

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear ladies and gentlemen!

The 2023 is a landmark year for Samruk-Kazyna JSC. 15 years ago, an institute was established through the merger of two holdings Samruk and Kazyna to increase the national welfare of Kazakhstan and work on the modernization of its economy.

The Fund has approached this anniversary date with impressive results.

Despite the negative factors in the conditions of global turbulence in 2022, the Samruk-Kazyna Fund paid KZT170 billion of dividends to the republican budget, which is almost twice as much as in 2021. In addition, during the year, the Fund allocated KZT132 billion to support healthcare, culture, social and infrastructure projects.

The narrowing of export opportunities caused by the difficult geopolitical situation stimulated the turn of the Samruk-Kazyna Group companies to develop processing capacities, increase local content, and focus on ensuring the domestic market.

In November 2022, JSC NC KazMunayGas launched the integrated gas chemical complex Kazakhstan Petrochemical Industries (KPI), focused on the processing of raw materials from the Tengiz field with an installed capacity of 500 thousand tonnes of polypropylene per year. 1,200 new jobs have been created at the plant, including 650 for highly qualified engineers involved in working with robots.

The next step is the construction of a polyethylene production plant with a capacity of 1.25 million tonnes per year with the creation of 7 thousand jobs.

The commissioning of new oil and gas chemical enterprises will not only meet the demand for polymers in the domestic market, but will also stimulate the creation of a cluster of small and medium-sized enterprises that increase the added value of the product.

The facilities of Samruk-Energy JSC have demonstrated stability and sufficient safety margin in any period. Based on the results of last year's audit of thermal power plants and power grids, all the Company's facilities showed satisfactory condition and readiness for accident-free operation.

The share of electricity generated by the Samruk-Energy JSC's renewable energy facilities in 2022 was 8.3% of the total RES in Kazakhstan.

The attention of investors looking for new niches in the field of infocommunications is drawn to the project announced by the National telecommunications operator Kazakhtelecom JSC to lay a fiber-optic communication line between Kazakhstan and Azerbaijan. This global project will become a part of the large-scale Digital Silk Road project, which will lay the foundation for the creation of a telecommunication corridor between Europe and Asia.

In the conditions of global economic instability, the importance of the Trans-Caspian International Transport Route through China, Central Asia and further to European countries, has grown. In order to diversify export routes, agreements have been reached to increase transport volumes in this direction.

Despite the difficulties with logistics and transit, JSC NC Kazakhstan Temir Zholy ensured positive dynamics of production and financial indicators. The company's operating cargo turnover totalled KZT252 billion tonne-kilometer, which is the highest figure for the years of Kazakhstan's independence. The historical maximum of 23.2 million tonnes of traffic between the Republic of Kazakhstan and China was achieved, which is 15% more than in 2021. By the end of 2022, more than 14 million passengers were transported, which is also 21.4% more than in the previous year.

The companies of the Fund Group ensured the implementation of tasks to improve the sustainability of economy and minimized the impact of negative external factors on the economy of Kazakhstan. The largest employers – the national companies JSC NC KazMunayGas and JSC NC Kazakhstan Temir Zholy - maintained the number of permanent jobs.

The Government expects the Fund to transform further into an institutional investor involved in critical infrastructure projects, innovative industries, increasing jobs and production of products with high added value.

Alikhan Smailov

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