–of–use assets under lease agreements									
Net book value at January 1, 2024	**10,794**	**72,685**	**30,597**	**–**	**200,320**	**–**	**66,683**	**–**	**381,079**
Foreign currency translation	1,510	816	2,017	–	97	–	10,595	–	15,035
Additions through lease agreements	3,343	–	10,720	–	184,754	–	12,866	–	211,683
Capitalized repair works	–	–	–	–	23	–	–	–	23
Lease modifications	–	88	4,244	–	7,750	–	4,679	–	16,761
Termination of lease agreements	(6,662)	(18)	(6,468)	–	(27,770)	–	(5,184)	–	(46,102)
Depreciation charge	(6,714)	(22,636)	(8,256)	–	(25,838)	–	(6,667)	–	(70,111)
Depreciation and impairment on disposals	5,880	18	4,430	–	27,166	–	5,096	–	42,590
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	–	(2,188)	–	(44,874)	–	–	–	(47,062)
Transfer to property, plant and equipment	–	–	–	–	(672)	–	(44)	–	(716)
Net book value at December 31, 2024	**8,151**	**50,953**	**35,096**	**–**	**320,956**	**–**	**88,024**	**–**	**503,180**
Historical cost of right–of–use assets under lease agreements	24,642	120,268	66,507	–	395,566	–	111,218	–	718,201
Accumulated depreciation and impairment of right–of–use assets under lease agreements	(16,491)	(69,315)	(31,411)	–	(74,610)	–	(23,194)	–	(215,021)
Net book value at December 31, 2024	**8,151**	**50,953**	**35,096**	**–**	**320,956**	**–**	**88,024**	**–**	**503,180**

As at December 31, 2024 property, plant and equipment with net book value of 269,087 million tenge was pledged as collateral for some of the Group's borrowings (December 31, 2023: 200,191 million tenge).

As at December 31, 2024 the cost of fully amortised property, plant and equipment of the Group was equal to 1,479,159 million tenge (December 31, 2023: 1,404,115 million tenge).

In 2024 the Group capitalized borrowing costs at an average interest rate of 12.93% in the amount of 107,098 million tenge (Notes 19, 20) less investment income of 465 million tenge (2023: at an average interest rate of 13.56% in the amount of 84,178 million tenge less investment income of 1,665 million tenge).

9. INTANGIBLE ASSETS

In millions of tenge	Licenses	Subsurface use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2023	**694,980**	**795,766**	**317,072**	**27,286**	**66,786**	**43,749**	**1,945,639**
Foreign currency translation	(9,039)	(3,659)	(211)	(477)	(318)	(253)	(13,957)
Changes in estimates	–	(279)	–	–	–	–	(279)
Additions	156,723	68	–	–	26,220	30,604	213,615
Acquisition through business combinations (Note 5)	–	667	9,814	–	3,098	1,716	15,295
Disposals	(821)	–	–	–	(6,483)	(509)	(7,813)
Amortization charge	(53,046)	(39,616)	–	–	(35,291)	(4,018)	(131,971)
Accumulated amortization and impairment on disposals	817	–	–	–	6,319	455	7,591
(Impairment)/reversal of impairment, net (Note 29)	36	–	–	–	25	(1,807)	(1,746)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	–	–	–	(1,289)	–	(1,289)
Other transfers and reclassifications	6,241	–	–	–	(1,893)	(4,348)	–
Other changes	1	62	–	–	495	459	1,017
Net book value at December 31, 2023 (restated)	**795,892**	**753,009**	**326,675**	**26,809**	**57,669**	**66,048**	**2,026,102**
Foreign currency translation	71,155	29,423	1,845	4,161	909	2,243	109,736
Additions	12,653	178	–	–	7,387	20,728	40,946
Acquisition through business combinations (Note 5)	18	709,797	–	–	–	–	709,815
Additions through lease agreements	678	–	–	–	1,901	–	2,579
Disposals	(5,564)	–	(1,515)	–	(11,383)	(588)	(19,050)
Amortization charge	(56,355)	(47,549)	–	–	(21,614)	(3,575)	(129,093)
Accumulated amortization and impairment on disposals	5,559	–	1,515	–	11,279	421	18,774
(Impairment)/reversal of impairment, net (Note 29)	–	–	–	–	(23)	(305)	(328)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (Note 7)	(151,210)	–	(96,206)	–	(2,501)	(3,222)	(253,139)
Other transfers and reclassifications	1,694	–	–	–	7,593	(9,287)	–

In millions of tenge	Licenses	Subsurface use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Other changes	–	1,953	–	–	253	(9,205)	(6,999)
Net book value at December 31, 2024	**674,520**	**1,446,811**	**232,314**	**30,970**	**51,470**	**63,258**	**2,499,343**
Historical cost	1,016,883	1,725,564	346,005	79,497	238,686	156,844	3,563,479
Accumulated amortization and impairment	(342,363)	(278,753)	(113,691)	(48,527)	(187,216)	(93,586)	(1,064,136)
Net book value at December 31, 2024	**674,520**	**1,446,811**	**232,314**	**30,970**	**51,470**	**63,258**	**2,499,343**
Historical cost	1,102,731	973,032	441,880	68,816	243,184	148,895	2,978,538
Accumulated amortization and impairment	(306,839)	(220,023)	(115,205)	(42,007)	(185,515)	(82,847)	(952,436)
Net book value at December 31, 2023 (restated)	**795,892**	**753,009**	**326,675**	**26,809**	**57,669**	**66,048**	**2,026,102**

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Including right-of-use assets under lease agreements							
Net book value at January 1, 2024	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Additions through lease agreements	678	–	–	–	1,901	–	2,579
Depreciation charge	(10)	–	–	–	(38)	–	(48)
Transfer to intangible assets	(668)	–	–	–	–	–	(668)
Net book value at December 31, 2024	**–**	**–**	**–**	**–**	**1,863**	**–**	**1,863**
Historical cost of right-of-use assets under lease agreements	–	–	–	–	1,901	–	1,901
Accumulated depreciation and impairment of right-of-use assets under lease agreements	–	–	–	–	(38)	–	(38)
Net book value at December 31, 2024	**–**	**–**	**–**	**–**	**1,863**	**–**	**1,863**

As at December 31, 2024 and 2023, marketing related intangible assets were represented by trademarks of KMGI.

Carrying amount of goodwill is allocated to each of the group of cash-generating units as follows:

Cash-generating unit	December 31, 2024	December 31, 2023 (restated)
Pavlodar refinery CGU	88,553	88,553
Kcell JSC CGU	53,490	53,490
Karatau LLP CGU	24,808	24,808
JV Akbastau JSC CGU	18,520	18,520
National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") CGU	15,520	15,520
CGUs of KMGI	13,737	11,892
CGU Dunga (Note 5)	9,814	9,814
MC Ortalyk LLP CGU	5,166	5,166
IP TV CGU	2,706	2,706
MTS CGU (Note 7)	–	96,206
Total goodwill	**232,314**	**326,675**

In 2024 and 2023, based on the impairment test results, no impairment of goodwill was recognized. For the detailed discussion of goodwill impairment test refer to Note 4.

10. EXPLORATION AND EVALUATION ASSETS

Movements in exploration and evaluation assets are presented as follows:

In millions of tenge	Tangible	Intangible	Total
Net book value at January 1, 2023	**279,308**	**14,992**	**294,300**
Foreign currency translation	(3,376)	–	(3,376)
Change in estimate	(374)	–	(374)
Additions	45,013	30,038	75,051
Disposals	(19,921)	(824)	(20,745)
Loss of control over subsidiaries (Note 7)	–	(14,678)	(14,678)
Impairment/write-off, net of reversal of impairment (Note 29)	(121,319)	(9,865)	(131,184)
Depreciation and impairment on disposals	19,918	648	20,566
Transfers from/(to) property, plant and equipment, net	(14,841)	355	(14,486)
Net book value at December 31, 2023	**184,408**	**20,666**	**205,074**
Foreign currency translation	21,216	–	21,216
Change in estimate	3,959	(5)	3,954
Additions	29,050	13,285	42,335
Acquisition through business combinations (Note 5)	1,723	–	1,723
Disposals	(47,953)	(2,405)	(50,358)
Loss of control over subsidiaries (Note 7)	(191)	(100)	(291)
Impairment/write-off, net of reversal of impairment (Note 29)	(20,648)	(1,036)	(21,684)
Depreciation and impairment on disposals	47,953	2,082	50,035
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	(16)	(16)
Transfers from/(to) property, plant and equipment, net	(13,481)	–	(13,481)
Other transfers and reclassifications	84	(84)	–
Other changes	58	(1,566)	(1,508)
Net book value at December 31, 2024	**206,178**	**30,821**	**236,999**
Historical cost	322,568	43,892	366,460
Accumulated impairment	(116,390)	(13,071)	(129,461)

In millions of tenge	Tangible	Intangible	Total
Net book value at December 31, 2024	**206,178**	**30,821**	**236,999**
Historical cost	316,150	34,783	350,933
Accumulated impairment	(131,742)	(14,117)	(145,859)
Net book value at December 31, 2023	**184,408**	**20,666**	**205,074**

As at December 31, 2024 and 2023 the exploration and evaluation assets are represented by the following projects:

In millions of tenge	2024	2023
North Caspian project	161,838	140,098
KMG Barlau	27,199	14,346
NAC KAP projects	14,792	26,019
Turgai paleozoi project	14,604	–
JSC "NC "QazaqGaz" projects	5,590	4,510
Embamunaigas JSC	2,711	1,509
Other	10,265	18,592
	236,999	**205,074**

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

As at December 31 investments in joint ventures and associates comprised the following:

			2024		2023	
In millions of tenge	Main activity	Place of business	Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP[37]	Oil and gas exploration and production	Kazakhstan	3,987,223	20.00%	3,598,510	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	781,532	50.00%	978,536	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	307,283	50.00%	280,300	50.00%
Mangistau Investments B.V. Group	Oil and gas development and production	Kazakhstan	196,938	50.00%	203,614	50.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	88,018	50.00%	93,258	50.00%
Forum Muider B.V.	Production of coal	Kazakhstan	79,402	50.00%	79,941	50.00%
Ural Group Limited	Oil and gas exploration and production	Kazakhstan	67,860	50.00%	7,641	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	66,539	50.00%	69,479	50.00%
Kazakhstan – China Pipeline LLP	Oil transportation	Kazakhstan	66,202	50.00%	53,358	50.00%
Silleno LLP[38]	Construction of the first integrated gas-chemical complex	Kazakhstan	65,190	40.00%	17,663	60.00%
Semizbay-U LLP	Extraction, processing and export of uranium products	Kazakhstan	39,763	51.00%	31,318	51.00%
Other			**273,295**		243,203	
Total joint ventures			**6,019,245**		**5,656,821**	
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	540,455	29.82%	432,557	29.82%
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/ Russia	484,247	20.75%	451,913	20.75%
Air Astana JSC	Air transportation	Kazakhstan	168,737	41.00%	–	–
JV KATCO LLP	Exploration, production,	Kazakhstan	138,146	49.00%	97,501	49.00%
PetRepublic of Kazakhstanazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	**82,175**	33.00%	94,887	33.00%
Other			272,828		166,328	
Total associates			**1,686,588**		**1,243,186**	
			7,705,833		**6,900,007**	

[37] The share of 20% provides the Group the joint control over TCO where decisions about the relevant activities require unanimous consent.
[38] The share of 40% and 60% as at December 31, 2024 and 2023, respectively, provided the Group the joint control over Silleno where decisions about the relevant activities require unanimous consent.

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2024, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	Kalamkas-Khazar Operating LLP	Forum Muider B.V.	Ural Group Limited	KazRosGas LLP	Kazakhstan – China Pipeline LLP	Silleno LLP	Semizbay-U LLP
Joint ventures											
Non-current assets	26,176,361	1,033,027	572,890	453,936	31,962	195,987	242,666	19,368	119,017	132,833	34,155
Current assets, including	2,664,463	731,998	126,431	237,009	6,307	90,157	23,706	127,977	49,543	1,918	75,899
Cash and cash equivalents	1,142,568	634,950	86,021	84,851	6,301	4,486	15,317	75,084	39,103	1,884	5,034
Non-current liabilities, including	7,086,258	164,754	67,684	140,577	43,328	14,006	47,481	403	22,936	–	7,316
Non-current financial liabilities	3,675,770	–	58,267	–	–	10,875	24,832	–	–	–	66
Current liabilities, including	1,818,449	37,207	53,348	159,532	5,819	113,335	19,923	13,864	13,220	5,623	16,301
Current financial liabilities	1,050,220	–	16,276	–	–	96,017	–	–	–	–	7,952
Equity	**19,936,117**	**1,563,064**	**578,289**	**390,836**	**(10,878)**	**158,803**	**198,968**	**133,078**	**132,404**	**129,128**	**86,437**
Share of ownership	20.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	40.00%	51.00%
Recognition of investment (Note 7)	–	–	–	–	93,258	–	–	–	–	–	–
Impairment of the investment	–	–	–	–	–	–	(20,000)	–	–	–	–
Goodwill	–	–	–	–	–	–	–	–	–	–	4,105
Unrealised profit/(loss)	–	–	–	–	199	–	–	–	–	–	(8,557)
Consolidation adjustments	–	–	18,138	1,520	–	–	(11,624)	–	–	13,539	132
Carrying amount of investment as at December 31, 2024	**3,987,223**	**781,532**	**307,283**	**196,938**	**88,018**	**79,402**	**67,860**	**66,539**	**66,202**	**65,190**	**39,763**
Revenue	8,358,505	897,105	164,864	871,754	–	138,481	26,561	255,369	87,939	–	95,508
Depreciation, depletion and amortization	(2,615,840)	(73,064)	(30,168)	(94,355)	–	(12,466)	(6)	(312)	(10,267)	–	(7,869)
Finance income	116,985	39,451	4,538	1,800	139	5,630	–	6,602	2,688	–	752
Finance costs	(240,018)	(223)	(9,684)	(17,802)	(1,495)	(11,521)	(586)	–	(333)	–	(1,178)
Income tax (expenses)/benefit	(669,126)	(164,140)	–	(38,238)	–	(21)	9,581	(14,569)	(10,519)	–	(12,612)
Profit/(loss) for the year	1,517,402	651,445	89,965	71,452	(10,479)	(912)	(17,922)	38,315	41,688	(2,138)	48,624
Other comprehensive income/(loss) for the year	2,693,108	725	–	4,365	–	(167)	33,035	20,454	(1)	–	(38)
Total comprehensive income/(loss) for the year	**4,210,510**	**652,170**	**89,965**	**75,817**	**(10,479)**	**(1,079)**	**15,113**	**58,769**	**41,687**	**(2,138)**	**48,586**
Unrealised profit	–	–	–	–	–	–	–	–	–	–	(3,058)
Dividends received	458,813	523,089	18,000	44,584	–	–	–	53,276	8,000	–	13,277

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2023, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	Kalamkas-Khazar Operating LLP	Forum Muider B.V.	Ural Group Limited	KazRosGas LLP	Kazakhstan – China Pipeline LLP	Silleno LLP	Semizbay-U LLP
Joint ventures											
Non-current assets	24,831,196	1,086,415	599,565	462,565	9,192	191,625	193,637	33,032	127,038	36,284	31,061
Current assets, including	1,863,832	1,055,299	150,686	199,708	1,232	87,470	11,475	148,932	49,554	5,546	52,012
Cash and cash equivalents	696,871	881,038	8,226	89,410	112	5,196	6,905	65,122	23,837	5,516	29,571
Non-current liabilities, including	7,434,076	161,112	130,617	132,981	10,376	11,220	145,798	238	23,107	–	7,677
Non-current financial liabilities	4,091,040	–	117,703	–	–	8,959	119,188	–	–	–	–
Current liabilities, including	1,268,404	23,530	95,311	119,109	324	107,993	4,033	42,769	46,768	18,511	11,512
Current financial liabilities	–	–	45,825	–	–	93,781	–	–	32,843	–	3,646
Equity	**17,992,548**	**1,957,072**	**524,323**	**410,183**	**(276)**	**159,882**	**55,281**	**138,957**	**106,717**	**23,319**	**63,884**
Share of ownership	20.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	60.00%	51.00%
Recognition of investment (Note 7)	–	–	–	–	93,258	–	–	–	–	–	–
Impairment of the investment	–	–	–	–	–	–	(20,000)			–	–
Goodwill	–	–	–	–	–	–	–	–	–	–	4,105
Unrealised profit/(loss)	–	–	–	–	138	–	–	–	–	(173)	(5,499)
Consolidation adjustments	–	–	18,138	(1,477)	–	–	–	–	–	3,844	131
Carrying amount of investment as at December 31, 2023	**3,598,510**	**978,536**	**280,300**	**203,614**	**93,258**	**79,941**	**7,641**	**69,479**	**53,358**	**17,663**	**31,318**
Revenue	8,796,634	856,980	178,259	878,362	–	131,225	(352)	260,125	86,843	–	70,757
Depreciation, depletion and amortization	(2,426,361)	(76,035)	(28,452)	(107,455)	–	(9,395)	(109)	(295)	(10,170)	–	(7,994)
Finance income	86,023	20,964	5,788	784	2	9,331	–	2,243	585	–	712
Finance costs	(283,225)	(3,808)	(16,971)	(14,411)	(118)	(1,083)	(606)	–	(3,628)	–	(838)
Income tax expenses	(730,465)	(127,111)	–	(47,354)	–	(7,139)	8,206	(13,996)	(9,341)	–	(8,506)
Profit/(loss) for the year	1,704,419	537,264	105,855	76,510	(44)	23,760	(94,011)	64,648	37,440	(992)	32,542
Other comprehensive (loss)/income for the year	(325,499)	(738)	–	1,285	–	(195)	(3,243)	(305)	1	–	–
Total comprehensive income/(loss) for the year	**1,378,920**	**536,526**	**105,855**	**77,795**	**(44)**	**23,565**	**(97,254)**	**64,343**	**37,441**	**(992)**	**32,542**
Unrealised profit	–	–	–	–	–	–	–	–	–	–	(3,572)
Dividends received	502,227	–	10,864	–	–	–	–	553	2,500	–	9,959

The following tables illustrate summarized financial information of significant associates, based on IFRS financial statements of these entities for 2024 and 2023, reflecting equity method accounting adjustments:

	2024					2023			
In millions of tenge	Kazzinc LLP	Caspian Pipeline Consortium JSC	Air Astana JSC*	JV KATCO LLP	Petro-Kazakhstan Inc. ("PKI")	Kazzinc LLP	Caspian Pipeline Consortium JSC	JV KATCO LLP	Petro-Kazakhstan Inc. ("PKI")
Associates									
Non-current assets	1,102,652	2,109,714	651,008	221,614	174,833	1,057,553	1,969,703	166,440	206,008
Current assets	1,068,419	288,618	334,104	110,132	139,072	834,858	295,663	88,943	138,626
Non-current liabilities	97,412	8,147	529,300	14,464	16,382	74,966	18,722	22,037	20,063
Current liabilities	261,394	299,418	215,592	26,587	27,971	366,986	279,064	14,872	16,497
Equity	**1,812,265**	**2,090,767**	**240,220**	**290,695**	**269,552**	**1,450,459**	**1,967,580**	**218,474**	**308,074**
Share of ownership	29.82%	20.75%	41.00%	49.00%	33.00%	29.82%	20.75%	49.00%	33.00%
Goodwill	–	50,413	70,247	68	–	–	43,640	68	–
Unrealised profit	–	–	–	(19,567)	–	–	–	(16,881)	–
Additional allocation of profits	–	–	–	15,205	–	–	–	7,261	–
Impairment of the investment	–	–	–		(6,778)	–	–	–	(6,778)
Carrying amount of investment	**540,455**	**484,247**	**168,737**	**138,146**	**82,175**	**432,557**	**451,913**	**97,501**	**94,887**
Revenue	1,925,032	1,063,100	557,069	242,535	132,943	1,668,169	1,039,509	147,448	128,343
Profit/(loss) for the year	215,884	392,890	26,800	138,226	6,828	(170,572)	310,160	66,006	14,814
Other comprehensive income/(loss) for the year	–	334,726	32,042	–	20,354	–	(42,915)	–	(4,927)
Total comprehensive income/(loss) for the year	**215,884**	**727,616**	**58,842**	**138,226**	**27,182**	**(170,572)**	**267,245**	**66,006**	**9,887**
Unrealised profit	–	–	–	(2,687)	–	–	–	(6,288)	–
Dividends received	31,293	115,804	–	40,233	17,920	–	124,585	49,689	2,864

* The amounts of revenue, profit, other comprehensive income and total comprehensive income of Air Astana JSC represent the amounts accrued for the period from the date of loss of control to December 31, 2024.

All of the above joint ventures and associates are strategic for the Group's business.

The following tables illustrate aggregate financial information of individually insignificant joint ventures (the Group's proportional interest):

In millions of tenge	2024	2023
Carrying amount of investments as at December 31	**273,295**	**243,203**
Net profit for the year	79,129	98,503
Other comprehensive income for the year	4,659	(1,701)
Total comprehensive income for the year	**83,788**	**96,802**

The following tables illustrate aggregate financial information of individually insignificant associates (the Group's proportional interest):

In millions of tenge	2024	2023
Carrying amount of investments as at December 31	**272,828**	**166,328**
Net profit for the year	74,179	65,799
Other comprehensive income/(loss) for the year	12,952	(7,503)
Total comprehensive income for the year	**87,131**	**58,296**

In 2024 dividends received from individually insignificant joint ventures and associates were equal to 124,149 million tenge (2023: 104,884 million tenge).

The following table summarizes the movements in equity investments in joint ventures and associates in 2024 and 2023:

In millions of tenge	2024	2023
Balance as at January 1	6,900,007	6,735,441
Share in profit of joint ventures and associates, net (Note 32)	1,148,846	945,079
Dividends received	(1,448,438)	(808,125)
Change in dividends receivable	21,395	(21,796)
Additional contributions without change in ownership	75,610	21,229
Acquisitions	219,198	100,820
Adjustment of unrealized income*	(322)	(2,140)
Disposals	(7,169)	(1)
Disposal of an interest in a joint venture without loss of joint control	(6,393)	–
Foreign currency translation	738,074	(100,768)
Other comprehensive income, other than foreign currency translation	11,467	5,916
Impairment, net (Note 29)	(4,420)	(5,073)
Other changes in the equity of the joint venture	57,978	29,425
Balance as at December 31	**7,705,833**	**6,900,007**

* Adjustment of unrealized income includes unrealized income from sale of other non-current assets from joint ventures to Group and capitalized borrowings costs on the loans provided by the Group to joint ventures.

As at December 31, 2024, the Group's share in unrecognized losses of joint ventures and associates was equal to 158,588 million tenge (December 31, 2023: 8,516 million tenge).

12. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

As at December 31, loans issued and net investment in finance lease comprised the following:

In millions of tenge	2024	Weighted average effective interest rate	2023	Weighted average effective interest rate
Loans issued at amortized cost	195,606	12.61%	130,979	11.33%
Loans issued at fair value through profit or loss	82,945	8.71%	86,173	12.95%
Net investment in finance lease	37,489	10.54%	45,614	10.21%
Total loans and net investment in finance lease	**316,040**		**262,766**	
Less: allowance for expected credit losses	(22,224)		(28,756)	
Loans issued and net investment in finance lease, net	293,816		234,010	
Less: current portion	(65,682)		(131,472)	
Non-current portion	**228,134**		**102,538**	

Movements in the loan allowance for expected credit losses for the years ended December 31 were as follows:

In millions of tenge	2024	2023
Allowance at January 1	**28,756**	**17,284**
Charged, net	(1,161)	11,372
Acquisition through business combinations (Note 5)	(1,280)	–
Write-off	(3,956)	–
Other changes	(135)	100
Allowance at December 31	**22,224**	**28,756**

As at December 31, 2024 and 2023 for loans issued and net investment in finance lease for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). Since initial recognition of the loans and receivables due from related parties there have been no significant increases in credit risk.

As at December 31 the components of net investment in finance lease are as follows:

In millions of tenge	2024	2023
Within one year	10,614	12,674
Later than one year, but not later than five years	26,120	28,862
After five years	13,545	21,232
Lease payments	**50,279**	**62,768**
Less: unearned finance income	(12,790)	(17,154)
Net investment in finance lease	**37,489**	**45,614**

In millions of tenge	2024	2023
Loans issued and net investment in finance lease in tenge	210,884	145,335
Loans issued in US dollars	82,932	88,675
	293,816	**234,010**

13. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at December 31 amounts due from credit institutions comprised the following:

In millions of tenge	2024	2023
Bank deposits	1,525,420	1,258,181
Loans to credit institutions	32,345	41,119
Less: allowance for expected credit losses	(260)	(420)
Amounts due from credit institutions, net	**1,557,505**	**1,298,880**
Less: current portion	(1,523,660)	(1,243,196)
Non-current portion	**33,845**	**55,684**

In millions of tenge	2024	2023
Rating from A+(A1) to A-(A3)	1,511,294	1,217,905
Rating from BBB-(Baa3) to BB-(Ba3)	45,725	80,531
Rating from B+(B1) to B-(B3)	486	444
	1,557,505	**1,298,880**

In millions of tenge	2024	Weighted average effective interest rate	2023	Weighted average effective interest rate
Amounts due from credit institutions, denominated in US dollars	1,515,113	4.88%	1,227,916	5.68%
Amounts due from credit institutions, denominated in tenge	42,024	3.07%	70,671	6.28%
Amounts due from credit institutions, denominated in other currencies	368	9.97%	293	6.62%
	1,557,505		**1,298,880**	

As at December 31, 2024 there has not been a significant increase in credit risk for amounts due from credit institutions since their initial recognition.

14. OTHER FINANCIAL ASSETS

As at December 31 other financial assets comprised the following:

In millions of tenge	2024	2023
Financial assets at fair value through other comprehensive income, including:	**436,964**	**46,696**
Treasury notes of foreign governments	274,390	23,844
Treasury bills of the Ministry of Finance of the RK	98,599	6,869
Corporate bonds	58,827	15,910
Eurobonds of the Ministry of Finance of the RK	5,075	–
Equity securities	73	73
Financial assets at amortized cost, including:	**1,134,507**	**1,513,528**
Bonds of Kazakhstani financial institutions	459,758	791,958
Corporate bonds	138,375	123,472
Treasury notes of foreign governments	76,425	99,079
Notes of the National Bank of the RK	69,901	122,178
Treasury bills of the Ministry of Finance of the RK	33,676	18,462
Eurobonds of the Ministry of Finance of the RK	6,030	1,936
Other financial assets at amortized cost, including:		
Restricted cash	223,120	186,347
Other accounts receivable	227,660	233,692
Amounts due from employees	12,046	13,530
Dividends receivable	8,308	21,262
Reservation of cash for repayment of borrowings	–	2,530
Other	12,919	13,670
Less: allowance for expected credit losses	(133,711)	(114,588)
Financial assets at fair value through profit or loss, including:	**197,670**	**168,287**

In millions of tenge	2024	2023
Equity securities	169,060	136,850
Additional consideration for sale of a subsidiary	17,461	13,862
Guaranteed returns from a shareholder of a joint venture	10,798	13,728
Corporate bonds	351	1,762
Options	–	2,085
Total financial assets	**1,769,141**	**1,728,511**
Less: current portion	(704,277)	(1,134,317)
Non-current portion	**1,064,864**	**594,194**

Debt securities

During the year ended December 31, 2024 as part of its free cash flow management strategy the Group was investing into notes of the National Bank of the RK with maturities of less than twelve months, that are usually held to maturity. As of December 31, 2024 the investment amounted to 69,901 million tenge (December 31, 2023: 122,178 million tenge).

During the year ended December 31, 2024 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury), Ministries of Finance of the RK and other foreign countries. As of December 31, 2024 the investment amounted to 494,195 million tenge (December 31, 2023: 150,190 million tenge).

As at December 31 other financial assets by currency, except for derivatives, comprised:

In millions of tenge	2024	2023
Financial assets, denominated in tenge	917,103	1,265,181
Financial assets, denominated in US dollars	819,579	437,477
Financial assets, denominated in euro	15,870	15,059
Financial assets, denominated in other currency	16,589	8,709
	1,769,141	**1,726,426**

15. INVENTORIES

As at December 31 inventories comprised the following:

In millions of tenge	2024	2023
Uranium products (at lower of cost and net realizable value)	314,367	328,015
Production materials and supplies (at lower of cost and net realizable value)	143,297	129,158
Oil refined products for sale (at lower of cost and net realizable value)	92,028	61,621
Crude oil (at cost)	90,509	82,354
Gas processed products (at cost)	87,291	64,123
Work in progress (at lower of cost and net realizable value)	80,658	104,378
Goods for resale (at lower of cost and net realizable value)	69,998	58,455
Oil and gas industry materials and supplies (at cost)	45,979	53,786
Fuel (at lower of cost and net realizable value)	34,101	40,305
Railway industry materials and supplies (at cost)	23,496	25,547
Electric transmission equipment spare parts (at cost)	8,333	7,400
Uranium industry materials and supplies (at lower of cost and net realizable value)	2,701	3,374
Telecommunication equipment spare parts (at cost)	2,488	2,526
Aircraft spare parts (at cost)	–	1,560
Other materials and supplies (at lower of cost and net realizable value)	34,746	46,044
	1,029,992	**1,008,646**

As at December 31, 2024 carrying value of inventories under pledge as collateral amounted to 225,074 million tenge (December 31, 2023: 186,378 million tenge).

16. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS

As at December 31 trade accounts receivable comprised the following:

In millions of tenge	2024	2023
Trade accounts receivable	1,514,191	1,366,846
Less: allowance for expected credit losses	(64,587)	(73,988)
	1,449,604	**1,292,858**

At December 31, 2024 the Group's receivables of 181,346 million tenge were pledged under certain Group borrowings (December 31, 2023: 197,651 million tenge).

As at December 31 other assets comprised the following:

In millions of tenge	2024	2023
Advances paid for non-current assets	932,933	899,680
Long-term VAT receivable	400,530	332,795
Assets under agency agreements	272,513	190,178
Other advances paid and deferred expenses	222,370	183,403
Other prepaid taxes	88,206	118,229
Long-term inventories	25,061	18,788
Non-financial assets for distribution to the Shareholder	20,149	–
Other	45,082	52,252
Less: impairment allowance	(153,329)	(128,957)
Total other assets	**1,853,515**	**1,666,368**
Less: current portion	(535,664)	(445,854)
Non-current portion	**1,317,851**	**1,220,514**

Assets under agency agreements are mainly represented by the funds of 272,513 million tenge transferred to the construction companies as part of the execution of contracts on comprehensive works and services for the construction of facilities within the framework of the pilot National project "Comfort School", where the Group acts as an agent under IFRS 15 (as at December 31, 2023: 190,178 million tenge) (Note 24).

The Group revised the classification of assets related to corporate income tax withheld as at December 31, 2023 and reclassified the assets in the amount of 40,121 million tenge from other current assets to other non-current assets. This reclassification had no impact on the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.

As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk city which is the subject for further transfer to the Shareholder. On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act.

Movements in the allowance for expected credit losses for trade accounts receivable for the years ended December 31 were as follows:

In millions of tenge	2024	2023
Allowance at January 1	**73,988**	**62,147**
Charged, net	(4,578)	31,303
Foreign exchange difference, net	2,300	(320)
Transfers to assets classified as held for sale or distribution to the Shareholder	(1.468)	(266)
Write-off	(6,014)	(18,855)
Other changes	**359**	**(21)**
Allowance at December 31	**64,587**	**73,988**

Movements in the impairment allowance for other current assets for the years ended December 31 were as follows:

In millions of tenge	2024	2023
Allowance at January 1	**128,957**	**69,797**
Charged, net	27,221	59,287
Foreign exchange difference, net	168	109
Transfers to assets classified as held for sale or distribution to the Shareholder	(1.219)	(84)
Write-off	(808)	(152)
Other changes	(990)	–
Allowance at December 31	**153,329**	**128,957**

17. CASH AND CASH EQUIVALENTS

As at December 31 cash and cash equivalents comprised the following:

In millions of tenge	2024	2023
Bank deposits – US dollars	1,018,564	816,838
Bank deposits – tenge	781,196	441,364
Bank deposits – other currency	64,303	79,121
Current accounts with banks – US dollars	496,029	467,059
Current accounts with banks – tenge	111,632	122,711
Current accounts with banks – other currency	24,415	16,271
Reverse repurchase agreements with contractual maturity of three months or less	367,286	465,653
Cash in accounts for servicing budget programs in accordance with the legislation of the RK	221,505	306,153
Cash on digital accounts	117,719	–
Balances on brokerage accounts payable on demand	706	10,119
Cash on hand	8,404	8,997
Cash in transit	2,140	6,461
Less: allowance for expected credit losses	(1,657)	(411)
	3,212,242	**2,740,336**

Within the framework of diversification, the Group continues to place part of its free liquidity in money market instruments, such as auto repo secured by government and other securities with maturities of up to 3 months.

As at December 31, 2024 cash on digital accounts represents programmable digital tenge for the modernisation of the Dostyk-Moiynty railway transport corridor.

At December 31, 2024, the Group had cash in the amount of 221,505 million tenge (at December 31, 2023: 306,153 million tenge) which is represented by a cash control account in the regional treasury department of the Ministry of Finance of RK opened with a purpose of the implementation of the pilot national project "Comfortable School" in the amount of 199,897 million tenge (at December 31, 2023: 306,153 million tenge) and the construction of an infrastructure facility for water treatment for the special economic zone "National Industrial Petrochemical Technopark" in the amount of 21,608 million tenge.

Short-term bank deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at December 31, 2024 the weighted average interest rates for short-term bank deposits were 14.74% in tenge, 4.07% in US dollars, 5.18% in other currency; and current accounts were 1.53% in tenge, 2.67% in USD dollars, 1.88% in other currency, respectively (December 31, 2023: the weighted average interest rates for short-term bank deposits were 15.23% in tenge, 5.22% in US dollars, 5.97% in other currency; and current accounts were 3.74% in tenge, 4.24% in USD dollars, 0.74% in other currency, respectively).

18. EQUITY

18.1 SHARE CAPITAL

During 2024 and 2023 the Fund issued common shares, which were paid as follows:

Payment for shares	Number of shares authorized and issued	Par value per share, in tenge	Share capital in millions of tenge
As of January 1, 2023	**3,481,961,409**		**5,268,819**
Shares issued during the year:			
Shares issued and paid by contributions of state-owned interests in subsidiaries	1	89,206,406,162	89,206
	50	723,663,220	36,183
	40	586,110,925	23,445
	100	64,469,200	6,447
Shares issued and paid by contribution of property	1,000	16,915,397	16,915
	20	114,504,250	2,290
Shares issued and paid by cash	6,000	8,246,277	49,478
As of December 31, 2023	**3,481,968,620**		**5,492,783**
Shares issued during the period:			
Shares issued and paid by contributions of state-owned interests in subsidiary and joint venture	100	387,371,430	38,737
	100	92,941,670	9,294
	1	57,672,000	58
As of December 31, 2024	**3,481,968,821**		**5,540,872**

As at December 31, 2024: 3,481,968,821 shares of the Fund were fully paid (December 31, 2023: 3,481,968,620 shares).

Contribution of state-owned interests in subsidiary and joint venture

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge and 1 share at par value of 57,672,000 tenge for the total amount of 38,795 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of GPCI (Note 6) and 50% of interest in authorized capital of "Soft Art" LLP (Note 11). The fair value of the investments was equal to the nominal amount of issued shares. The difference between the consideration transferred and the net assets of GPCI was recognized in retained earnings.

On September 27, 2024 the Fund issued 100 shares at par value of 92,941,670 tenge for the amount of 9,294 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of Asiagas Chundzha in accordance with the Resolution of the Government of the RK (Note 6). The difference between the consideration transferred and the net assets of Asiagas Chundzha was recognized in retained earnings.

On April 19, 2023 the Fund issued 50 shares at par value of 723,663,220 tenge and 40 shares at par value of 586,110,925 tenge for the total amount of 59,628 million tenge, which were paid off by the Shareholder by means of 100% of interest in "AES Shulbinskaya GES" LLP (hereinafter – "Shulbinskaya GES") and "AES Ust-Kamenogorskaya GES" LLP (hereinafter – "UK GES") in accordance with the Resolution of the Government of the RK. In 2024 the Fund transferred these companies to the subsidiary, "Samruk-Energy" JSC (hereinafter – "Samruk-Energy"), as a contribution to the share capital.

Also, on September 12, 2023, the Fund issued 100 shares at par value of 64,469,200 tenge for the amount of 6,447 million tenge, which were paid off by the Shareholder by shares of National Geological Exploration Company "Kazgeology" (hereinafter – "Kazgeology") in accordance with the Resolution of the Government of the RK. Shares of Kazgeology were transferred to the share capital of subsidiary TKS.

These transactions represent business combination of entities under common control and are accounted for retrospectively under the pooling of interest method based on the predecessor's values. Accordingly, consolidated financial statements for 2023 were presented as if the interests of entities were transferred at the beginning of the earliest presented period. As a result of these transactions the share capital of the Fund was increased by 66,075 million tenge with respective decrease in the retained earnings in consolidated financial statements.

On September 12, 2023 in accordance with the Resolution of the Government of the RK the Shareholder transferred the 28.8% non-controlling interest in Kazakhtelecom JSC to the Fund as a payment for the share issued at par value of 89,206,406,162 tenge, as a result of which the Group's share in Kazakhtelecom JSC increased to 80.85%. Fair value of the transferred sgares is 89,206 million tenge. As a result of this transaction the difference of acquired the non-controlling interest of 235,168 million tenge and fair value of transferred shares of 89,206 million tenge was recognized as an increase of retained earnings of 145,962 million tenge in the consolidated statement of changes in equity.

Property contributions

On April 14 and August 9, 2023 the Fund issued 1,000 shares at par value of 16,915,397 tenge and 20 shares at par value of 114,504,250 tenge, which were paid off by the Shareholder by an immovable properties with a fair value of 19,205 million tenge. These properties was transferred to the share capital of subsidiaries Qazaq Gas and Samruk-Energy.

Cash contributions

In November 2023, the Shareholder made cash contributions to the Fund's share capital of 49,478 million tenge. These amounts were aimed to finance the project "Construction of Infrastructure facilities on the territory of SEZ "National Industrial Petrochemical Technopark" (Note 17).

18.2 ADDITIONAL PAID-IN CAPITAL

During 2024, the Fund received republican property in the form of gas supply facilities in the total amount of 243,931 million tenge from the Shareholder as the payment for future issued shares of the Fund. As of December 31, 2024, the property was recognized as additional paid-in capital.

18.3 DIVIDENDS

Dividends attributable to equity holder of the Parent

During 2024 in accordance with the Resolutions of the Government of the RK the Fund declared and paid dividends to the Shareholder in the total amount of 736,819 million tenge from retained earnings of 2022 and 2023.

On December 26, 2023 according to the Resolution of the Government of the RK dated December 19, 2023 the Fund declared and paid dividends to the Shareholder of 238,027 million tenge on financial results for 2022.

During the period of October to November, 2023, according to the Resolution of the Government of the RK dated October 20, 2023 the Fund paid dividends to the Shareholder of 1,026,726 million tenge from the retained earnings of 2021.

On April 4, 2023 Shulbinskaya GES and UK GES paid dividends to the Shareholder in the amount of 2,227 million tenge and 1,872 million tenge, respectively, based on financial results of 2022.

Due to the fact that these subsidiaries of the Group were transferred to the Group on April 19, 2023, and these transfers represented business combination of entities under common control, dividends paid to the Shareholder by these companies were reflected as dividends attributable to equity holder of the Parent in the consolidated statement of changes in equity.

Dividends attributable to non-controlling interests

During 2024 the Group declared dividends of 313,079 million tenge to the holders of non-controlling interests in groups of National Atomic Company "Kazatomprom" JSC ("NAC KAP"), NC KMG, Kazakhtelecom JSC ("KTC"), Kazakhstan Electricity Grid Operating Company JSC ("KEGOC"), NC KTZh and "Samruk-Kazyna Business Service" LLP. Total amount of dividends paid to the holders of non-controlling interests during in 2024 equaled 313,311 million tenge.

During 2023 the Group declared dividends of 172,201 million tenge to the holders of non-controlling interests in groups of NAC KAP, NC KMG, KTC, "Air Astana" JSC, KEGOC, NC KTZh, "Samruk-Kazyna Business Service" LLP and "Samruk-Kazyna Ondeu" LLP ("SKO"). Total amount of dividends paid to the holders of non-controlling interests during 2023 equaled 173,976 million tenge.

18.4 DISTRIBUTIONS TO THE PUBLIC FOUNDATION "QAZAQSTAN HALQYNA"

In accordance with Article 20 of the Law of the RK "On the National Welfare Fund", the Fund annually allocates funds to a non-profit organization represented by the public foundation "Qazaqstan halqyna" (hereinafter – "Public Foundation") in the amount of not less than 7% of the Fund's net income according to separate financial statements. According to the Shareholder's resolution, the Fund has recognized an obligation to allocate funds to the Public Foundation in the amount of 50,000 million tenge (in 2023: 66,614 million tenge). During 2024 the Fund transferred the funds to the Public Foundation in the amount of 45,964 million tenge (during 2023: 20,650 million tenge).

18.5 OTHER DISTRIBUTIONS TO THE SHAREHOLDER

Social projects financing

During 2024 in accordance with the Shareholder's resolution, the Fund recognised liabilities for financing of gasification projects of settlements of RK for the amount 105,094 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As at December 31, 2024 the Fund fully repaid these liabilities.

Also, during 2024 in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of various social projects, including financing of the projects aimed at the development of physical culture and sports of RK in the total amount of 30,736 million tenge (during 2023: 32,730 million tenge). As at December 31, 2024 the Fund repaid these liabiltites in the total amount of 32,779 million tenge (2023: 32,730 million tenge).

Financing construction of social facilities

During 2024 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing construction of social facilities in the total amount of 60,580 million tenge as other distribution to the Shareholder in the consolidated statement of changes in equity. As of December 31, 2024 the Group made repayment of these liabilities in the total amount of 10,579 million tenge.

During 2022, in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of the construction of National coordination center for emergency medicine in Astana city with 200 beds and National Scientific Center of infectious diseases in Almaty city with 350 beds in the amount of 166,867 million tenge. During 2024 the Group made repayment of liabilities in the amount of 40,571 million tenge (during 2023: 44,792 million tenge).

During 2023, in accordance with the Shareholder's resolution on the construction of a Perinatal center in Astana, the Group recognised liabilities of 65,000 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As of December 31, 2023 the Group made repayment of liabilities in the amount of 19,149 million tenge.

18.6 OTHER TRANSACTIONS WITH THE SHAREHOLDER

"Kazakhstan Housing Company" JSC (hereinafter – "KHC")

On May 6, 2024, the Fund and KHC concluded credit line agreement in the amount up to 272,000 million tenge with an interest rate of 0.01% per annum and a repayment period of 10 years in order to finance the project according to the Decree of the Government of the RK. At the same date the Fund recognized a commitment to provide a loan to KHC at below market rate with fair value of 172,009 million tenge. The loan commitment determined as a difference between the fair value of the unused credit limit and its nominal value was recognized as a decrease in equity within other transactions with the Shareholder in the consolidated statement of changes in equity.

In 2024, the Fund provided loan in the full amount of 272,000 million tenge and recognized respective decrease in the loan commitment of 168,134 million tenge. Difference between the amount of initial recognition of the loan obligation and the subsequent reduction of the obligation due to the utilization of the credit line was recognized as amortization of the loan obligation in the amount of 3,875 million tenge as part of interest income in the statement of comprehensive income.

Construction of the multifunctional sport and recreation complex in Uralsk

During 2023 in accordance with the Order of the President of the RK on the construction of the multifunctional sport and recreation complex in Uralsk (hereinafter – "the Sport Complex") as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Group recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and reflected it in the consolidated statement of changes in equity. In 2024 the Group increased the accrual of the liability on construction by 1,989 million tenge (Note 21).

As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk. On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Group offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sport Complex (Notes 16, 21).

Financing of the Akimat of Astana

In accordance with the Shareholder's resolution, in September 2024 the Fund recognized an obligation to finance the Akimat of the city of Astana for implementation of infrastructure projects in Astana in the amount of 35,029 million tenge. As of December 31, 2024 the Group fully repaid these liabilities.

Capital repair of Ekibastuz TPP

In 2024 in accordance with Government's instruction, for the purpose of ensuring uninterrupted heat supply to the population of the city of Ekibastuz, the Group recognized the liability on capital repair of Ekibastuz TPP in the amount of 12,597 million tenge and reflected it in the consolidated statement of changes in equity (Note 21).

18.7 TRANSFER OF ASSETS TO THE SHAREHOLDER

In 2024 in accordance with the Shareholder's resolution the Group recognized obligation on transfer of movable and immovable assets with the book value of 14,848 million tenge as transfer of assets to the Shareholder in the consolidated statement of changes in equity (Note 24). During 2024 the Group transferred movable and immovable assets with the book value of 12,370 million tenge.

In 2023 in accordance with the Shareholder's order, the Group transferred an immovable property with the carrying amount of 3,796 million tenge to the President's Affairs Administration of the RK. This transaction was reflected as a transfer of assets to the Shareholder in the consolidated statement of changes in equity.

18.8 DISCOUNT ON LOANS FROM THE GOVERNMENT

During 2024, the Fund placed bonds in the amount of 238,256 million tenge. The difference between nominal and fair value in the amount of 49,204 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (Note 20).

During 2023, the Fund placed bonds in the amount of 173,709 million tenge. The difference between nominal and fair value in the amount of 38,435 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (Note 20).

During 2023, the Fund received loan in the amount of 162,600 million tenge. The difference between nominal and fair value in the amount of 139,497 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (Note 20).

18.9 CHANGE IN OWNERSHIP INTERESTS OF SUBSIDIARIES – DISPOSAL OF INTEREST THAT DOES NOT RESULT IN THE LOSS OF CONTROL

NAC KAP

In accordance with the Shareholder's resolution, in July 2024 the Fund sold 12.01% shares of NAC KAP to the National Fund of the RK (trustee manager of the "National Bank of the RK"). As a result of the deal the Fund received proceeds of 467,423 million tenge, non-controlling interests increased by 169,024 million tenge, and the difference of 327 million tenge and 298,726 million tenge was recognized as decrease of revaluation reserve of investments at fair value through other comprehensive income and increase of retained earnings, respectively.

NC KMG

In 2023 the Fund sold 20% shares of KMG to the "National Bank of the Republic of Kazakhstan" in the amount of 1,300,000 million tenge. As a result of the deal the Fund received proceeds of 1,300,000 million tenge, non-controlling interests increased by 2,096,861 million tenge, and the difference of 842,858 million tenge and 45,821 million tenge was recognized as decrease of currency translation reserve and increase of retained earnings attributable to the equity holder of the Parent, respectively.

KEGOC

In November 2023 as part of the SPO (secondary public offering) program, KEGOC conducted a secondary placement of ordinary shares totaling 15,294,118 shares at a price of 1,482 tenge on organized securities markets (KASE and AIX).

As a result of the secondary placement of shares, the Group received an amount of 22,123 million tenge, after deducting transaction expenses totaling 543 million tenge. The non-controlling interest increased by 16,916 million tenge, and the difference was recognized as an increase in retained earnings in the amount of 5,207 million tenge.

18.10 NON-CONTROLLING INTERESTS

The following tables illustrate information of subsidiaries in which there is significant non-controlling interests as at December 31:

	2024		2023	
In millions of tenge	Share	Carrying amount	Share	Carrying amount
NC KazMunayGas JSC	32.58%	3,810,913	32.58%	3,320,199
NAC Kazatomprom JSC	37.01%	1,715,446	25.00%	862,335
Kazakhtelecom JSC	19.15%	241,995	19.15%	229,731
KEGOC JSC	15%	62,304	15%	55,160
Air Astana JSC	–	–	49.00%	47,522
Other		158,672		94,304
		5,989,330		**4,609,251**

All significant subsidiaries with non-controlling interests are registered in Kazakhstan.

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2024 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC
Summarized statement of financial position				
Non-current assets	14,928,977	2,195,342	869,853	516,984
Current assets	4,005,670	1,626,539	773,568	136,886
Non-current liabilities	5,566,680	403,345	315,938	200,594
Current liabilities	1,443,683	420,985	472,637	37,914
Total equity	**11,924,284**	**2,997,551**	**854,846**	**415,362**
Attributable to:				
Equity holder of the Parent	8,113,371	1,282,105	612,851	353,058
Non-controlling interests	3,810,913	1,715,446	241,995	62,304
Summarized statement of comprehensive income				
Revenue	8,330,261	1,813,352	731,118	319,906
Profit for the year	1,094,247	1,132,115	77,231	92,199
Other comprehensive income/(loss)	1,042,821	853	(3,064)	–
Total comprehensive income for the year, net of tax	**2,137,068**	**1,132,968**	**74,167**	**92,199**
Attributable to:				
Equity holder of the Parent	2,136,253	873,133	71,121	92,199
Non-controlling interests	815	259,835	3,046	–
Dividends declared to non-controlling interests	**100,546**	**198,608**	**4,836**	**6,685**
Summarised cash flow information				
Operating activity	1,064,031	516,487	199,578	106,359
Investing activity	(263,134)	(42,415)	(242,358)	(53,687)
Financing activity	(780,560)	(415,264)	(5,065)	(46,145)
Net increase/(decrease) in cash and cash equivalents	**20,337**	**58,808**	**(47,845)**	**6,527**

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2023 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC	Air Astana JSC
Summarized statement of financial position					
Non-current assets	13,504,064	1,308,584	1,265,576	483,938	430,146
Current assets	3,437,037	1,290,708	217,424	120,371	189,166
Non-current liabilities	5,010,269	160,213	390,631	198,049	315,072
Current liabilities	1,534,218	430,812	288,706	38,527	207,256
Total equity	**10,396,614**	**2,008,267**	**803,663**	**367,733**	**96,984**
Attributable to:					
Equity holder of the Parent	7,076,415	1,145,932	573,932	312,573	49,462
Non-controlling interests	3,320,199	862,335	229,731	55,160	47,522
Summarized statement of comprehensive income					
Revenue	8,319,543	1,434,635	669,468	252,136	533,071
Profit for the year	926,678	580,335	104,403	71,563	30,739
Other comprehensive (loss)/income	(117,847)	(357)	1,998	–	3,315
Total comprehensive income for the year, net of tax	**808,831**	**579,978**	**106,401**	**71,563**	**34,054**
Attributable to:					
Equity holder of the Parent	845,194	418,835	95,065	71,563	34,054
Non-controlling interests	(36,363)	161,143	11,336	–	–
Dividends declared to non-controlling interests	**39,226**	**117,174**	**7,048**	**3,336**	**3,683**
Summarised cash flow information					
Operating activity	966,144	432,225	240,883	67,265	122,738
Investing activity	(53,771)	(61,200)	(403,934)	(28,064)	(20,994)
Financing activity	(608,388)	(319,425)	(3,019)	(21,385)	(91,459)
Net increase/(decrease) in cash and cash equivalents	**303,985**	**51,600**	**(166,070)**	**17,816**	**10,285**

18.11 CURRENCY TRANSLATION RESERVE

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. In 2024 foreign translation difference amounted to 1,209,829 million tenge before tax of 90,712 million tenge (2023: 158,461 million tenge before tax of 11,101 million tenge).

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at December 31, 2024 unrealized foreign currency loss of 363,581 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income (2023: gain of 46,478 million tenge).

18.12 HEDGE RESERVE

NC KMG

The Group buys crude oil from the market, refines it and later sells the finished products (e.g.: gasoline, diesel, jet fuel etc.). Throughout a given period, the volatility associated with the oil market, both in crudes and in finished products, is transmitted to the Group's refinery margin (difference between the purchase price of crude oil and the selling price of finished products). To reduce this volatility, the Group hedges the margin with a swap on a hedged basket as relevant for the period.

For the year ended December 31, 2024, the effective part of 1,464 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value loss on cash flow hedging instruments (for the year ended December 31, 2023: 849 million tenge as net fair value gain on cash flow hedging instruments). Hedge expense attributable to non-controlling interests comprised 477 million tenge (2023: hedge income attributable to non-controlling interests of 101 million tenge).

NC KTZh

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss Francs. To confirm highly probable transactions, the Group relied on the existence of a history of cash flows from freight transit transportation in Swiss Francs, sufficient infrastructure, as well as a favourable geographical location for freight transit transportation. The Group has a monopoly in terms of access to the main railway network and dominates in freight transportation services.

The principal debt of the Group's loans of 1,070 million Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at 31 December 2024, the carrying value of these loans amounted to 598,982 million tenge. The hedged item in this respect is the highly probable revenue from transit transportation of 1,070 million Swiss Francs for the period from November 21, 2024 to November 15, 2034, of which 139 million Swiss Francs are repayable in 2025. At the commencement date of the hedging relationship, the hedge effectiveness has been confirmed at 100%, reflecting full compliance with the terms of the instruments and the hedged items.

As at December 31, 2024, the effective portion of 20,399 million tenge was allocated to the hedge reserve in other comprehensive income as fair value loss arising on cash flow hedging instruments. The deferred tax effect amounted to 4,080 million tenge.

In December 2024, the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 412 million tenge attributable to the hedging instrument was reclassified from other comprehensive income to revenue from freight transportation. The deferred tax effect amounted to 82 million tenge.

Air Astana JSC

In 2015 Air Astana JSC entered into a cash flow hedge with finance lease obligations denominated in US dollars, to reduce the risk of changes in sales revenue expressed in US dollars. In connection with the transition of the functional currency to US dollar, this hedge ceased to be economically effective from December 31, 2017.

As a result of the change, the hedge relationship has been discontinued so that starting from January 1, 2018 no further foreign currency translation gains or losses are transferred from profit or loss to hedge reserve, and the hedge reserve recognized in equity as at December 31, 2022 shall remain in equity until the forecasted revenue cash flows are received.

During 2023 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 5,191 million tenge before tax of 1,038 million tenge. Hedge income attributable to non-controlling interests comprised 2,544 million tenge before tax of 509 million tenge.

18.13 OTHER CAPITAL RESERVES

Other capital reserves include mainly remuneration of employees for the services rendered in the form of share-based payments with equity instruments of a subsidiary in which they are employed. The cost of equity-settled remunerations is recognized, together with a corresponding increase in other capital reserves, over the period in which performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

18.14 BOOK VALUE AND EARNINGS PER SHARE

In accordance with the decision of the Exchange Board of KASE dated October 4, 2010 financial statements shall disclose book value per share (common and preferred) as of the reporting date, calculated in accordance with the KASE rules.

In millions of tenge	2024	2023 (restated)*
Total assets	41,099,656	36,924,734
Less: intangible assets	(2,499,343)	(2,026,102)
Less: total liabilities	(15,506,172)	(15,185,202)
Net assets for common shares	**23,094,141**	**19,713,430**
Number of common shares as at December 31	3,481,968,821	3,481,968,620
Book value per common share, tenge	6,632	5,662
Earnings per share		
Net profit for the year attributable to Equity holder of the Parent	2,354,397	1,699,569
Weighted average number of common shares for basic and diluted earnings per share	3,481,968,741	3,481,963,068
Basic and diluted share in net profit for the period attributable to Equity holder of the Parent	676.17	488.11

* Presentation of book value per common share is a non-IFRS measure required by KASE.

Basic earnings per share is calculated by dividing the profit or loss attributable to Equity holder of the Parent by the weighted average number of common shares during the year. The Group has no dilutive potential common shares, therefore, the diluted earnings per share equals the basic earnings per share.

19. BORROWINGS

As at December 31 borrowings, including interest payable, comprised the following:

In millions of tenge	2024	Weighted average effective rate	2023	Weighted average effective rate
Fixed interest rate borrowings	4,712,432		4,840,980	
Loans received	816,521	9.87%	902,851	11.71%
Debt securities issued	3,895,911	6.11%	3,938,129	6.11%
Floating interest rate borrowings	1,955,736		1,522,922	
Loans received	1,818,519	8.09%	1,252,063	9.44%
Debt securities issued	137,217	15.45%	270,859	18.82%
	6,668,168		6,363,902	
Less: amounts due for settlement within 12 months	(836,272)		(980,684)	
Amounts due for settlement after 12 months	**5,831,896**		**5,383,218**	

In millions of tenge	2024	2023
US dollar-denominated borrowings	3,652,455	3,682,629
Tenge-denominated borrowings	1,928,150	2,137,211
Swiss francs-denominated borrowings	687,822	256,070
Euro-denominated borrowings	309,261	223,659
Rubles-denominated borrowings	79,276	51,207
Other currency-denominated borrowings	11,204	13,126
	6,668,168	**6,363,902**

As at December 31, the bonds comprised:

In millions of tenge	Issuance amount	Redemption date	Effective interest rate	2024	2023
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	778,795	669,582
Bonds LSE 2018	1.25 billion USD	2030	5.375%	644,556	562,142
Bonds LSE 2017	1.25 billion USD	2047	5.75%	639,143	552,309
Bonds LSE 2020	750 million USD	2033	3.50%	389,109	336,780
Bonds ISE 2017	750 million USD	2027	4.60%	373,513	323,208
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	308,433	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	261,878	225,947
Bonds LSE 2017	1 billion USD	2027	4.75%	131,604	454,060
Bonds KASE 2019	80 billion KZT	2026	11.86%	80,280	80,262
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	54,090	56,302
Bonds KASE 2016	47.5 billion KZT	2031	Inflation rate + 2.9%	50,830	52,769
Bonds KASE 2022	118.9 billion KZT	2024	TONIA Compounded 6M + 3% margin	–	129,491
Bonds KASE 2019	70 billion KZT	2024	4%	–	82,746
Bonds KASE 2018	75 billion KZT	2024	9.25%	–	76,831
Other	–	–	–	320,897	298,126
Total				**4,033,128**	**4,208,988**

Loans received

In 2024, the Group partially repaid a syndicated loan for a total amount of 71.88 million US dollars (equivalent to 33,735 million tenge), including interest.

In 2024, the Group received a loan from Bank of Tokyo-Mitsubishi UFJ, Ltd. for a total amount of 35.91 million US dollars (equivalent to 16,854 million tenge) at a COF rate of (4.33%) + 1.50% and maturing by the end of 2025 to finance working capital.

In 2024, the Group, received a loan from JSC "Halyk Bank of Kazakhstan" ("Halyk Bank") for a total amount of 48,246 million tenge at a Base rate of National Bank of RK + 1.50% and maturing by the end of 2032 for the construction of Oil and Gas Refinery plant.

In 2024, based on the notification of the Ministry of Energy of the RK on the termination of the contract for subsoil use under the Zhenis project, the Group derecognized the loan received from Lukoil Kazakhstan Upstream (carry-financing) in the amount of 48,432 million tenge (Note 31).

In 2024, the Group partially repaid a loan from JSC "Development Bank of Kazakhstan" ("DBK") for a total amount of 46,688 million tenge, including interest.

In July 2024, the Group, within the framework of a master agreement with Citibank Kazakhstan on short-term loans, concluded on November 30, 2009, received borrowings in the total amount of 14,000 million tenge with an interest rate of 15% and up to six months maturity. In December 2024, the Group signed an additional agreement to extend the maturity until July 2025 and to change the interest rate from 15% to 16.5%.

In 2024, under the credit line agreement with ForteBank JSC concluded on June 13, 2022, the Group received 97,000 million tenge with an interest rate of 15.75% to 16.75% and up to six months maturity. The Group made full/partial early repayment of loans received in the amount of 55,000 million tenge.

In 2024, the Group, under the master framework agreement with Societe Generale and Natixis under the guarantee of export credit agency BPIfrance dated February 23, 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627 million euros, borrowed 134 million euros (equivalent to 67,738 million tenge) (in 2023: 329 million euros (equivalent to 162,473 million tenge) (including the BPIfrance premium)). Loan interest is paid semi-annually at Euribor 6m + 1.15%. Principal is repaid semi-annually until full repayment in 2035.

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on February 26, 2015, borrowed 97,000 million tenge with an interest rate of 15.75% to 17.25% and a maturity of up to one year. The Group has made full/partial early repayment of loans received in the total amount of 78,000 million tenge.

In 2024, the Group under the loan agreement with Eurasian Development Bank ("EDB") dated May 11, 2023 to finance the acquisition of freight diesel locomotives for a total amount of 17,685 million russian roubles borrowed 7,640 million russian roubles (equivalent to 37,956 million tenge) (in 2023: 10.045 million russian roubles (equivalent to 50,345 million tenge)). Loan interest is paid semi-annually at 7.8%. Principal is repaid semi-annually until full repayment in 2034.

In 2024, the Group, under the credit line agreement with Citibank, dated April 4, 2024, borrowed funds in the total amount of 150 million Swiss francs (equivalent to 77,828 million tenge) with an interest rate from 3.21% to 3.4% and a repayment period of up to one year.

In 2024, the Group, under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated May 7, 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593,952,912 US Dollars in Swiss Francs equivalent, borrowed 443,076,513 swiss francs (equivalent to 234,670 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.

In July 2024, the Group, under the credit line agreement with European Bank for Reconstruction and Development ("EBRD"), dated July 4, 2024, borrowed funds in the total amount of 200 million swiss francs (equivalent to 107,986 million tenge). Interest is repaid semi-annually at SARON 6m + 1.80% margin. The principal is repayable semi-annually until full repayment in 2029.

In 2024, the Group, under the loan agreement with the EBRD signed on November 25, 2022, for the amount of 130 million tenge with an interest rate of the 6-month TONIA Compounded Rate + 1%, utilized loan funds in the total amount of 44,173 million tenge

On December 18, 2024, the Group, under the agreement with the EBRD signed for the construction of the mining and processing plant on December 30, 2016, made an early repayment of the loan in the amount of 124,158 thousand US dollars (equivalent to 64,804 million tenge), including interest for 2024 in the amount of 4,549 million tenge (for 2023: 2,856 million tenge).

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on October 22, 2022, made an early full repayment of borrowings received of 60,540 million tenge.

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on October 20, 2022, made an early partial repayment of borrowings received of 9,198 million tenge.

In December 2024, under the credit line agreement with Halyk Bank to finance the construction of a power plant based on a combined cycle gas plant in the Turkestan region dated June 7, 2022, the Group received the second tranche in the amount of 100,828 million tenge with an interest rate equal to the Halyk Bank bond yield plus 2% per annum for the term of the bond circulation, which is 7 years (in 2023 received 138,172 million tenge with an interest rate equal to the base rate of the National Bank of the RK plus 2.5% per annum).

In 2023, the Group received Syndicated loan (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank) used to finance its working capital for the total amount of 307 million US dollars (equivalent to 140,232 million tenge), on a net basis.

In 2023, the Group received a loan from Bank of Tokyo-Mitsubishi UFJ. Ltd to finance working capital in the amount of 101 million US dollars (equivalent to 45,855 million tenge), on a net basis, at the rate of COF (5.37%) + 1.80% per annum and maturity in 2024.

In 2023, the Group made full repayment of the loan from VTB Bank (PJSC) in the amount of 58,010 million Russian Roubles (equivalent to 294,841 million tenge), including interest.

In November 2023, the Group under the credit agreement with Citibank and Santander and the guarantee of MIGA, dated September 19, 2023 to finance the acquisition of electric locomotives, passenger carriages, capital and current repairs of railway tracks, borrowed 513 million Swiss francs (equivalent to 264,633 million tenge) (including the MIGA premium). Loan interest is paid semi-annually at SARON 6m + 0.95%. Principal is repaid semi-annually until full repayment in 2033. The grace period for repayment of principal debt is 1 year.

In 2023, a subsidiary of the Group, Atyrau Refinery LLP (further Atyrau refinery), partially repaid loans from Halyk Bank for a total amount of 102,674 million tenge, respectively, including interest.

In 2023, based on the notification of the Ministry of Energy of RK on the termination of the subsoil use contract, the Group derecognized the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,377 million tenge (Note 31).

Debt securities issued

On September 12, 2024, the Group made a partial early repayment of bonds maturing in 2027 in the amount of 750 million US dollars (equivalent to 358,171 million tenge).

On April 26, 2023, the Group made an early repayment of Eurobonds in the amount of 501 million US dollars (equivalent to 227,520 million tenge), including premium for early repayment and coupon payment with an interest rate of 4.75% and maturity in 2025.

State subsidy of the interest rate

In May 2020, the Group, entered into a contract with the Ministry of Industry and Construction of the RK to subsidise part of the coupon rate in the amount of 307,194 million tenge, on bonds issued in 2019 at the coupon rate of 11.5% per annum and used for early repayment of Eurobonds issued in 2017 in the amount of 780 million US Dollars, which in turn were attracted and utilised for infrastructure modernisation, updating locomotives and freight carriages. The agreement stipulates that the amount of subsidy should be provided for under the republican budget program "Subsidising the coupon rate on the carrier's bonds issued for the development of the main railway network and rolling stock of railway transport" (hereinafter – "the Program"). Since the budget Program is available to all transportation companies that have the status of a "carrier" in accordance with the Law on Railway Transport, the Group's management accounts for the financing under this Program as a government grant recognised within finance income.

In 2024, the Group recognised income from government subsidies under the Program in the amount of 22,300 million tenge as part of finance income (Note 31).

Covenants

The carrying value of the Group's non-current borrowings include borrowings amounting to 5,698,779 million tenge that contain certain financial and non-financial covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than twelve months after the end of reporting period. The Group reviews compliance with all the Group loan covenants at each reporting date. As at December 31, 2024 the respective subsidiaries of the Group complied with all the covenants that were required to be met on or before December 31, 2024, except those mentioned below.

Loan received from Halyk Bank

In March 2022, the Group represented by its subsidiary JV Alaigyr LLP entered into a credit line agreement with Halyk Bank of Kazakhstan JSC for a total amount of 56,000 thousand US dollars. Repayment of interest and principal on the credit line is made monthly, while the principal debt is paid starting from 2024.

In accordance with the terms of the credit line, JV Alaigyr LLP has certain financial and non-financial covenants that were not complied with as of December 31, 2024, and December 31, 2023. Due to the right to early reclaim, the loan was classified as short-term. During 2024, the Group fulfilled its obligations for the payment of the principal and interest.

In January 2025, the JV Alaigyr LLP made a full early repayment of the loan received from Halyk Bank.

Loan received from EBRD

The Group, represented by its subsidiary ShalkiyaZinc LTD JSC, has a credit line from the EBRD in the amount of 175 million US dollars at the SOFR rate + 2.5% per annum with repayment of the principal amount in equal semi-annual payments from 2025 and interest in semi-annual payments from 2021.

In accordance with the terms of the agreement, the Group must comply with the covenants throughout the term of the agreement. During 2024 and 2023, the Group failed to comply with the terms of contract liabilities on the conclusion of the contract for the construction of the mining and processing plant, the contract for the construction of the tailings storage facility, the contract for the construction of the surface complex with infrastructure and the contract for the supply of mining equipment.

On December 18, 2024, the agreement with the EBRD was terminated early, and the loan, including accrued interest, in the amount of 124,158 thousand US dollars (equivalent to 64,804 million tenge) was fully repaid.

In millions of tenge	2024	2023
NC KMG and its subsidiaries	3,261,602	3,281,937
NC KTZh and its subsidiaries	1,650,814	1,348,931
Qazaq Gaz and its subsidiaries	396,116	375,947
The Fund	368,455	346,741
CCGT Turkistan LLP	275,017	156,521
Samruk-Energy and its subsidiaries	253,055	190,448
KEGOC and its subsidiaries	161,581	163,535
Kazakhtelecom and its subsidiaries	108,399	248,820
EGRES-2	100,744	97,017
NAC KAP and its subsidiaries	44,228	86,252
NMC TKS and subsidiaries	20,365	66,772
Other subsidiaries of the Fund	27,792	981
Total borrowings	**6,668,168**	**6,363,902**

Changes in borrowings are as follows:

In millions of tenge	2024	2023
Balance as at January 1	**6,363,902**	**6,667,675**
Received by cash*	1,455,334	1,218,171
Interest accrued	408,497	465,318
Discount	(32,829)	(1,090)
Interest capitalized (Note 8)	72,229	64,557
Interest paid	(452,254)	(503,416)
Repayment of principal*	(1,759,390)	(1,535,865)
Purchase of property plant and equipment financed by borrowings	67,738	114,106
Transfer to assets classified as held for sale or distribution to the Shareholder (Note 7)	(48,170)	(187)
Amortization of discount	26,729	19,948
Foreign currency translation	584,795	(132,183)
Derecognition of loan (Note 31)	(48,442)	(4,377)
Acquisition through business combinations (Note 5)	29,118	–
Other	911	(8,755)
Balance as at December 31	**6,668,168**	**6,363,902**

* The amounts are not reconciled to cash flows shown within financing activies of the consolidated statement of cash flows, as do not contain the changes with respect to liabilities associated with assets classified as held for sale.

20. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

As at December 31 loans from the Government of the Republic of Kazakhstan comprised the following:

In millions of tenge	Redemption date	Effective interest rate	2024	2023
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2026-2063	5.56%-15.25%	1,053,179	836,941
Loans from the Government of the Republic of Kazakhstan	2029-2053	5.96-11.59%	33,893	35,905
			1,087,072	872,846
Less: amounts due for settlement within 12 months			(12,204)	(11,028)
Amounts due for settlement after 12 months			**1,074,868**	**861,818**

The change in loans from the Government of the Republic of Kazakhstan are represented as follows:

In millions of tenge	2024	2023
Balance as at 1 January	**872,846**	**683,604**
Received by cash	238,256	336,309
Interest accrued	11,787	13,758
Interest capitalized (Note 8)	34,869	19,621
Discount (Note 18.8)	(49,204)	(177,932)
Interest paid*	(44,636)	(26,696)
Repayment of principal	(7,097)	(891)
Amortisation of discount	30,251	25,073
Balance as at 31 December	**1,087,072**	**872,846**

* Cash repayments of certain borrowings obtained by the Fund are included within cash flows from operating activities because these borrowings are part of the Fund's main activity of assets management.

Bonds acquired by the National Bank of the RK

In December 2022, the Fund's bond issue was registered in the amount of 542,863 million tenge, with an annual coupon of 7.37% per annum. During 2024 the Fund placed bonds in the total amount of 163,969 million tenge (2023: 173,709 million tenge) for financing the construction of the second tracks of the Dostyk-Moiynty railway section, aimed at increasing the transit and export potential of the country. The bonds were purchased by the National Bank of the RK funded by the National Fund. The fair value of consideration received was 130,444 million tenge (2023: 135,274 million tenge). The difference between nominal and fair value of the bond in the amount of 33,525 million tenge (2023: 38,435 million tenge) was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (Note 18.8).

In 2024, the Fund placed bonds in the total amount of 74,287 million tenge with an annual coupon of 9.25% per annum. The bonds were purchased by the National Bank of the RK using funds from the National Fund. The funds raised from the issuance of these bonds were directed towards financing the construction of the "Taldykorgan-Usharal" main gas pipeline. The fair value of the received funds amounted to 58,608 million tenge. The difference between the nominal and fair value of the bonds, amounting to 15,679 million tenge, was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (Note 18.8).

Other loans from the Government

During 2023, in accordance with the Law of the RK "On Republican budget for 2023-2025" dated December 1, 2022, the Fund received loan from the Ministry of Finance of the RK in the total amount of 162,600 million tenge with an interest rate of 0.05% and maturity of 30 years. The fair value of consideration received was 23,103 million tenge. The difference between nominal and fair value of the bond in the amount of 139,497 million tenge was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (Note 18.8).

21. PROVISIONS

As at December 31 provisions comprised the following:

In millions of tenge	Asset retirement obligations	Provision for environmental remediation	Provision for taxes other than income tax	Provision for aircraft maintenance	Other	Total
Provision at January 1, 2023	**275,080**	**87,984**	**14,272**	**87,737**	**97,257**	**562,330**
Foreign currency translation	(1,506)	(1,062)	(44)	(1,507)	(1,109)	(5,228)
Change in estimate	6,162	(1,350)	(548)	–	(155)	4,109
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (Note 7)	–	–	–	(115,362)	–	(115,362)
Additions through business combinations (Note 5)	4,346	–	–	–	–	4,346
Unwinding of discount	26,137	2,926	–	1,536	162	30,761
Provision for the year	67,092	3,796	787	40,476	58,561	170,712
Use of provision	(1,616)	(5,168)	(366)	(11,532)	(26,257)	(44,939)
Reversal of unused amounts	(367)	(4,619)	(5,651)	(1,348)	(29,609)	(41,594)
Other changes	–	–	–	–	2,380	2,380
Provision at December 31, 2023	**375,328**	**82,507**	**8,450**	**–**	**101,230**	**567,515**
Foreign currency translation	11,879	9,137	158	–	8,845	30,019
Change in estimate	(21,412)	(254)	–	–	(14)	(21,680)
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (Note 7)	(10,652)	–	(681)	–	–	(11,333)
Additions through business combinations (Note 5)	106	–	–	–	333	439
Unwinding of discount	33,409	1,650	–	–	164	35,223
Provision for the year	7,213	4	721	–	25,215	33,153
Use of provision	(2,818)	(6,139)	(124)	–	(33,126)	(42,207)
Reversal of unused amounts	(1,333)	(3,954)	(4,399)	–	(4,437)	(14,123)
Transfers and reclassifications to other financial liabilities (Note 23)	–	–	–	–	(4,742)	(4,742)
Other changes	1,868	(1,868)	–	–	–	–
Provision at December 31, 2024	**393,588**	**81,083**	**4,125**	**–**	**93,468**	**572,264**

Current portion and non-current portion of provisions are presented as follows:

In millions of tenge	Asset retirement obligations	Provision for environmental remediation	Provision for taxes other than income tax	Provision for aircraft maintenance	Other	Total
Current portion	9,081	7,056	8,450	–	71,866	96,453
Non-current portion	366,247	75,451	–	–	29,364	471,062
Provision at December 31, 2023	**375,328**	**82,507**	**8,450**	**–**	**101,230**	**567,515**
Current portion	6,108	3,518	4,125	–	75,909	89,660
Non-current portion	387,480	77,565	–	–	17,559	482,604
Provision at December 31, 2024	**393,588**	**81,083**	**4,125**	**–**	**93,468**	**572,264**

Other provisions

Capital repair of Ekibastuz TPP

In 2024 the Group recognized the liability on capital repair of Ekibastuz TPP in the amount of 12,597 million tenge (Note 18.6). On December 31, 2024 the Group transferred the completed capital works to the Akimat of the city of Ekibastuz in the amount of 3,723 million tenge reducing previously accrued provision. As of December 31, 2024 long-term and short term provision on capital repair of Ekibastuz TPP amounted to 4,031 million tenge and 4,843 million tenge, respectively.

Sport Complex in Uralsk city

In 2024 the Group increased the accrual of the liability on construction of the Sport Complex in Uralsk city by the amount of 1,989 million tenge. As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk city.

On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Group offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sport Complex (Note 16).

Other

As at December 31, 2024 other provisions included provision for gas transportation of 38,391 million tenge (as at December 31, 2023: 33,226 million tenge).

22. LEASE LIABILITIES

As at December 31 future minimum lease payments under leases together with the present value of the net minimum lease payments comprised the following:

	Minimum lease payments		Present value of minimum lease payments	
In millions of tenge	2024	2023	2024	2023
Within one year	111.241	94.648	91.631	70.906
Two to five years inclusive	302.726	247.169	171.776	160.297
After five years	348.600	259.758	154.813	121.874
	762.567	601.575	418.220	353.077
Less: amounts representing finance costs	(344.347)	(248.498)	–	–
Present value of minimum lease payments	418.220	353.077	418.220	353.077
Less: amounts due for settlement within 12 months			(91.631)	(70.906)
Amounts due for settlement after 12 months			**326.589**	**282.171**

As at December 31, 2024 interest calculation was based on effective interest rates ranging from 7.89% to 17.96% (December 31, 2023: from 6.72% to 18.87%).

Finance lease agreements with Industrial Development Fund JSC

In 2020-2023 the Group, represented by its subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC entered into agreements to lease flat carriages, passenger carriages and open wagons with Industrial Development Fund JSC at interest rate from 13.5%-15% per annum, of which 6%-10% per annum are subsidised by the Government. The Group acts as a lessee.

During 2024 within the framework of these agreements the Group received 193 flat carriages, 62 passenger carriages and 1,689 open wagons and recognised right-of-use assets of 95,411 million tenge for 22-40 years and lease liability of 55,839 million tenge for 14-15 years.

In 2024 the Group entered into a lease agreement for 2,000 flat cars, 157 passenger carriages and 3 electric trains with the total amount of 178,590 million tenge and interest rate of 13.75%-14.50% per annum, of which 7%-10% per annum are subsidised by the Government.

During 2024 within the framework of these agreements the Group received 373 flat carriages, 50 passenger carriages and 1 electric train, and recognised right-of-use assets of 48,849 million tenge for 32-40 years and lease liability of 24,635 million tenge for 15 years.

The group acts as a lessee. The grace period for the payment of the principal debt under agreements concluded in 2024 is 5 years.

The terms and conditions of lease agreements of the Group with Industrial Development Fund JSC, includes compliance with the financial ratio (covenant) "Debt Security Coverage Ratio". As at December 31, 2024 this condition was met.

Also, the requirements of the Group's lease agreements with Industrial Development Fund JSC incorporate restrictive terms with respect to changing legal status through voluntary liquidation; concluding a transaction or several transactions where the value exceeds 10-25% of the carrying amount of assets; subleasing lease subjects or a part of them. In the event of a default as defined by the lease agreements, the lessor is entitled to demand the indisputable requisition of lease items.

Lease agreements with Transtelecom JSC

In 2024, the Group, represented by the NC KTZh, entered into a lease agreement of communication channels with its associate Transtelecom JSC and recognised right-of-use assets and a lease liability in the amount of 27,261 million tenge for 5 years.

Changes in lease liabilities are as follows:

In millions of tenge	2024	2023
Balance as at January 1	**353,077**	**621,160**
Interest paid	(33,510)	(48,016)
Repayment of principal	(70,148)	(161,898)
Interest accrued (Note 30)	48,795	58,190
Foreign currency translation	10,542	(6,876)
Additions of leases	149,754	168,259
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (Note 7)	(52,434)	(326,780)
Lease agreement termination	(3,473)	(17,012)
Lease agreement modification	17,137	68,074
Other	(1,520)	(2,024)
Balance as at December 31	**418,220**	**353,077**

23. OTHER FINANCIAL LIABILITIES

As at December 31 other financial liabilities comprised the following:

In millions of tenge	2024	2023
Obligations to the Shareholder on the financing of social projects	187,097	172,982
Vacation and other employee benefits allowance	164,959	154,041
Amounts due to customers	124,041	80,070
Obligations under guarantee agreements	86,102	34,616
Due to employees	59,689	52,572
Derivative financial instruments	36,327	35,840
Payable under repo transactions	25,225	9,595
Accounts payable	16,271	13,997
Historical costs associated with obtaining subsoil use rights	8,512	9,730
Dividends payable	515	1,043
Other	130,685	70,270
Total financial liabilities	**839,423**	**634,756**
Less: current portion	(786,833)	(533,042)
Non-current portion	**52,590**	**101,714**

Liabilities on financing of other social projects

In 2024, based on the resolutions of the Shareholder, the Fund recognized liability due to Public Foundation and obligations on financing of various social projects in the total amount of 246,394 million tenge (2023: 154,927 million tenge) (Notes 18.4, 18.5).

Actual amount of cash paid during 2024 totaled to 234,987 million tenge (2023: 117,321 million tenge).

Derivative financial instruments

In October-November 2022, the subsidiary of the Group, NC KTZh, entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars.

NC KTZh pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. The payment of these fixed amounts in Swiss Francs is a management of the foreign exchange risk of borrowings, as the Group has a share of revenue denominated in Swiss Francs. These derivative financial instruments are not designated into hedging relationships.

During 2024, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of 17,675 thousand US Dollars (equivalent to 8,221 million tenge) and 4,541 thousand Swiss Francs (equivalen to 2,385 million tenge) (during 2023: 17,479 thousand US dollars (equivalent to 8,146 million tenge) and 4,486 thousand Swiss Francs (equivalent to 2,345 million tenge), respectively).

As at December 31, 2024 the fair value of derivative financial instruments, accounted at fair value through profit or loss, under agreements with Societe Generale SA (France), Citibank London and J.P. Morgan

Securities plc. (UK) in the amount of 62,268 thousand US Dollars (equivalent to 32,697 million tenge) was recognised within financial liabilities (December 31, 2023: 78,579 thousand US Dollars (equivalent to 35,719 million tenge)).

24. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES

As at December 31 trade accounts payable comprised the following:

In millions of tenge	2024	2023
Trade accounts payable	1,479,284	1,210,558
Accounts payable for the supply of property, plant and equipment	331,011	341,397
Other accounts payable	40,615	45,660
	1,850,910	**1,597,615**

As at December 31, trade accounts payable were expressed in the following currencies:

In millions of tenge	2024	2023
Tenge-denominated trade accounts payable	613,035	649,265
US dollar-denominated trade accounts payable	772,158	470,228
Other currency-denominated trade accounts payable	94,091	91,065
	1,479,284	**1,210,558**

As at December 31 other current liabilities comprised the following:

In millions of tenge	2024	2023
Liabilities under agency agreements	468,561	496,331
Contract liabilities to customers	413,238	339,564
Other taxes payable	178,020	194,576
Government grant liability	134,795	84,980
Pension and social contributions liabilities	37,122	31,742
Advances received and deferred income	23,465	21,170
Liabilities under inventory loan agreements	–	91,151
Other	22,515	23,138
Total other liabilities	**1,277,716**	**1,282,652**
Less: current portion	(1,097,920)	(1,150,318)
Non-current portion	**179,796**	**132,334**

Government grant liability

In 2020-2024 the Group, represented by its subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC entered into an agreement to lease flat carriages, passenger carriages and open wagons with Industrial Development Fund JSC at interest rate from 13.5%-15% per annum, of which 6%-10% per annum is subsidised by the State (Note 22). The Group acts as a lessee. Government grants to subsidise part of interest rate on finance leases are accounted for as government subsidy liabilities and are recognized as finance income during the periods in which the Group recognizes the relevant finance costs.

Liabilities under agency agreements

During 2023 the Group entered into agency agreements with local authorities for the implementation of the pilot national project "Comfortable School" ("national project") on construction of secondary education facilities. The Group acts as an agent under IFRS 15. The liabilities under the agency agreements represent the amounts received from local authorities, which are to be further transferred by the Group to the construction companies (Note 17), that are responsible for construction of secondary education facilitites under the national project.

Liabilities under inventory loan agreements

The Group borrowed 886 tones of natural uranium from ANU Energy OEIC Ltd. due for return at December 31, 2023. In December 2023 the Group has returned 38 tones and extended the due date of agreement until the end of March 2024. As at December 31, 2023 the fair value of liability under inventory loan agreement was 91,151 million tenge. In March 2024 the Group returned the remaining 848 tones of natural uranium. The fair value of inventory loan amounted to 86,391 million tenge at the date of return, which was greater than the cost of inventory returned by 9,572 million tenge. Gain from revaluation of uranium loans to fair value for 4,760 million tenge as well as net gain from disposal of the loan returned to ANU Energy OEIC Ltd. in the amount of 9,572 million tenge are recognised as other operating income.

25. REVENUE

Revenue comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Revenue from contracts with customers:		
Sales of crude oil	4,670,749	4,614,945
Sales of oil refined products	2,591,958	2,679,801
Railway cargo transportation	1,869,783	1,677,659
Sales of uranium products	1,715,172	1,391,438
Sales of refined gold	1,260,191	812,527
Sales of gas products	1,090,795	987,297
Telecommunication services	732,107	668,530
Electricity complex	595,239	448,999
Oil and gas transportation fee	384,657	319,978
Oil processing fees	258,530	248,058
Electricity transmission services	237,308	197,436
Railway passenger transportation	114,989	105,570
Air transportation	78,011	548,804
Postal services	34,762	31,724
Income from financial services and commissions	21,325	19,323
Sales of test products (Note 7)	20,001	63,427
Other revenue	611,323	481,527
	16,286,900	**15,297,043**
Rental income	97,509	88,283
Interest revenue	48,657	48,679
	16,433,066	**15,434,005**

In millions of tenge	2024	2023
Geographical markets		
Kazakhstan	7,124,816	5,981,665
United Arab Emirates	1,883,385	223,626
Switzerland	1,853,827	1,677,592
China	1,358,396	1,169,095
Romania	1,250,539	1,334,672
Other countries	2,815,937	4,910,393
	16,286,900	**15,297,043**

26. COST OF SALES

Cost of sales comprised the following for the years ended December 31:

In millions of tenge	2024	2023 (restated)
Materials and supplies	6,977,225	6,455,824
Personnel costs, including social taxes and withdrawals	1,901,661	1,692,434
Depreciation, depletion and amortization	1,176,681	1,164,654
Fuel and energy	488,309	550,822
Production services rendered	423,161	417,286
Repair and maintenance	385,966	389,665
Taxes other than social taxes and withdrawals	221,018	202,551
Mineral extraction tax	186,326	195,212
Transportation expenses	170,564	138,573
Short-term rent	107,755	118,566
Interest expense	58,806	58,777
Communication services	47,890	49,145
Security services	41,132	38,638
Other	308,145	299,642
	12,494,639	**11,771,789**

27. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Personnel costs, including social taxes and withdrawals	301,944	271,307
Taxes other than social taxes and withdrawals	33,678	28,834
Audit and consulting services	32,754	33,038
Depreciation and amortization	32,112	32,905
Sponsorship and charitable donations	30,640	6,741
Other services by third parties	30,043	26,139
Repair and maintenance	11,097	11,469
Business trips	9,067	8,519
Social payments and maintenance of social facilities	7,649	6,612
Utilities expenses and maintenance of buildings	6,254	4,536
Short-term rent	5,587	5,251
Insurance	4,473	4,658
Professional education and advanced trainings	4,401	3,905
Transportation services	3,091	3,020
Communication services	2,383	2,452
Bank services	1,904	2,113
Other	50,326	74,882
	567,403	**526,381**

28. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Transportation	509,246	488,491
Rent tax	139,656	138,986
Custom duties	127,369	115,965
Personnel costs, including social taxes and withdrawals	27,572	28,634
Commission fees to agents and advertising	23,400	31,560
Depreciation and amortization	20,165	19,085
Rent expenses	10,033	9,265
Other	43,694	38,512
	901,135	**870,498**

29. IMPAIRMENT LOSS

Impairment loss comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (Notes 8, 9, 10)	126,502	262,167
Impairment of VAT receivable, net	13,142	27,606
Impairment of investments in joint ventures and associates (Note 11)	4,420	5,073
(Reversal of impairment)/impairment of non – current advances for non-current assets and its construction	(13,270)	27,490
Other	7,202	3,471
	137,996	**325,807**

For the following property, plant and equipment, exploration and evaluation assets and intangible assets impairment losses were recognised for years ended:

In millions of tenge	2024	2023
Seawater desalination plant	70,521	–
Objects of the unfinished construction of power unit No. 3 (Note 4)	18,524	13,216
Abai project	17,703	–
MTS	7,848	–
Kairan and Aktoty project	3,953	74,255
CGUs of KMGI (Note 4)	1,010	97,636
Jenis project	–	40,244
Liman project	–	8,847
Ereymentau Wind Power assets (Note 4)	–	4,913
Southern Urikhtay project	–	4,876
Drilling jack-up rig(Note 4)	(16,189)	–
Gas turbine power plant and water treatment assets (KUS) (Note 4)	(9,877)	–
Other	33,009	18,180
	126,502	262,167
	126.502	**262.167**

Impairment of a seawater desalination plant and supply infrastructure

As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, Ak Su KMG LLP, a subsidiary of the Group, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. The Group estimates that the recoverable amount of this property is nil and, accordingly, as at December 31, 2024 recognized an impairment charge for construction costs incurred in the amount of 70,521 million tenge, and reversed the reserve accrued in 2023 for the advances for the construction of this desalination plant in the amount of 17,324 million tenge.

Impairment of exploration and evaluation assets

For the year ended December 31, 2024, the Group recognized impairment loss of 17,703 million tenge on exploration and evaluation assets relating to Abai project due to negative drilling results and the absence of signs of hydrocarbon reserves in the well.

For the year ended December 31, 2023, the Group recognized impairment loss of 40,244 million tenge on exploration and evaluation assets relating to Jenis project due to negative drilling results (the absence of hydrocarbons in the well).

For the year ended December 31, 2023, the Group recognized impairment loss of 74,255 million tenge on exploration and evaluation assets relating to Aktoty and Kairan project, due to the notification of termination of the subsoil use right for the mentioned mining areas received from the Ministry of Energy of RK.

For the year ended December 31, 2023, the Group has recognized impairment of exploration and evaluation assets in the amount of 4,876 million tenge of the Urikhtau, due to the expiration of the Contract for the use of Devonian sediments.

30. FINANCE COSTS

Finance costs comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Interest on loans and debt securities issued	438,025	520,793
Interest on lease liabilities (Note 22)	51,829	58,190
Discount on provisions and other payables	39,375	43,101
Revaluation loss on financial assets at fair value through profit/loss	5,910	45,374
Discount on assets at rates below market	1,466	12,520
Financial guarantees	6	1,695
Other	37,807	28,274
	574,418	**709,947**

31. FINANCE INCOME

Finance income comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Interest income on amounts due from credit institutions and cash and cash equivalents	343,120	309,175
Interest income from loans and financial assets	111,384	108,890
Derecognition of loan (Note 19)	48,442	4,377
Revaluation gain on financial assets at fair value through profit/loss	31,316	47,041
Income from subsidized interest rates on financial liabilities	28,019	2,220
Income from derecognition of loan commitment	10,462	–
Income from financial guarantees	8,538	2,513
Discount on liabilities at rates below market	8,123	1,090
Other	16,177	11,058
	605,581	**486,364**

32. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

Share in profit/(loss) of joint ventures and associates comprised the following for the years ended December 31:

In millions of tenge	2024	2023
Joint ventures		
Asia Gas Pipeline LLP	325,723	268,632
Tengizchevroil LLP	303,480	340,884
Beineu Shymkent Gas Pipeline LLP	44,983	52,927
Mangistau Investments B.V.	35,726	38,255
KC Energy Group LLP*	27,288	–
Petrosun LLP	26,238	46,567
KazGerMunay LLP	25,336	20,983
Semizbay-U LLP	21,741	13,025
Kazakhstan – China Pipeline LLP	20,844	18,720
KazRosGas LLP	19,157	32,324
Ulba-FA LLP	(6,634)	5,677
Ural Group Limited BVI	(8,961)	(47,006)
Other	350	36,598
	835,271	**827,586**
Associates		
Caspian Pipeline Consortium JSC	81,525	64,358
JV KATCO LLP	80,249	33,315
Kazzinc LLP	64,381	(50,868)
JV South Mining Chemical Company LLP	47,910	34,171
Other	39,510	36,517
	313,575	117,493
	1,148,846	**945,079**

* KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.

33. INCOME TAX EXPENSES

As at December 31, 2024 income taxes prepaid of 248,343 million tenge (2023: 190,850 million tenge) are mainly represented by corporate income tax. As at December 31, 2024 income taxes payable of 24,942 million tenge (2023: 38,834 million tenge) are mainly represented by corporate income tax.

Income tax expenses comprised the following for the years ended December 31:

In millions of tenge	2024	2023 (restated)
Current income tax expenses		
Corporate income tax ("CIT")	637,507	610,694
Withholding tax on dividends and interest income	88,166	92,630
Alternative mineral extraction tax	2,628	–
Excess profit tax	1,360	838
Deferred income tax expense/(benefit)		
Corporate income tax ("CIT")	217,721	70,659
Withholding tax on dividends and interest income	(27,554)	(33,376)
Excess profit tax	5,734	(10,392)
Income tax expenses	**925,562**	**731,053**

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2024 and 2023) to income tax expenses was as follows for the years ended December 31:

In millions of tenge	2024	2023 (restated)
Profit from continuing operations before income tax	4,238,577	2,861,353
Theoretical income tax expense at 20% statutory rate	**847,715**	**572,271**
Tax effect of other items, which are not deductible	149,874	86,891
Change in unrecognized deferred tax assets	34,215	(28,542)
Effect of different corporate income tax rates	61,696	74,413
Excess profit tax	9,722	(9,554)
Share in non-taxable profit of joint ventures and associates	(179,716)	(133,736)
Recognition of deferred tax liability in relation to the disposal group (Note 7)	42,758	–
Other differences	(40,702)	169,310
Total corporate income tax expenses	**925,562**	**731,053**

The subsidiaries of the Group: KMG Kashagan B.V. and KMG Karachaganak have a Production Sharing Agreement and a Final Production Sharing Agreement, respectively, that provide for a stabilized tax regime under the 1997 Tax Code, which must be applied throughout the entire abovementioned agreements period. The most significant tax impact of the stabilized tax regime is the application of a 30% corporate income tax rate to taxable profit.

Income tax rates for companies operating in jurisdictions such as the Netherlands, Romania and Switzerland range from 11.89% to 25.8%.

Deferred tax balances, calculated by applying the statutory tax rates effective at the respective reporting dates to the temporary differences between tax basis of assets and liabilities and the amounts reported in the consolidated financial statements, are comprised of the following at December 31:

	2024			
In millions of tenge	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Deferred tax assets				
Property, plant and equipment	27,617	–	–	27,617
Tax loss carryforward	789,846	–	–	789,846
Employee related accruals	26,979	–	–	26,979
Allowance for expected credit losses of financial assets	46,672	–	–	46,672
Provision for environmental liability	80,614	–	–	80,614
Lease liabilities	26,213	–	–	26,213
Other	118,122	4,291	–	122,413
Less: unrecognized deferred tax assets	(603,415)	–	–	(603,415)
Less: deferred tax assets offset with deferred tax liabilities	(395,348)	–	–	(395,348)
Deferred tax assets	**117,300**	**4,291**	**–**	**121,591**
Deferred tax liabilities				
Property, plant and equipment	1,895,535	230	–	1,895,765
Undistributed earnings of joint ventures and associates	–	–	634,427	634,427
Right-of-use asset	33,641	–	–	33,641
Recognition of deferred tax liability in relation to the disposal group (Note 7)	42,758	–	–	42,758
Other	56,534	–	–	56,534
Less: deferred tax assets offset with deferred tax liabilities	(395,348)	–	–	(395,348)
Deferred tax liabilities	**1,633,120**	**230**	**634,427**	**2,267,777**
Net deferred tax liabilities	**(1,515,820)**	**4,061**	**(634,427)**	**(2,146,186)**

In millions of tenge	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
	2023 (restated)			
Deferred tax assets				
Property, plant and equipment	28,225	–	–	28,225
Tax loss carryforward	839,623	–	–	839,623
Employee related accruals	27,136	–	–	27,136
Allowance for expected credit losses of financial assets	61,364	–	–	61,364
Provision for environmental liability	81,887	–	–	81,887
Lease liabilities	19,615	–	–	19,615
Other	128,342	10,334	–	138,676
Less: unrecognized deferred tax assets	(569,200)	–	–	(569,200)
Less: deferred tax assets offset with deferred tax liabilities	(518,947)	–	–	(518,947)
Deferred tax assets	**98,045**	**10,334**	**–**	**108,379**
Deferred tax liabilities				
Property, plant and equipment	1,610,181	539	–	1,610,720
Undistributed earnings of joint ventures and associates	–	–	571,270	571,270
Right-of-use asset	24,612	–	–	24,612
Recognition of deferred tax liability in relation to the disposal group (Note 7)	–	–	–	–
Other	68,850	–	–	68,850
Less: deferred tax assets offset with deferred tax liabilities	(518,947)	–	–	(518,947)
Deferred tax liabilities	**1,184,696**	**539**	**571,270**	**1,756,505**
Net deferred tax liabilities	**(1,086,651)**	**9,795**	**(571,270)**	**(1,648,126)**

The movements in the net deferred tax liabilities were as follows for the years ended December 31:

In millions of tenge	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
	2024			
Balance at January 1	1,086,650	(9,795)	571,270	1,648,125
Foreign currency translation	84,231	–	90,711	174,942
Recognised to other comprehensive income	(2,800)	–	–	(2,800)
Acquisition through business combinations (Note 5)	142,552	–	–	142,552
Recognized in equity	1,621	–	–	1,621
Transfer to assets classified as held for sale or distribution to the Shareholder (Note 7)	(14,155)	–	–	(14,155)
Recognised to profit and loss	217,721	5,734	(27,554)	195,901
Balance at December 31	**1,515,820**	**(4,061)**	**634,427**	**2,146,186**

In millions of tenge	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
	2023 (restated)			
Balance at January 1	953,535	597	615,747	1,569,879
Foreign currency translation	(4,877)	–	(11,101)	(15,978)
Recognised to other comprehensive income	1,743	–	–	1,743
Acquisition through business combinations (Note 5)	48,754	–	–	48,754
Recognized in equity				
Transfer to assets classified as held for sale or distribution to the Shareholder (Note 7)	16,837	–	–	16,837
Recognised to profit and loss	70,659	(10,392)	(33,376)	26,891
Balance at December 31	**1,086,651**	**(9,795)**	**571,270**	**1,648,126**

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax asset arising mainly from tax losses carry forward were equal to 603,475 million tenge as at December 31, 2024 (December 31, 2023: 569,200 million tenge).

Tax losses carryforwards as at December 31, 2024 in the RK expire for tax purposes 10 (ten) years from the date they are incurred.

34. CONSOLIDATION

Subsidiaries included in the consolidated financial statements are presented as follows:

		Main activity	Country of incorporation	Ownership percentage 2024	Ownership percentage 2023
1	National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	67,42%	67,42%
2	National Company "QazaqGaz" JSC and subsidiaries	Exploration, production, transportation, sale and storage of natural gas and gas condensate	Kazakhstan	100,00%	100,00%
3	National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	Passenger and cargo transportation	Kazakhstan	100.00%	100.00%
4	National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries (Note 18.9)	Production and mining of uranium, rare metals	Kazakhstan	62.99%	75.00%
5	Samruk-Energy JSC ("Samruk-Energy") and subsidiaries*	Electricity and heat production	Kazakhstan	100.00%	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	Electricity transmission services	Kazakhstan	85.00%	85.00%
7	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	100.00%	100.00%
8	Kazakhtelecom JSC ("KTC") and subsidiaries	Telecommunication services	Kazakhstan	80.85%	80.85%
9	Air Astana JSC ("Air Astana") and subsidiaries (Note 7)	Air transportation	Kazakhstan	–	51.00%
10	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	100.00%	100.00%
11	National Mining Company "Tau-Ken Samruk" ("NMC TKS") and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	100.00%	100.00%
12	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	100.00%	100.00%
13	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	100.00%	100.00%
14	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	100.00%	100.00%
15	Stantsiya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	Power generation	Kazakhstan	100.00%	100.00%
16	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	100.00%	100.00%
17	Qazaq Air JSC	Air transportation	Kazakhstan	100.00%	100.00%
18	Kazakhstan nuclear electric plants LLP	Servicing companies in the electricity sector	Kazakhstan	100.00%	100.00%
19	Kazakhstan Petrochemical Industries Inc. JSC (Note 7)	Production of oil-and-gas and petrochemical products	Kazakhstan	–	99%
20	CCGT Turkistan LLP	Transmission, distribution and sale of electricity	Kazakhstan	100.00%	100.00%
21	Center for Scientific and Technological Initiatives "Samgau" Foundation	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	100.00%	100.00%
22	AES Shulbinskaya GES LLP and subsidiary*	Production and wholesale realization of electric power	Kazakhstan	–	100.00%
23	AES Ust-Kamenogorskaya GES LLP*	Production and wholesale realization of electric power	Kazakhstan	–	100.00%
24	Kokshetauskaya TEC LLP**	Electricity and heat production	Kazakhstan	100.00%	–
25	Oskemen Energo LLP**	Electricity and heat production	Kazakhstan	100.00%	–
26	Semey Energo LLP**	Electricity and heat production	Kazakhstan	100.00%	–

* On May 14, 2024, the Fund transferred 100% of its shares in Shulbinskaya GES and UK GES as a contribution to the authorized capital of Samruk-Energy.
** New subsidiaries of the Fund registered on June 24, 2024

35. RELATED PARTY DISCLOSURES

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table provides the total amount of transactions, which have been entered into with related parties as at December 31:

In millions of tenge		Associates	Joint ventures	Other state-controlled entities
Trade and other accounts receivable	2024	18,906	204,304	112,792
	2023	25,045	120,512	87,152
including allowances for ECL on trade and other accounts receivables	2024	(374)	(600)	(284)
	2023	(735)	(872)	(464)
Trade and other payables	2024	128,890	521,199	22,235
	2023	69,428	440,772	20,746
Sale of goods and services	2024	249,238	706,131	1,867,922
	2023	132,423	642,987	1,305,296
Purchase of goods and services	2024	389,736	2,464,314	176,952
	2023	294,267	2,517,627	218,691
Other income/(loss), net	2024	12,669	(20,599)	(11,652)
	2023	2,578	530	(25,079)
Cash and cash equivalents, and amounts due from credit institutions	2024	2	271	347,941
	2023	–	331	308,390
including allowances for ECL on cash and cash equivalents, and amounts due from credit institutions	2024	–	–	(17)
	2023	–	–	(2)
Loans issued	2024	4,189	95,540	108,912
	2023	7,124	90,978	39,979
including allowances for ECL on loans issued	2024	(912)	(14)	(683)
	2023	(2,101)	(20)	(1,280)
Borrowings	2024	–	15,616	1,351,328
	2023	3,506	15,492	1,192,634
Other assets	2024	46,322	19,204	379,941
	2023	14,368	43,823	304,771
including provision for impairment of other assets	2024	(21)	–	(345)
	2023	(50)	–	(189)
Lease and other liabilities	2024	52,559	149,652	180,889
	2023	19,675	143,454	96,259
Interest accrued due from related parties	2024	673	11,645	35,896
	2023	1,379	14,845	56,991
Interest accrued due to related parties	2024	5,755	20,160	119,157
	2023	2,527	17,198	97,109

As at December 31, 2024 some of the Group's borrowings of 6,602 million tenge were guaranteed by the Government of the RK (December 31, 2023: 6,758 million tenge).

Total compensation to key management personnel (members of the Boards of Directors and Management boards of the Fund and its subsidiaries) included in general and administrative expenses in the consolidated statement of comprehensive income was equal to 7,687 million tenge for the year ended December 31, 2024 (December 31, 2023: 7,649 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

The Group's exposure to interest risk relates primarily to the Group's long-term and short-term borrowings with variable interest rates (Note 19).

The following table demonstrates the sensitivity of the Group's profit before income tax (through the impact on variable rate borrowings) to a reasonably possible change in variable interest rates, with all other variables held constant.

In millions of tenge		Increase/ (decrease) in basis points*	Effect on profit before income tax
SOFR	2024	450/(39)	(11,340)/983
	2023	382/(382)	(11,593)/11,593
SARON	2024	126/(77)	(7,917)/4,838
	2023	176/(176)	(4,507)/4,507
Key Rate of National Bank of RK	2024	406/(231)	(12,969)/7,379
	2023	100/(100)	(3,268)/3,268
EURIBOR	2024	354/(121)	(8,714)/3,126
	2023	334/(334)	(5,447)/5,447
COF**	2024	143/(143)	(1,720)/1,720
	2023	143/(143)	(2,023)/2,023
TONIA	2024	286/(286)	(2,608)/2,608
	2023	297/(297)	(4,805)/4,805
Inflation rate of RK	2024	400/(400)	(8,209)/8,209
	2023	400/(400)	(4,363)/4,363

* 1 basis point = 0.01%;
** Cost of funding.

Currency risk

As a result of significant borrowings, lease liabilities, and trade accounts payable, cash and cash equivalents, amounts due from credit institutions and accounts receivable denominated in the US dollars, the Group's consolidated financial position can be affected significantly by movement in the US dollar/ tenge exchange rates.

The following table demonstrates the sensitivity of the Group's profit before income tax to a reasonably possible change in the US dollar and euro, with all the variables held constant.

In millions of tenge	Increase/(decrease) in exchange rate	Effect on profit before income tax
2024		
US dollar	9.09%/(7.34%)	(11,506)/17,824
Euro	9.00%/(5.95%)	(28,875)/19,091
RUB	19.82%/(38.53%)	(15,140)/29,433
2023		
US dollar	14.15%/(14.15%)	(255,765)/246,390
Euro	12.95%/(12.95%)	(22,419)/22,416
RUB	28.54%/(28.54%)	(13,429)/13,429

Credit risk

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying amount of each financial asset.

The Group considers that its maximum exposure is reflected by the amount of loans issued (Note 12), amount due from credit institutions (Note 13), trade accounts receivable and other current assets (Note 16), other financial assets (Note 14), and cash and cash equivalents (Note 17), net of allowances for expected credit losses recognized at the reporting date.

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The Group has a policy that ensures enforcement of constant control procedures for sales to only be made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its buyers.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at price close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The table shown below summarizes the maturity profile of the Group's financial liabilities at December 31 based on contractual undiscounted payments.

In millions of tenge	On demand	Due later than 1 month but not later than 3 months	Due later than 3 months but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
At December 31, 2024						
Loans from the Government of the Republic of Kazakhstan	13	302	66,731	395,818	3,093,655	3,556,519
Borrowings	14,931	98,415	1,105,981	3,979,088	6,071,000	11,269,415
Lease liabilities	10,198	16,673	94,237	348,319	420,252	889,679
Due to customers	79,494	–	44,529	18	–	124,041
Financial guarantees*	36,840	3,399	61,604	275,329	839,968	1,217,140
Trade and other payables	569,374	1,101,156	217,452	17,044	2,594	1,907,620
Other financial liabilities	229,769	16,950	70,312	–	–	317,031
	940,619	**1,236,895**	**1,660,846**	**5,015,616**	**10,427,469**	**19,281,445**
At December 31, 2023						
Loans from the Government of the Republic of Kazakhstan	13	24	45,501	279,850	2,702,651	3,028,039
Borrowings	38,310	101,197	1,245,750	3,939,878	6,185,751	11,510,886
Lease liabilities	5,437	34,970	151,783	480,124	314,966	987,280
Due to customers	37,679	–	42,375	16	–	80,070
Financial guarantees*	39,750	3,084	12,441	52,631	88,153	196,059
Trade and other payables	463,535	960,182	269,793	14,503	–	1,708,013
Other financial liabilities	123,482	33,422	5,836	49,442	–	212,182
	708,206	1,132,879	1,773,479	4,816,444	9,291,521	17,722,529

* The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2024 and 2023 there was no significant instances of financial guarantees execution.

Capital management

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. Major objective of the capital management is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Key performance indicators ("KPI") used by the Group to manage capital of its subsidiaries are ratios of: Debt to Earnings before Interest, Taxes, Depreciation and Amortization, and Interest ("D/EBITDA") from continuing and discontinued operations; and Debt to Equity ("D/E").

Debt is considered to be equal to all borrowings, debt securities, guarantee and finance lease liabilities of relevant subsidiaries reduced by value of cash and cash equivalents. Equity is considered to be equal to the entire equity of the subsidiary attributable to majority shareholders.

Allowed maximum for the indicator is approved for each subsidiary based on the needs and specifics of its business and varies within following ranges (consolidated KPI's for the Group have been presented for reference purposes as the Group does not monitor KPI's on the consolidated level):

Key Performance Indicators	2024	2023
D/EBITDA	1.92	1.75
D/E	0.37	0.36

In millions of tenge	2024	2023
Borrowings (Note 19)	6,668	6,364
Loans from the Government of the Republic of Kazakhstan (Note 20)	1,087	873
Lease liabilities (Note 22)	418	353
Derivative instruments	36	36
Guaranteed principal amount of liabilities of entities outside the Group	1,193	246
Total debt	**9,402**	**7,872**
Less: cash and cash equivalents	(3,212)	(2,740)
Net debt	**6,190**	**5,132**
EBITDA	4,905	4,488
Total equity	**25,593**	**21,740**

Fair values of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between Level 1 and Level 2 during the reporting period, and no transfers into or out of Level 3 category.

As at December 31, 2024 and 2023 the carrying amount of the following Group's financial instruments is a reasonable estimate of their fair value:

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2024
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	82,945	82,945
Financial assets measured at fair value through OCI	280,159	156,732	73	436,964
Financial assets at fair value through profit and loss	114,004	48,067	35,599	197,670
Liabilities				
Derivative financial liabilities	–	35,647	680	36,327

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2023
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	86,173	86,173
Financial assets measured at fair value through OCI	24,986	21,636	74	46,696
Financial assets at fair value through profit and loss	50,576	75,824	39,802	166,202
Derivative financial assets	–	347	2,085	2,432
Liabilities				
Derivative financial liabilities	–	35,840	–	35,840

	December 31, 2024				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
Financial assets					
Loans issued at amortized cost and net investment in finance lease	210,871	212,146	–	117,107	95,039
Amounts due from credit institutions	1,557,505	1,553,951	1,523,240	30,711	–
Financial liabilities					
Borrowings	6,835,916	6,576,835	3,008,884	3,403,903	164,048
Loans from the Government of the Republic of Kazakhstan	1,087,072	885,907	–	885,907	–
Guarantee obligations	86,102	96,696	–	94,288	2,408

	December 31, 2023				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
Financial assets					
Loans issued at amortized cost and net investment in finance lease	147,837	148,057	–	6,285	141,772
Amounts due from credit institutions	1,298,880	1,294,716	1,021,437	273,279	–
Financial liabilities					
Borrowings	7,322,081	7,068,783	2,951,315	2,913,962	1,203,506
Loans from the Government of the Republic of Kazakhstan	872,846	631,071	–	631,071	–
Guarantee obligations	34,616	35,054	–	32,268	2,786

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.

Except for the financial instruments stated above as at December 31, 2024 and December 31, 2023 the management assessed that the fair value of financial instruments of the Group, such as trade and other accounts receivable and payable, cash and cash equivalents, short-term bank deposits and other current liabilities approximates their carrying amounts largely due to the short-term maturites of these instruments.

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy are shown below:

	Valuation technique	Significant unobservable inputs	Range as of December 31 2024	2023
Loans issued at amortized cost and net investment in finance lease	Discounted cash flow method	Interest/discount rate	5.0%–30%	8.5%–30%
Financial assets at fair value through profit and loss	WACC	Interest/discount rate	9.2%–19.39%	9.2%–18.46%
Loans issued at fair value through profit and loss	Discounted cash flow method	Interest/discount rate indexed to changes in the US dollar exchange rate	SOFR+2,8% – 15%	SOFR+2.8% – 15%
Borrowings	Discounted cash flow method	Interest/discount rate	3.81%– 17%	SOFR+3.0% – 17%
Financial guarantee issued	Discounted cash flow method	Interest/discount rate	7.6%–14.56%	8.4%–14.56%

37. COMMITMENTS AND CONTINGENCIES

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

Commodity price risk

The Group generates most of its revenue from the sale of commodities, primarily crude oil and oil products. Historically, the prices of these products have been volatile and have fluctuated widely in response to changes in supply and demand, market uncertainty, the performance of the global or regional economies and cyclicality in industries. Prices may also be affected by the Government actions, including the imposition of tariffs and import duties, speculative trades, an increase in capacity or oversupply of the Group's products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices. A substantial or extended decline in commodity prices would materially and adversely affect the Group's business and the consolidated financial results and cash flows of operations. The Group mainly does not hedge its exposure to the risk of fluctuations in the price of its products.

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

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

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

- The Group has initiated projects on constructions of new combined cycle gas plant at the Almaty CHP-2 and CHP-3. The purpose is the replacement of the existing coal-fired equipment with modern environmentally friendly combined cycle power units; and
- The Group has assessed and recognized provisions for decommissioning of power plants and rehabilitating environmental damage due to recently introduced regulatory requirements in accordance with Environmental Code (Note 21).

In relation to the identified risks associated with climate change, the Group assessed their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and the disclosures in the consolidated financial statements. The following areas are primarily exposed to risks associated with climate change.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

Management believes that as at December 31, 2024 its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

Comprehensive tax audit at oil refineries of the Group

All three major oil refineries in the Group, Atyrau refinery, Pavlodar refinery and PKOP were subject to a comprehensive tax audit covering periods of a few years (up to 2020) in 2020-2022. As a result of the audits, the total amount of additional charges for VAT for 37,728 million tenge, for income tax for 17,830 million tenge, for other taxes for 476 million tenge, including penalties for all additional charges of 8,959 million tenge and reduction in tax carry-forward losses for 119,871 million tenge.

Atyrau refinery, Pavlodar refinery and PKOP did not agree with the assessments and appealed them according to the procedure established by the state. The refineries' appeals are under consideration by the Ministry of Finance of the RK.

PKOP partially appealed one of the notifications regarding the amount of additional taxes and penalties for 3,694 million tenge. However, on February 15, 2024, the Civil Chamber of the Supreme Court canceled the decision in favor of PKOP made on November 15, 2021 by the Civil Chamber of the Shymkent City Court.

During 2024, PKOP took measures to appeal the decision of the Judicial Collegium for Civil Cases of the Supreme Court to the Prosecutor General's Office of the Republic of Kazakhstan. However, due to the lack of procedural opportunity, consideration of the petitions was refused. Accordingly, PKOP recognized a provision and paid tax and fine in the amount of 3,694 million tenge. However, the Group continues to work to appeal the decision.

The potential amount of additional value added tax (VAT) assessments for the period from 2020 to 2024 is calculated by applying the VAT rate of 12% to the amount of excise tax reimbursed by the toller, excluding potential fines and penalties as stipulated in accordance with the Administrative Code of the RK.

The excise tax amount is determined by applying the excise tax rate per ton, established by Government Resolution of the Republic of Kazakhstan (hereinafter referred to as "GRRK") No. 173 dated April 6, 2018 (as amended by GRRK No. 841 dated November 25, 2021, and GRRK No. 155 dated March 24, 2022) to the volume of petroleum products (gasoline and diesel fuel) transferred to tollers annually. The total volume of petroleum products transferred to tollers from 2020 to 2024 amounted to 28,788 thousand tons, including 14,352 thousand tons of gasoline and 14,436 thousand tons of diesel fuel. Additionally, from January 1, 2022, to April 4, 2022 (before the amendments introduced by GRRK No. 155 dated March 24, 2022, took effect on April 5, 2022), the volume of transferred petroleum products amounted to 978 thousand tons of gasoline and 1,030 thousand tons of diesel fuel.

Tax audit of Samruk-Energy JSC and its subsidiary EGRES-1

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

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

Income tax expenses of QazaqGaz

QazaqGaz recognized interest expense and foreign exchange differences in the statement of comprehensive income on a bank loan that was obtained for the purpose of refinancing a previous loan. During 2023, this loan resulted in foreign exchange gains that were not included in total annual taxable income due to the fact that the loan was not related to income-generating activities. Management believes that its interpretation of tax laws is appropriate, and it is probable that it will be able to justify its position to the tax authorities. Management believes that the risk of additional charge as of December 31, 2024 and 2023 is low. Accordingly, no additional tax liabilities have been recognized by the Group in these consolidated financial statements. The amount of possible additional charge is approximately 20,000 million tenge.

Legal proceedings

The civil litigation at KMGI

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, resumed several previous civil filings in 2020, one of which challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital in 2003-2005. The hearings have been held periodically. As of December 31, 2024, all Faber claims were dismissed and the case was closed.

Civil legal dispute between the National Mineral Resources Agency (NAMR) and Oilfield Exploration Business Solutions S.A (OEBS), subsidiary of KMGI, at the Focsani field

On December 17, 2019 OEBS has been noticed by the NAMR that a Request for Arbitration would have been filed in to ICC Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Starting from that period, OEBS was in dispute with NAMR. On July 29, 2022 the Court decided to oblige OEBS to pay 10.1 million U.S. dollars from a total NAMR claim of 20 million U.S. dollars. In 2022, the Group recognized a provision in the amount of 10.1 million dollars (equivalent to 4,673 million tenge).

On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay 10.1 million U.S. dollars. OEBS approached NAMR and the Romanian fiscal authorities with a proposal to gradually pay the amount until 2026. As a result, OEBS was authorized to make the payment as follows: 30% of the liabilities will be paid by NAMR, while 70% will be paid in accordance with the debt Restructuring Plan with the Romanian tax authorities.

As of December 31, 2024, OEBS paid 30% directly to NAMR the remaining 70% was included in the restructuring plan and will be paid until 2026. The Group also reclassified the previously recognized provision into other financial liabilities (Note 21).

Competition investigation in Moldova

Since the beginning of 2021, Rompetrol Moldova (further RPM), a subsidiary of KMGI operating in Moldova, is involved in an investigation and related court proceedings initiated by the Competition Council of Moldova (further CCM) alleging RPM agreed with other industry players on retail prices for petroleum products. RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. A few attempts to dismiss the said report were unsuccessful with the latest ruling rejecting RPM's request to dismiss the report issued by the local court on May 26, 2022. RPM has filed an appeal and a first hearing is scheduled for March 21, 2023. In 2022, the Group recognized a provision in the amount of 12 million dollars (equivalent to 5,552 million tenge). During 2023, RPM filed in an appeal and the first hearing was scheduled for October 4, 2023, however, the court rejected the appeal. The second appeal was filed in on January 24, 2024. The first hearing was scheduled for October 16, 2024. However, on July 3, 2024, the SCM announced that RPM was found guilty. On August 1, 2024, RPM filed an appeal against the fine and requested a deferment of payment pending the resolution of the underlying case. On August 26, 2024, the court issued a decision suspending payment of the fine pending the resolution of the litigation. The CCM filed in an appeal and on December 9, 2024 the Court rejected the appeal of CCM regarding the suspension of payment until a final court decision on this dispute.

The case of arbitration between KazRosGas LLP, a joint venture of the company, (further KRG) and Karachaganak Petroleum Operating B.V. (further KPO)

On August 23, 2022, the Secretariat of the International Chamber of Commerce in Paris submitted to KRG a Notice of Initiation of Arbitration Proceedings by KPO, which is the operator under the Final Production Sharing Agreement for the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, with amendments and additions (further FPSA). KPO intends to increase the gas sale price under the existing Karachaganak Gas Purchase and Sale Agreement. If the gas price is agreed later than October 1, 2022, KRG and KPO shall recalculate the gas price for the period from October 1, 2022 to the date of the price agreement.

In October 2022, a working group was established to develop a negotiating position of the Kazakh side on the peaceful settlement of the dispute over the arbitration process between the KRG and KPO, chaired by the First Vice Minister of Energy of RK. The working group also includes representatives of the Ministry of Energy of RK, JSC "NC "QazaqGaz", KMG and KRG.

In August 2023, the Tribunal approved the Procedural Timetable for the Arbitration (further Arbitration Timetable), according to which the final hearing is scheduled for the week of November 18, 2024, and the deadline for the Tribunal to make decision is until the end of March 2025.

In January 2024, a meeting was held between the Ministry of Energy of the Republic of Kazakhstan, KPO, KMG and the KRG to peacefully resolve the dispute. From 18 to 22 November 2024, an evidentiary hearing of the Tribunal was held, at which the parties and experts presented their final positions on the merits of the dispute to the Tribunal, and barristers, together with the Tribunal, cross-examined the experts. On 1 January 2025, legal representatives of both Parties notified the Tribunal and the Secretariat of the conclusion of an agreement on the settlement of the dispute and the termination of the arbitration proceedings. As a result, the price formula remains the same.

The case of an administrative offense of the Pavlodar refinery initiated by the Department of Agency for protection and development of competition of RK (hereafter – Antimonopoly agency) of the Pavlodar region

In 2022 the Prosecutor's Office of the Pavlodar region together with the Antimonopoly agency conducted an inspection of the Pavlodar refinery operations for compliance with the legislation of the RK in the field of oil and petroleum products turnover, labor, tax and antimonopoly legislation for 2020-2021. On March 16, 2022 Antimonopoly agency issued the Conclusion which stated that Pavlodar refinery set monopolistically high tariff for oil refining services. On July 25, 2022, Antimonopoly agency of the Pavlodar region initiated an administrative offence and issued a Protocol to the Specialized Court for Administrative Offenses of Pavlodar city for setting by the Pavlodar refinery monopolistically high tariff for oil refining services in 2021 and to confiscate revenue for 2021 of 21,961 million tenge and impose fine of 6,226 million tenge.

On June 9, 2023, Specialized Court for Administrative Offenses of Pavlodar city issued a resolution to terminate administrative proceedings. On June 30, 2023, Decree on the consumption of administrative proceedings and the cancellation of the protocol entered into legal force. As a result, as at December 31, 2023, administrative proceedings were closed, and Pavlodar refinery reversed a provision accrued in 2022 in the amount of 28,187 million tenge and recognized in other operating income (Note 21).

Legal proceeding of the NAC KAP

On July 23, 2021, the Fund for the Protection of the Rights of Investors in Foreign Countries, to which the rights of claim were assigned by Quorum Debt Management Group, filed a lawsuit with the Arbitration Court of the Irkutsk Region, Russia, demanding the recovery of funds from the Company in the amount 50,000,000 US dollars under a Framework Agreement (support for asset recovery activities) dated December 26, 2013, which was expired on December 25, 2016. In February 2024 after a series of court hearings, Quorum Debt Management Group LLC proposed to resolve the legal dispute amicably. In connection with this, a joint petition was filed to postpone the court hearing, which was satisfied on March 2024 by the Arbitration Court of the Irkutsk Region and postponed until May 21, 2024. On April 25, 2024, a Settlement Agreement was signed between the parties, under the terms of which the parties completely and forever renounce their claims against each other. On May 6, 2024 the Settlement Agreement was approved by the Arbitration Court of the Irkutsk Region. The Settlement Agreement came into force from the moment of approval.

Inspection by the General Prosecutor's Office

The Prosecutor's Office conducted an inspection to verify compliance with procurement legislation, tax laws, the legality of expenditures, and anti-corruption measures at EGRES-1 in 2024 and EGRES-2 in 2023. Following the inspection, a report on the results was issued. Due to disagreements with the conclusions outlined in the report, the Group submitted a reasoned objection and comments to the General Prosecutor's Office. In response to the notice regarding the elimination of legal violations, and considering the objections and comments, the Group developed an Action Plan to address the issues raised by the General Prosecutor's Office. This Action Plan was submitted to the General Prosecutor's Office.

The Group's management believes that its interpretations of the relevant legislation are reasonable, and that the Group's legal position is well-founded. According to the management, the Company does not foresee any losses following the prosecutor's inspection and, therefore, does not consider it necessary to create provisions.

Investigations and notices in respect of Kcell JSC

Order of the Antimonopoly agency dated 15 June, 2022

In accordance with the Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for the city of Almaty No. 42-OD dated June 15, 2022 (hereinafter referred to as the Order), an investigation was initiated against Kcell JSC on the grounds of a violation provided for in Article 174 (1) of the Entrepreneurial Code of the Republic of Kazakhstan. Initial audited period was from January 1, 2020 to September 12, 2022. Antimonopoly agency observed high prices for the mobile communication for the Kcell brand. The subject of investigation is the establishment of factual data confirming or refuting the commission of a violation by Kcell JSC, expressed in maintaining a monopoly high price aimed at restricting and eliminating competition.

On July 26, 2022 the Group appealed the resolution on investigation in Antimonopoly agency, but the appeal was denied on August 16, 2022. As a result of the appeal, the investigation was suspended by Antimonopoly agency on July 28, 2022.

During 2023 the Group filed the appeal against the Order. On November 9, 2023 the Supreme Court of the RK hearing was held. The court declared the Order No. 42-OD dated June 15, 2022 unlawful for the period from January 1, 2020 to December 31, 2021. The investigation was resumed on November 27, 2023.

On December 13, 2023 the Group filed an appeal against resumption of investigation. On December 22, 2023 the investigation was suspended due to filed appeal. The Supreme Court of the RK left the lower courts decisions unchanged as the case which is not subject to administrative proceedings, and the cassation appeal was denied.

On January 30, 2025 the Group received the Determination to open the investigation from January 29, 2025. The Group is working on preparing the response to the request of Antimonopoly agency within the investigation.

As of December 31, 2024 Management of the Group assessed the risk of Antimonopoly legislation violation as possible, and consequently did not accrue the provision on losses in respect of abovementioned investigations and notifications.

Order of the Antimonopoly agency dated December 21, 2023

In accordance with the Order of the Antimonopoly agency for the city of Almaty No. 38-OD dated December 21, 2023 an investigation was initiated against Kcell JSC. The subject of investigation is the susception of coordinated actions with competitors to set and maintain prices for communication services during May-July 2023. Within the framework of investigation Antimonopoly agency send the request to the Group for information needed for the investigation process. The investigation was suspended from January 10, 2024.

During 2024 the Group's appeals were denied by the lower courts. The appeal was filed on October 16, 2024. The date of hearing in the Supreme Court of RK has not yet been scheduled.

As of December 31, 2024 Management of the Group assessed the risk of Antimonopoly legislation violation as possible, and consequently did not accrue the provision on losses in respect of abovementioned investigations and notifications.

Main proceedings in the Stati claim filed on December 7, 2017, in which the Stati asks the court to recognize the Fund as part of the RK and oblige the Fund to comply with the Arbitral Award

On 17 March 2021, a hearing in the main proceedings was held.

On 28 April 2021, the Court of Appeal granted the Fund's request to postpone this process until the decision of the Court of Appeal in The Hague to appeal the restriction on shares of KMG Kashagan B.V.

On November 2, 2022, the Fund filed an application to terminate the trial, in connection with the decision of the Court of Appeal of The Hague dated June 14, 2022, according to which the arrest of Kashagan shares owned by the Fund, imposed in September 2017, was lifted.

On February 8, 2023, the District Court of Amsterdam ruled that the claims of Anatole and Gabriel Stati and their companies ("Stati") against the Fund were inadmissible and, as a result, the proceedings were dismissed. Stati is currently appealing this decision.

On 4 February 2025, the proceedings were terminated following a joint appeal by the parties to terminate the proceedings at the Amsterdam Court of Appeal.

Environmental audits

Inspection of land-based facilities of North Caspian Operating Company N.V., which is the operator under the Product Sharing Agreement for the Northern Caspian Sea (hereinafter referred to as the Operator)

The Department Ecology of the Atyrau Region of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan conducted an inspection of the land facilities of the North Caspian Operating Company N.V., which is the operator under the Production Sharing Agreement for the North Caspian Sea (further Operator). Based on the results of the inspection, an order was issued to the Operator to eliminate violations, including regarding the excessive placement of sulfur in the amount of 1,020 thousand tons. The Operator did not agree with the inspection results and filed an administrative claim to dispute the given order. On June 14, 2023, the Specialized Inter-District Administrative Court of the city of Astana ruled in favor of the Operator regarding the placement of sulphur. On February 27, 2024, the Judicial Panel for Administrative Cases of the Court the city of Astana annulled this decision. The dispute is now pending before the Supreme Court of the Republic of Kazakhstan. Should the Operator be held accountable as per the administrative ruling, the fine amount will be determined in line with the Administrative Code of the Republic of Kazakhstan. As at December 31, 2024, the Group did not recognize provisions for this case.

Cost recovery audits

KMG Kashagan B.V. has a share of 16.88% in the North Caspian Production Sharing Agreement dated November 18, 1997, as amended (further PSA).

KMG Karachaganak LLP, subsidiary of the Company, has a share of 10% in the Final Production Sharing Agreement in respect of the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, as amended (further FPSA).

Under the base principles of the PSA and FPSA, the RK transferred to the participants of these agreements (further Contractors) the exclusive rights to conduct activities in the subsurface areas, but did not transfer neither ownership rights, nor lease rights to these areas. Thus, all extracted and processed oil (i.e. the hydrocarbons produced) are the property of the RK.

Subsoil use operations are carried out on the basis of reimbursement of certain expenditures and the RK reimburses such expenditures to Contractors not in cash but in the form of the portion of oil production, thereby allowing Contractors to recover their expenditures (further Recoverable Costs) and earn profit.

PSA and FPSA provides for a procedure of expense reimbursement and determine the list of expenses that are not Recoverable Costs.

PSA LLP conducts audits of Recoverable Costs as an organization authorized to act on behalf of the RK within the framework of the PSA and FPSA (further the Authorized Body).

The RK and the Contractors under the PSA and FPSA (except for KMG Kashagan B.V. and KMG Karachaganak LLP) have a number of disputes concerning the application of certain PSA and FPSA provisions, which have been referred to arbitration under the PSA and FPSA.

Kazakhstan local market obligation

The Government requires oil companies in the RK to supply a portion of the products to meet the Kazakhstan domestic energy requirement on an annual basis, mainly to maintain oil products supply balance on the local market and to support agricultural producers during the spring and autumn sowing and harvest campaigns.

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue (not less than cost of production) than crude oil sold on the export market, which may materially and adversely affect the Group's business, prospects, consolidated financial position and performance.

In 2024, in accordance with its obligations, the Group delivered to the Kazakhstan market 8,146 thousand tons of crude oil, including its share in the joint ventures and associates in the total volume of 2,880 thousand tons (2023: 7,541 thousand tons, including its share in the joint ventures and associates of 2,560 thousand tons).

Oil supply commitments

As of December 31, 2024, KMG Kashagan B.V. had commitments under the oil supply agreements in the total amount of 2.4 million tons (December 31, 2023: 3.0 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

Commitments under oilfield and mining field licenses and subsurface use contracts

As at December 31, 2024 the Group had the following commitments (net of VAT) related to a minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate (in millions of tenge):

Year	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenditures, including joint ventures and associates	Operational expenditures of joint ventures and associates
2025	658,796	53,647	285,389	105,769
2026	471,132	39,509	278,568	59,007
2027	392,982	24,278	254,452	58,551
2028	462,766	25,022	263,201	61,345
2029-2059	4,658,557	44,088	2,860,394	350,784
Total	**6,644,233**	**186,544**	**3,942,004**	**635,456**

Liabilities on unconditional purchase of gas transportation services to the joint ventures

As of December 31, 2024, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP and Beineu Shymkent Gas Pipeline LLP in the total amount of 177,033 million tenge and 209,368 million tenge excluding VAT, respectively (December 31, 2023: 313,200 million tenge and 203,148 million tenge excluding VAT, respectively).

Capital commitments

As at December 31, 2024 the Group had capital commitments of approximately 4,386,222 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (as at December 31, 2023: 1,960,099 million tenge, excluding VAT), including capital commitments of joint ventures and associates in the amount of 50,339 million tenge, excluding VAT (as at December 31, 2023: 16,508 million tenge, excluding VAT). As at December 31, 2024, the contractual obligations of GPCI, classified as held for sale, for the acquisition of fixed assets and construction services amount to 178,244 million tenge excluding VAT.

As at December 31, 2024, the Group had commitments in the total amount of 1,322,168 million tenge (as at December 31, 2023: 1,139,355 million tenge) under the investment programs approved by the joint order of Ministry of Energy of the RK and CRNM to facilitate production units.

Liabilitites under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

Within the framework of the concluded contracts, it is planned to purchase works on the construction of 359 facilities. During 2023 and 2024, tender procedures were conducted for the purchase of works on the construction of 208 facilities.

As at December 31, 2024 the Group had contractual commitments to local authorities for the provision of project management services in the amount of 10,876 million tenge (2023: 17,640 million tenge), where the Group acts as a principal, as well as the comprehensive construction works and services in the amount of 2,053,004 million tenge, where the Group acts as an agent (2023: 2,307,427 million tenge).

Non-financial guarantees

As of December 31, 2024 and 2023, the Group has outstanding performance guarantees issued in favour of third parties whereas it provides guarantee should its joint venture or associate fail to perform their obligations under the natural gas purchase-sale, transportation and other agreements.

As of December 31, 2024 and 2023, the management of the Group believes that there were no expected cases of non-performance from the guaranteed parties and, accordingly, no obligations related to the above stated non-financial contingencies were recognized.

38. SEGMENT REPORTING

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments (Note 1).

Certain of operating segments have been formed by aggregation of smaller reportable segments in line with the organizational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS. Financial performance of each segment prepared in line with IFRS is reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Eliminations represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2024:

In millions of tenge	Oil and gas and petrochemical segment	Mining	Transportation	Communication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,476,375	3,076,567	2,172,456	788,383	823,822	26,292	44,818	24,353	–	16,433,066
Revenue from contracts with customers	9,469,275	3,076,102	2,103,337	788,383	807,302	26,292	–	16,209	–	16,286,900
Rental income	7,100	465	69,119	–	16,520	–	–	4,305	–	97,509
Interest revenue	–	–	–	–	–	–	44,818	3,839	–	48,657
Revenues from sales to other segments	133,286	52	27,053	4,888	149,099	13,015	1,012,682	19,813	(1,359,888)	–
Total revenue	**9,609,661**	**3,076,619**	**2,199,509**	**793,271**	**972,921**	**39,307**	**1,057,500**	**44,166**	**(1,359,888)**	**16,433,066**
Geographical markets										
Kazakhstan	2,108,976	1,596,687	1,995,580	772,533	922,917	39,307	1,012,682	36,022	(1,359,888)	7,124,816
United Arab Emirates	1,850,401	31,944	999	41	–	–	–	–	–	1,883,385
Switzerland	1,852,927	850	50	–	–	–	–	–	–	1,853,827
China	663,749	663,721	28,419	2,507	–	–	–	–	–	1,358,396
Romania	1,198,204	52,335	–	–	–	–	–	–	–	1,250,539
Other countries	1,928,304	730,617	105,342	18,190	33,484	–	–	–	–	2,815,937
Cost of sales	(7,660,471)	(2,185,198)	(1,691,343)	(566,438)	(609,436)	(25,766)	(95,112)	(28,023)	367,148	(12,494,639)
Gross profit	1,949,190	891,421	551,334	241,142	363,485	13,541	962,388	16,143	(992,740)	3,995,904
General and administrative expenses	(312,881)	(53,118)	(137,691)	(56,974)	(38,071)	(3,508)	(24,907)	(6,667)	66,414	(567,403)
Transportation and selling expenses	(846,094)	(26,303)	(3,316)	(22,533)	(11,950)	(3,488)	-	(31)	12,580	(901,135)
Finance income	350,822	38,107	56,768	50,165	22,421	5,506	119,466	60,647	(98,321)	605,581
Finance costs	(396,380)	(20,227)	(181,290)	(57,590)	(55,974)	(2,253)	(15,028)	(14,481)	168,805	(574,418)
Share in profits/(loss) of joint ventures and associates	902,374	223,676	10,772	(253)	(116)	354	12,037	2	–	1,148,846
Foreign exchange gain/(loss), net	162,272	69,175	(69,725)	3,306	2,563	6,148	83,132	15,123	(31,801)	240,193
Depreciation, depletion and amortization	(717,580)	(122,717)	(183,645)	(117,581)	(79,727)	(7,116)	(648)	(2,677)	(1,225)	(1,232,916)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(90,055)	(1,942)	(17,196)	(8,574)	(18,601)	9,866	–	–	–	(126,502)
Reversal/(impairment) of other assets,net	7,058	(7,093)	(6,635)	(800)	(257)	(640)	(59,484)	–	56,357	(11,494)
Income tax expenses	(366,056)	(238,220)	(50,955)	(79,488)	(63,778)	(1,040)	(107,367)	(13,077)	(5,581)	(925,562)
Net profit/(loss) for the year from continuing operations	1,406,779	1,202,317	159,789	77,929	202,066	23,295	1,084,009	56,794	(899,963)	3,313,015
Net loss for the year from discontinued operations	(10,373)	–	–	–	–	–	–	–	–	(10,373)
Total net profit/(loss) for the year	**1,396,406**	**1,202,317**	**159,789**	**77,929**	**202,066**	**23,295**	**1,084,009**	**56,794**	**(899,963)**	**3,302,642**
Other segment information										
Total assets of the segment	**23,520,182**	**4,693,395**	**5,974,653**	**2,046,474**	**2,594,797**	**254,999**	**10,032,994**	**1,225,759**	**(9,243,597)**	**41,099,656**
Total liabilities of the segment	**8,503,805**	**963,554**	**3,998,807**	**1,152,250**	**1,278,132**	**27,390**	**2,014,934**	**866,576**	**(3,299,276)**	**15,506,172**
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(13,673)	14,094	1,593	(3,977)	1,560	(48)	(4,203)	(992)	(4,234)	(9,880)
Investments in joint ventures and associates	6,469,119	815,847	50,074	381	82,709	9,036	278,607	60	–	7,705,833
Capital expenditures	1,182,412	168,986	1,173,169	180,807	276,988	3,580	219	9,594	(161)	2,995,594

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2023:

In millions of tenge	Oil and gas and petrochemical segment	Mining	Transportation	Communication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,301,623	2,250,519	2,425,440	719,496	657,259	16,975	41,679	21,014	–	15,434,005
Revenue from contracts with customers	9,291,454	2,250,325	2,374,644	719,496	635,416	16,975	–	8,733	–	15,297,043
Rental income	10,169	194	50,796	–	21,843	–	–	5,281	–	88,283
Interest revenue	–	–	–	–	–	–	41,679	7,000	–	48,679
Revenues from sales to other segments	162,048	87	21,274	5,367	80,266	13,000	639,490	19,386	(940,918)	–
Total revenue	**9,463,671**	**2,250,606**	**2,446,714**	**724,863**	**737,525**	**29,975**	**681,169**	**40,400**	**(940,918)**	**15,434,005**
Geographical markets										
Kazakhstan	1,866,922	966,159	2,005,457	703,619	683,041	29,776	639,490	28,119	(940,918)	5,981,665
United Arab Emirates	223,586	–	12	28	–	–	–	–	–	223,626
Switzerland	1,677,576	16	–	–	–	–	–	–	–	1,677,592
China	621,279	522,521	23,313	1,982	–	–	–	–	–	1,169,095
Romania	1,334,646	26	–	–	–	–	–	–	–	1,334,672
Other countries	3,729,493	761,690	367,136	19,234	32,641	199	–	–	–	4,910,393
Cost of sales	(7,504,316)	(1,483,131)	(1,935,164)	(522,214)	(511,682)	(26,238)	(88,091)	(23,274)	322,321	(11,771,789)
Gross profit	1,959,355	767,475	551,867	223,374	225,843	3,737	593,078	17,126	(618,597)	3,723,258
General and administrative expenses	(234,493)	(58,061)	(135,945)	(50,729)	(27,949)	(3,378)	(20,118)	(6,117)	10,409	(526,381)
Transportation and selling expenses	(804,777)	(28,927)	(13,201)	(23,226)	(13,428)	(1,281)	–	(36)	14,378	(870,498)
Finance income	184,921	47,655	39,237	42,411	18,050	3,188	139,213	46,844	(35,155)	486,364
Finance costs	(439,422)	(10,820)	(236,040)	(42,673)	(51,118)	(5,659)	(19,893)	(24,111)	119,789	(709,947)
Share in profits/(loss) of joint ventures and associates	868,403	47,664	8,145	–	12,075	(14)	8,819	(13)	–	945,079
Foreign exchange gain/(loss), net	61,441	(19,678)	(20,451)	(4,109)	399	(38)	(5,222)	4,531	3,555	20,428
Depreciation, depletion and amortization	(667,497)	(95,830)	(232,802)	(140,928)	(87,335)	(6,343)	(691)	(3,354)	13,219	(1,221,561)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(230,491)	134	(11,670)	(993)	(14,241)	(4,906)	–	–	–	(262,167)
(Impairment)/reversal of other assets,net	(47,686)	(1,259)	3,432	130	(10,536)	(3,931)	(4,241)	451	–	(63,640)
Income tax expenses	(254,806)	(148,904)	(32,911)	(29,835)	(43,546)	(791)	(214,698)	(5,445)	(117)	(731,053)
Total net profit/(loss) for the year	**1,246,699**	**533,727**	**166,216**	**105,990**	**94,057**	**(23,626)**	**476,925**	**25,719**	**(495,407)**	**2,130,300**
Other segment information										
Total assets of the segment	**20,502,408**	**3,321,395**	**4,987,879**	**1,811,102**	**2,158,606**	**199,417**	**11,096,378**	**838,239**	**(7,990,690)**	**36,924,734**
Total liabilities of the segment	**7,591,245**	**701,773**	**3,222,807**	**967,452**	**966,377**	**67,377**	**3,193,305**	**674,649**	**(2,199,783)**	**15,185,202**
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(15,586)	(15,620)	2,627	(10,620)	(180)	(881)	454	(6,260)	7,252	(38,814)
Investments in joint ventures and associates	6,081,988	641,794	40,568	–	82,883	8,682	44,092	–	–	6,900,007
Capital expenditures	1,205,486	88,351	799,097	414,466	209,027	1,943	1,435	1,669	(858)	2,720,616

39. SUBSEQUENT EVENTS

Issue of shares

On January 9, 2025, the Fund issued 1,000 shares at par value of 8,116,947 tenge for the total amount of 8,117 million tenge, which were paid off by the Shareholder by means of 100% shares of «Phystech II» JSC.

On February 14, 2025, the Fund issued 1 share at par value of 491,267,000 tenge for the total amount of 491 million tenge, which were paid off by the Shareholder by means of 100% of interest in "Akmolit" LLP, 100% of interest in "Topaz-NS" LLP and 100% of interest in "Marhit" LLP. Further, the Fund transferred these shares as a contribution to the authorized capital of Fund's subsidiary, TKS.

On February 25, 2025, the Fund issued 1000 shares at par value of 243,931,446 tenge for the total amount of 243,931 million tenge, which were paid off by previously received gas supply objects. Further, the Fund transferred these shares as a contribution to the authorized capital of Fund's subsidiary, QazaqGaz.

Dividends received

In March and April, 2025 the Group received dividends from joint ventures Tengizchevroil LLP, Asia Gas Pipeline LLP, Beineu-Shymkent Pipeline LLP, and also associate, Transtelecom JSC, in the amount of 255 million US dollars (equivalent to 128,222 million tenge), 80 billion tenge, 16 billion tenge, and 1.500 million tenge, respectively.

The incident at the facility of the Caspian Pipeline Consortium

On February 17, 2025, the civilian industrial facility of the international Caspian Pipeline Consortium, the Kropotkinskaya oil pumping station, was attacked by unmanned aerial vehicles of the aircraft type. As a result of the attack, the facility was damaged and decommissioned. As at the date of this report oil is pumped from the RK without any restrictions.

Sale of a subsidiary

On January 6, 2025, the Group completed the sale of 100% interest in MTS in favor of PIH Communication LLC by signing the corresponding document for consideration of 1,100 million US dollars, including contingent consideration, and lost control over the subsidiary. On January 14, 2025 the Group received the first tranche of 700 million US Dollars according to this sale contract.

Change in Trade Tariffs

In early April 2025, the US Presidential Administration announced the introduction of large trade tariffs on imports of goods into the United States. The list of countries and territories with the highest additional tariffs included China, Vietnam, India, Japan and others. The Group considers this event to be a non-adjusting event after the reporting period, the quantitative effect of which cannot be estimated at the current time with a sufficient degree of certainty. The Fund will continue to monitor the developments and assess the impact, if any, that changes in tariffs may have on the financial position of the Group.

Annex 2. The Progress Report on Withdrawal of Assets of Samruk-Kazyna JSC

Annexes 2 and 5 to the resolution of the Government of RK No. 908 envisage that 30 assets of the Fund are subject to transfer to the competitive environment.

To date, activities have been completed for 14 assets, with 6 assets completed in the reporting year 2024:

Air Astana JSC

- In February 2024 the company's IPO took place. The price for 1 global depositary receipt (hereinafter - GDR, 1 GDR = 4 shares) was $9.5, and for 1 common share – KZT 1,073.83. The total offering was about $370 million. Immediately after the transaction, the Fund's stake in the company decreased from 51% to 41% of the total number of outstanding shares of the company, and BAE Systems PLC from 49% to 15.3%. However, later at the end of the Greenshoe mechanism period, BAE Systems PLC increased its stake to 16.95%. Thus, the free float currently stands at 42.05%.

Qazaq Air JSC

- On 24 December 2024, a sale and purchase agreement for 49% and 2% of shares was signed between the Fund, Central Asia Aviation Holdings Private Company and Kazasia Holdings Limited Private Company. The amount of the transaction totalled KZT 980 million and KZT 40 million for 49% and 2% of shares. In addition, a call option agreement was signed, under which the Fund authorises Central Asia Aviation Holdings to appoint a legal entity meeting certain criteria to acquire option shares (49%) from the Fund. At the same time, within 18 months from the date of signing the call agreement the option shares will be sold at the purchase agreement price (KZT 980 million), and in the next 42 months at the price determined by the parties on the basis of an up-to-date valuation report prepared by an independent consultant.
- On 27 December 2024, the Government of the Republic of Kazakhstan adopted a resolution Some Aspects of Transfer of Shares of Qazaq Air Joint-Stock Company into the Competitive Environment on the sale (alienation) by the Fund of up to 100% of shares of QAZAQ AIR on the terms of signed transaction documents.

Mobile Telecom-Service LLP

- On 4 June 2024, Kazakhtelecom JSC and PIH Interconnect Ltd. signed a sale and purchase agreement in respect of the acquisition of 100% interest in the charter capital of MTS.
- On 4 November 2024, a meeting of the Board of Directors of Kazakhtelecom JSC was held to approve the signing of additional agreements to the transaction documents. On 11 November 2024, an additional meeting of the Board of Directors of Kazakhtelecom JSC was held to approve the extension of the deadlines for the execution of conditions precedent under the purchase and sale agreement. On 12 November 2024, the parties to the transaction signed the necessary additional agreements to the transaction documents at the request of financing banks from the Qatari investor.
- On 22 November 2024, the sale of Kazakhtelecom's 100% interest in MTS to PIH Communication LLC under the terms of the above transaction documents was agreed by the PPRC No. 996.
- On 17 December 2024, the issue of transfer of funds from the sale of MTS to the republican budget was considered at the absentee meeting of the State Commission. On 27 December 2024, the Fund, on its part, transferred KZT 177.9 billion to the republican budget through payment of dividends.
- On 14 January 2025, the asset was re-registered to a new owner. On 16 January 2025, payment for the first tranche of US$700 million was received.

East Cooper LLP (direct targeted sale)

- On 7 February 2024, a sale and purchase agreement for a 25% stake in the authorised capital of East Cooper LLP was signed between Kazgeologiya JSC and Standard Minerals LLP.

Silicon mining LLP and Tau-Ken Temir LLP

- On 31 May 2024, a sale agreement for 55% stake in the authorised capital of Silicon mining LLP and Tau-Ken Temir LLP was signed between Tau-Ken Samruk NMC JSC and a consortium consisting of Metaleen Investments Holdings LLC and TSP Alüminyum Anonim Şirketi for the amount of KZT 4.91 billion.

Annex 3: Informatisation and Digitalisation

Automation and digitalisation of information technologies in the Fund are aimed at introducing advanced digital solutions in order to optimise business processes, increase transparency and transition to their implementation in a digital environment. These measures contribute to a significant improvement in efficiency, accuracy and speed of information processing, which directly affects the growth of productivity of employees of both the Fund and its Group of Companies.

RESULTS 2024:

Comprehensive work on international IT collaboration

The Fund carried out comprehensive work to strengthen international co-operation in the field of information technologies. As part of this area, working meetings were held with a number of leading international companies to discuss the application of solutions based on low-earth-orbit satellite communications (LEO), artificial intelligence technologies and cloud platforms.

In addition, industry workshops were organised with the participation of the Fund's portfolio companies to analyse practical scenarios for the implementation of these technologies in such sectors as transport, energy, mining and digitalisation of remote areas.

Social Wallet

The Social Wallet project is implemented in pursuance of the instructions of the Head of State, voiced in the messages of the Head of State of 2 September 2024 Fair Kazakhstan: law and order, economic growth, social optimism.

The pilot project was launched in West Kazakhstan region and Shymkent city.
The purpose of the project is to introduce differentiated tariffs for commodity gas for socially vulnerable categories of population, including recipients of targeted social assistance (TSA) and housing assistance (HA).

Geo-reserving

As part of the improvement of the risk management system in case of emergencies, the approach of applying the "geo-redundancy" method was chosen to ensure the protection of critical data and information systems. In 2024, the work on developing and improving the geo-redundancy system was continued. Special attention was paid to expanding the coverage of critical systems, optimising replication processes and updating recovery scenarios. The integrated implementation of the above measures forms a reliable digital circuit capable of effectively responding to any challenges and guarantees sustainable operation of the Fund's IT landscape even under force majeure conditions.

Implementing artificial intelligence elements across the Group

The Fund's portfolio companies have started work on the implementation of virtual assistants based on artificial intelligence technologies, which are designed to solve both production and corporate tasks.

The Fund continued systematic work on the development and implementation of artificial intelligence technologies within the framework of previously launched projects. The implementation of intelligent solutions covers various areas – from operations and analytics to security and support for internal services. These initiatives are aimed at increasing efficiency, reducing operational risks, improving the quality of management decisions and strengthening digital maturity across the Group.

PLANS FOR 2025:

Horizontal tax monitoring platform

Work is planned to expand the functionality of the Horizontal Monitoring Platform in terms of implementing additional showcases.

Introducing artificial intelligence elements

Development and approval of an Action Plan to ensure the implementation of the basic elements of artificial intelligence technology within the Fund's Group.

As part of the above Action Plan, activities are planned to implement projects using basic elements of artificial intelligence technologies that contribute to cost optimisation, development of innovation infrastructure and formation of a sustainable digital environment in the Fund's ecosystem.

Annex 4.

List of Transactions in which Samruk-Kazyna JSC is an Interested-Party approved by the Fund's Management Board for conclusion:

№	Counterparty	Sign of interest	Name of transaction
1	Kazatomprom-SaUran LLP	Organisation of the Fund's Group	Strategic Partnership Agreement
2	NC KazMunayGas JSC	Portfolio company	Additional Agreement No.1 to the Sale Agreement
3	Samruk-Energy JSC	Portfolio company	Additional Agreement No. 2 to the Credit Agreement
4	NC KTZh JSC	Portfolio company	Additional Agreement No. 1 to the Credit Agreement
5	NC KTZh JSC	Portfolio company	Trust management agreement
6	NC KTZh JSC	Portfolio company	Trust management agreement
7	NC KTZh JSC	Portfolio company	Trust management agreement
8	NC KTZh JSC	Portfolio company	Trust management agreement
9	NC KTZh JSC	Portfolio company	Trust management agreement
10	NC KTZh JSC	Portfolio company	Trust management agreement
11	NC KTZh JSC	Portfolio company	Trust management agreement
12	NC KTZh JSC	Portfolio company	Trust management agreement
13	Kazpost JSC	Portfolio company	Additional Agreement No. 2 to the Sale and Purchase Agreement
14	Samruk-Kazyna Construction JSC	Portfolio company	Supplementary Agreement No. 3 to the trust management agreement
15	Samruk-Energy JSC	Portfolio company	Constituent agreements
16	Samruk-Kazyna Construction JSC	Portfolio company	Agreement on cancellation of the Trust Management Agreement
17	Samruk-Energy JSC	Portfolio company	Trust management agreement
18	Bolashaq Investments LTD.	Organisation of the Fund's Group	Sale agreement
19	NC KTZh JSC	Portfolio company	Sale agreement
20	Karabatan Utility Solutions LLP	Organisation of the Fund's Group	Sale agreement
21	NC KTZh JSC	Portfolio company	Sale agreement
22	Bolashaq Investments LTD.	Organisation of the Fund's Group	Temporary Financial Assistance Agreement
23	Kcell JSC	Organisation of the Fund's Group	Coupon bond purchase agreement
24	Intergas Central Asia JSC	Organisation of the Fund's Group	Bond purchase agreement
25	Samruk-Energy JSC	Portfolio company	Agreement on cancellation of the Trust Management Agreement
26	Samruk-Kazyna Construction JSC	Portfolio company	Trust management agreement
27	Kazakhtelecom JSC	Portfolio company	Agreements for the exchange of rights to use software
28	Kazpost JSC	Portfolio company	Additional Agreement No. 1 to the sub-licence agreement on transfer of rights to use software
29	Kcell JSC	Organisation of the Fund's Group	Assignment agreement
30	Kcell JSC	Organisation of the Fund's Group	Sublicence agreement
31	Kazatomprom - SaUran LLP	Organisation of the Fund's Group	Supplementary Agreement No. 1 to the Strategic Partnership Agreement

№	Counterparty	Sign of interest	Name of transaction
32	Intergas Central Asia JSC	Organisation of the Fund's Group	Bond purchase agreement
33	NC KazMunayGas JSC	Portfolio company	Additional Agreement No.1 to the Property Purchase and Sale Agreement
34	NC KazMunayGas JSC	Portfolio company	Additional Agreement No.1 to the Agreement on free-of-charge possession, use and disposal of property
35	Samruk-Energy JSC	Portfolio company	Guarantee agreement
36	Samruk-Energy JSC	Portfolio company	Guarantee and Reimbursement Agreement
37	KMG Engineering LLP	Organisation of the Fund's Group	Agreement of share over-allotment
38	KMG Systems & Services LLP	Organisation of the Fund's Group	Sale and purchase agreement
39	KMG Systems & Services LLP	Organisation of the Fund's Group	Trust management agreement
40	CCGT Turkestan LLP	Portfolio company	Additional Agreement No. 1 to the Guarantee and Reimbursement of Expenses Agreement
41	Samruk-Kazyna Construction JSC	Portfolio company	Additional Agreement No. 4 to the Trust Management Agreement
42	Tau-Ken Samruk NMC JSC	Portfolio company	Bond purchase and sale agreement
43	NC KTZh JSC	Portfolio company	Bond purchase and sale agreement
44	NC KTZh JSC	Portfolio company	Loan Agreement
45	NC KTZh JSC	Portfolio company	Guarantee and Reimbursement Agreement
46	Kazakhtelecom JSC	Portfolio company	Coupon bond purchase agreement
47	Tau-Ken Samruk NMC JSC	Portfolio company	Guarantee and Reimbursement Agreement
48	Samruk-Kazyna Invest LLP	Portfolio company	Cession Agreement to the Co-investment Agreement
49	Tau-Ken Samruk NMC JSC	Portfolio company	Additional Agreement No. 1 to the Agreement on Provision of Temporary Financial Assistance
50	Magistralny Vodovod LLP	Organisation of the Fund's Group	Additional Agreement No. 1 to the Guarantee and Reimbursement of Expenses Agreement
51	NC KazMunayGas JSC	Portfolio company	Additional Agreement No. 1 to the Guarantee Agreement
52	BAE SYSTEMS (KAZAKHSTAN) LIMITED, Citigroup Global Markets Limited, Jefferies International Limited, WOOD & Company Financial Services, JSC Halyk Finance, JSC BCC Invest, JSC Jusan Invest, JSC SkyBridge Invest		Underwriting agreement
53	BAE SYSTEMS (KAZAKHSTAN) LIMITED		Agreement on termination of the Shareholders' Agreement

Annex 5.

Information on Compliance/Non-Compliance with the Code of Corporate Governance of Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company approved by Resolution No. 1403 of the Government of the Republic of Kazakhstan dated 5 November 2012

In accordance with the requirements of the Code of Corporate Governance of "Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company approved by the Resolution of the Government of the Republic of Kazakhstan dated 5 November 2012 No. 1403 (hereinafter - the Code), this information provides an overview of compliance with the principles and provisions of the Code in 2024.

The Code applies to Samruk-Kazyna JSC (hereinafter - the Fund) and the Organisations where more than fifty percent of voting shares (participatory interests) are directly or indirectly beneficially owned or held in trust by the Fund (the Organisations). The objectives of the Code are to improve corporate governance in the Fund and the Organisations, to ensure transparency of governance, to confirm the commitment of the Fund and the Organisations to follow the standards of good corporate governance.

The work carried out as part of improving corporate governance is detailed in the Report on Compliance/Compliance with the Principles and Provisions of the Code approved by the Board of Directors. Key initiatives that deserve special attention include the following:

- In order to implement the Decree of the President of the Republic of Kazakhstan dated 8 May 2024 No. 542 On Measures to Liberalise Economy on 15 August 2024 adopted a resolution of the Government of the Republic of Kazakhstan, providing for amendments and additions to the Code. In particular, the provisions on non-interference of the Fund in the operational (current) activities of companies, including personnel decisions, procurement and production processes. It is also determined that the share of independent directors in the Board of Directors of the Company should be up to 60% of the total number of members of the Board. In this regard, in order to comply with the best corporate governance practices, the number of independent directors on the Board of Directors has been increased from three to four, which helps to strengthen the independence and objectivity of decision-making. In addition, a mandatory competitive selection of independent directors of the Fund and its companies was introduced in accordance with the procedure determined by the internal documents of the Fund and the companies. According to the decision of the Board of Directors of the Fund No.237 dated 26 June 2024, amendments and additions were made to the Rules of Competitive Selection of Independent Directors of Samruk-Kazyna JSC, aimed at ensuring an objective, transparent and competitive process of selecting candidates for the positions of independent directors of the Fund.
- In accordance with the best international practice, during 2024 at each in-person meeting of the Board of Directors, reports of the Chairman of the Management Board of the Fund were heard, containing operational information on key production and financial indicators and topical issues of the Fund's

activities. These reports also included information on the work performed, including support for domestic producers and co-operation with foreign partners, as well as on further plans of the Fund.

- The Board of Directors attaches great importance to monitoring the implementation of major investment projects of the Fund's Group, regularly reviewing this issue at each in-person meeting. This approach ensures constant control over the implementation of major investment projects and contributes to ensuring a high level of responsibility of the Fund for their successful completion.
- The Fund, realising its responsibility to the country, environment and society, continues to implement the best global practices in the field of corporate governance and sustainable development. According to the results of 2023, the Fund for the second time in a row took the first place in the rating of Sustainable Development Reports organised by the Kazakhstan Stock Exchange (KASE). The Sustainable Development Report of the Fund for 2023 was approved by the decision of the Board of Directors dated 26 June 2024 No.227. This report together with the independent assurance of PricewaterhouseCoopers LLP will be published on the Fund's website in August 2024.
- Updating the Policy of Samruk-Kazyna JSC on combating corruption and the Regulations on the Compliance Service of Samruk-Kazyna JSC in accordance with the decision of the Board of Directors of the Fund dated 20 May 2024 No.235 was carried out. In particular, the provisions of the Policy on the Fund's anti-corruption actions were optimised, the provisions on the evaluation of the results of the Fund's anti-corruption activities were introduced, and the Regulations were brought in line with the Model Regulations on anti-corruption compliance services in quasi-public sector entities. In order to automate and digitalise the compliance function in the Fund's Group, the E-Compliance information system has been developed and is being implemented. As part of further expansion of the E-Compliance functionality, automation of the main compliance processes for declaring conflicts of interest and accepting gifts, checking for sanctions risks was completed, and the module for collecting reports from the compliance services of portfolio companies was optimised.
- In H2 2024, the Fund evaluated the performance of its Board of Directors, its Committees and the Corporate Secretary Service (in the format of self-assessment) for the period from 1 January 2023 to 30 June 2024. In general, the members of the Board of Directors positively assessed the work of the Board of Directors, noting that the Board of Directors fully understands the mission, vision, strategic directions, goals and key objectives, challenges and values of the Fund and takes into account all of the above when making decisions on key issues.

The Fund is constantly working on the development of the corporate governance system, strictly following international standards and ensuring maximum transparency in its activities. The Fund also pays special attention to strengthening partnership relations with the Sole Shareholder and actively improves the efficiency of the Board of Directors and the Management Board, seeking to ensure high performance and sustainable development in the long term.

This information reflects an ongoing commitment to the principles of good corporate governance and endeavours to ensure their effective implementation at all levels of the Fund's operations.

Annex 6. Glossary

Abbreviation	Full name
CGNPC	China General Nuclear Power Corporation
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EMS	Express Mail Service, an international express mail delivery service correspondences
ESG	Environmental, Social, and Corporate Governance
FAR	Fatal Accident Rate
GPON	Gigabit Passive Optical Network
GRI	Global Reporting Initiatives
HR	Human resources, human resources management
HSE	Occupational health, safety and environmental protection
IPO	Initial Public Offering, initial public offering of shares
IR	Industrial relations
IT	Information technology
KASE	Kazakhstan Stock Exchange
CSTI	Centre for Scientific and Technological Initiatives
KPI	Kazakhstan Petrochemical Industries
LMS	Learning management system
LTE	Long-Term Evolution, a wireless high-speed data transmission standard for mobile phones and other data terminals
LTIF	Lost Time Injury Frequency
MBA	Master of Business Administration
PRMS	Petroleum Resources Management System
QAZAQ AIR, QAZAQ AIR JSC	QAZAQ AIR Joint Stock Company
QazaqGaz	National Company QazaqGaz Joint Stock Company
SPO	Secondary Public Offering of shares that are owned by existing shareholders
SRS	Samruk Research Services
U_3O_8	Natural uranium concentrate (triuranium octoxide)
AGDS	Automated gas distribution station
ANPZ	Atyrau Refinery LLP
Tau-Ken Samruk NMC JSC	National Mining Company Tau-Ken Samruk Joint Stock Company
Samruk-Energy JSC	Samruk-Energy Joint Stock Company
Air Astana JSC	Air Astana Joint Stock Company
NPP	Nuclear power plant
RES	Renewable energy sources
WES	Wind farm
GJ	Gigajoule
GES	Geological Exploration of the Subsoil
Gcal	Gigacalorie
GPP	Gas processing plant
Group	Fund, companies, their subsidiaries, more than 0.5 voting shares
SDPP	State district power plant

Abbreviation	Full name
GSC	Gas separation plant
HPP	Hydroelectric power plant
TEU	twenty-foot equivalent units
EBRD	European Bank for Reconstruction and Development
EPC contracts	Engineering, procurement and construction – a way of contracting in the construction industry
UES	Unified Electricity System
WKO	West Kazakhstan Oblast
PCS	Procurement category strategy
IP	Information system
EPIS	Electronic Procurement Information System of Samruk-Kazyna JSC
KEGOC, KEGOC JSC	Kazakhstan Electricity Grid Operating Company Joint Stock Company
Kazpost, Kazpost JSC	Kazpost Joint Stock Company
KAP, NAC Kazatomprom JSC	National Atomic Company Kazatomprom Joint Stock Company
KNPP	Kazakhstan Nuclear Power Plants LLP
kWh	kilowatt hour
KIMEF	Kazakhstan Institute of Management Economics and Forecasting
km	Kilometre
KMG	National Company KazMunayGas Joint Stock Company
PRC	People's Republic of China
Companies, portfolio companies of the Fund, PCs	National companies and other legal entities where the Hund owns or holds in trust 50+ per cent of voting shares
KPI	Key performance indicator
KPO	Karachaganak Petroleum Operating
KTZh	National Company Kazakhstan Temir Zholy Joint Stock Company
CTC	Caspian Pipeline Consortium
Kazakhtelecom, Kazakhtelecom JSC	Joint Stock Company Kazakhtelecom
CM	Category Management
CC	Corporate Centre
LPC	Linear production control
MW	Megawatt
MG	Main gas pipeline
MHz	Megahertz
mn	million
bn	billion
MMG, MangistauMunaiGas JSC	MangistauMunaiGas Joint Stock Company
LC	Local content
SMES	Small and medium-sized business
AIFC	International Financial Centre Astana International Financial Centre
NATO	North Atlantic Treaty Organisation
VAT	Value added tax
R&D	Research and development activities
NPZ	Refinery

Abbreviation	Full name
NG	National grid
Russian Railways	Open Joint Stock Company Russian Railways
UAE	United Arab Emirates
UN	United Nations
CCHP	Combined cooling, heat and power
pkm	Passenger-kilometre
PPS	Pre-qualification of potential suppliers
PKOP	PetroKazakhstan Oil Products LLP
Petrochemical Plant	Pavlodar Petrochemical Plant LLP
QPS Register	Register of qualified potential suppliers
CPF Register	Register of the Fund's commodity producers
RK	Republic of Kazakhstan
RF	Russian Federation
BoD	Board of Directors
SKI, Samruk-Kazyna Invest LLP	Samruk-Kazyna Invest Limited Liability Partnership
CIS	Commonwealth of Independent States
OHSAS	Occupational Health and Safety Management System (Occupational Health and Safety Management System)
JV	Joint venture
U.S.A.	United States of America
SEZ	Special Economic Zone
SPP	Solar power plant
FA	Fuel assemblies
tkm	tonne-kilometre
TITR	Trans-Caspian international transport route
Fund, Samruk-Kazyna JSC	Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company
CA	Central Asia
CDA	Centralised document archiving
CFT	Cyclic flow technology
SDGs	UN Sustainable Development Goals
EGRES-2, EGRES-2 JSC, JSC Ekibastuz GRES-2	Ekibastuz GRES-2 Joint Stock Company
EMG, JSC Embamunaigas	Embamunaigas Joint Stock Company

Contact Information

Sovereign Wealth Fund Samruk-Kazyna Joint Stock Company

17/10 Syganak str., Astana, Republic of Kazakhstan, 010000

Tel: +7 7172 55-40-01

Website: www.sk.kz

samrukkazyna_official

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If you have any questions, comments or suggestions regarding the report, please contact the Fund:

Hotline

Tel: 8 800 080 4747 (Tollfree calls in Kazakhstan)

Email: mail@sk-hotline.kz

Auditors

Ernst & Young LLP, Almaty

Al-Farabi Ave. Al-Farabi 77/7, tel +7 727 2585960

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