



Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market

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Sustainable Energy
is our Priority

KAZAKHSTAN UTILITY SYSTEMS

Annual
Report 2022



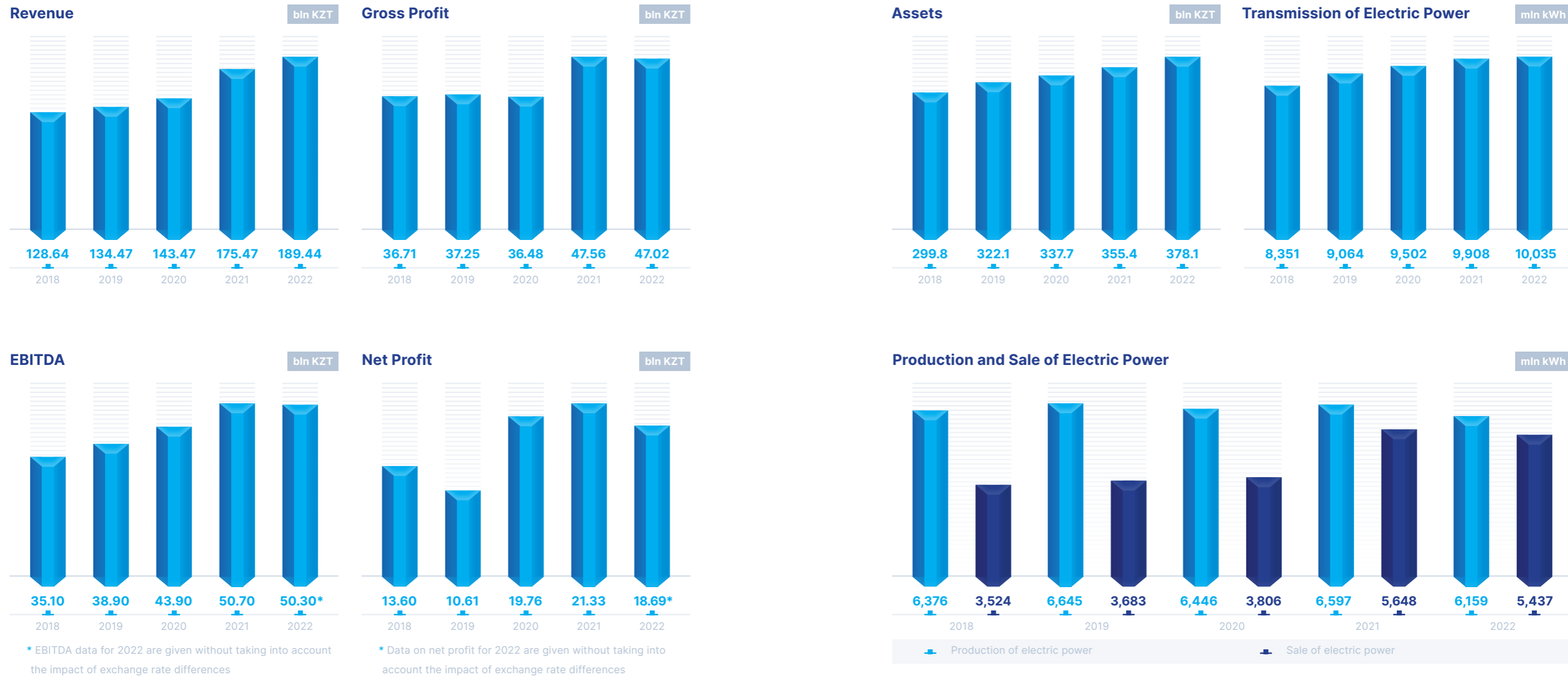
CONTENT

Key Indicators	004	Energy Industry Overview	043
		Business Conditions	044
Message from the Management	006	Tariffs of Subsidiaries	044
Message of the Chairman of the Supervisory Board	006	Power Plants	045
Message of the General Director	008	Karaganda Energocenter LLP	048
		Ust-Kamenogorsk CHPP LLP	049
Key Events of the Year 2022	010	Electrical Networks	051
		Karagandy Zharyk LLP	051
		Ontustik Zharyk Transit LLP	051
01. About the Company	012	Mangistau Regional Electricity Network Company JSC	051
Brief Company Profile	014	Energy Supply Organizations	052
Vertical Integration	014	Karagandy ZhyluSbyt LLP	052
Profiles of Subsidiaries	016	Raschetnyi Servisnyi Center LLP	052
Generation	016	Energopotok LLP	053
Transmission and Distribution	017	Operating Results	053
Sale	018	Ensuring Reliability	053
Brief Company History	020	Continuous Improvement	054
Geography of Activity	025	Capacities	054
02. Strategy	028	Generation	055
Mission, Vision, Values	030	Transmission and Distribution	058
Strategy of Kazakhstan Utility Systems LLP	033	Investment Projects	060
KPI of Kazakhstan Utility Systems LLP for 2023	034	Procurement	063
Business Model	034	Plans for 2023	064
Our Resources (as of January 1, 2023)	034	Financial Results of Operations	067
What Do We Do?	035	Revenue and Expenditure Analysis	067
Value Creation (results of 2022)	036	Balance Sheet Analysis	070
Competitive Advantages	037	Analysis of Key Coefficients	072
03. Management Report	038	04. Sustainable Development Report	074
Environment Overview	040	Interaction with Stakeholders	076
Macroeconomic Overview	040	Corporate Social Responsibility	080
		Human Resources Management	081
		Number of staff	082

Staff turnover	086	Selection and Appointment	126
Staff training and development	087	Managing Conflicts of Interest	127
Attracting Young Professionals	088	Assessment of Performance	127
Staff motivation and remuneration	089	Supervisory Board Committees	128
Non-Financial Motivation	090	Executive Body	129
Social Support for the Group's Employees	090	Company Management	130
Interaction with Trade Union Organizations	092	Description of the Executive Body's Work	132
Health and Safety	093	Remuneration	133
Labour Safety System	094	Internal Audit	134
Corporate Events	096	Corporate Ethics	135
Charity and Sponsorship	102	Anti-Corruption	136
Environmental Protection	103	06. Risk Management	138
Violations of Environmental Legislation	105	Risk Management System	140
Atmospheric Air Protection	105	Principles of Building a Risk Management System	140
Waste Management	108	Risk Management System Structure in the Company	141
Water Resources	109	Internal Control System	142
Land Resources	111	Risk Classification	142
Environmental Activities and Initiatives	111	Key risks affecting the implementation of business strategies	143
Energy Saving	112		
Marketing Activities	115	05. Corporate Governance	118
		Principles of Corporate Governance	120
		Management Structure	120
		Composition of Participants and Capital Structure	120
		Corporate Governance System in the Company	120
		Supervisory Board	122
		Composition of the Supervisory Board	123
		Abbreviations	144
		Contact Information	146
		Appendices	148
		Appendix 1. About the Report	148
		Appendix 2. GRI Index	149
		Appendix 3. Consolidated Financial Statements	152



KEY INDICATORS





MESSAGE OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Dear ladies and gentlemen,

Let me greet you on behalf of the Supervisory Board of Kazakhstan Utility Systems LLP. Currently, there is a fairly optimistic and predictable situation in the energy sector of the republic. Stable growth of socio-economic indicators in the country, an increase in the pace of housing construction, an increase in the number of small and medium-sized businesses, natural population growth in Kazakhstan undoubtedly entail a natural consumer demand for heat and electricity. It is an indisputable fact that energy, being one of the basic branches of the economy, gives impetus to the development of all spheres of the country's life.

It is quite expected that at this time the increased attention from the state and society is focused on the energy industry. A regulator and energy market participants take progressive and verified steps, timely and effective reforms in the industry are carried out to meet the energy demand in the republic. This positive dynamics allows us forming an optimistic and confident forecast on a state in the domestic energy sector.

Kazakhstan Utility Systems LLP, being one of the largest participants in the country's energy market, systematically makes every effort for the integrated development of all Company divisions – heat and electricity generation, Transmission and Distribution, and energy sales. Investing in energy complex owned by Kazakhstan Utility Systems LLP is aimed at increasing the electric and heat capacity of stations, reconstruction and modernization of equipment, the use of innovative, modern approaches in energy asset management and international best practices in this area.

I can say with confidence that the KUS Group of Companies has completed 2022 with indicators demonstrating stable growth and progressive development of enterprises in the regions where our Company operates. This indicates a verified financial policy and successful implementation of investment programs of all subsidiaries included in the structure of KUS LLP.

The strategy of Kazakhstan Utility Systems LLP assumes the following development areas: further implementation of large-scale investment programs at existing facilities, expansion of generating capacities along with the construction of new power grids. We are fully aware of our responsibility and task of providing uninterrupted and high-quality energy to residents of those regions where the KUS Group of Companies operates.

I am convinced of further successful development of the Company and its promising future. I sincerely wish the entire KUS team to achieve their goals and objectives, and believe in their high results!

DINMUKHMET IDRISOV

Chairman of the Supervisory Board





MESSAGE OF THE GENERAL DIRECTOR

Dear readers!

Let me welcome you on behalf of the Management of Kazakhstan Utility Systems LLP! Presenting to your attention this review of our Company's performance for 2022, I hope that it will allow you not only to get acquainted with our company and get useful information, but also serve as a starting point for building mutually beneficial cooperation between us. The KUS Group of Companies has been one of the main players in the energy sector of our republic for many years. The Company's structure traditionally covers such areas as production, transmission, distribution and supply of electric and heat energy.

I can note with satisfaction that since its establishment, KUS has demonstrated only positive growth in its performance. Every year we set new goals for ourselves and achieve them thanks to dedication, a well-thought-out Company policy and a close-knit professional team that we are justifiably proud of. I am convinced that human capital, people who, regardless of the time of day and season, work on uninterrupted and trouble-free provision of heat and electricity to consumers, are the highest value of the Company.

I would like to emphasize that all the projects we implement: modernization of existing assets, construction of new power grids, expansion of generating and power transmission capacities, introduction of new technologies and automation of services in sales companies – are aimed at providing our consumers with high-quality and stable heat and electricity in the regions where the Group operates.

In our activities, we have always placed special emphasis on the use of the most modern and up-to-date solutions, and a scientific approach to all processes at our production facilities. This applies to all, without exception, subsidiaries that are part of the KUS Group.

The KUS Group's ideology is based on unity and parity, trusting relationships with our consumers. We strive not only to meet the requirements of our customers, but also to work ahead of the requests of residents of those regions where the Group operates. All our efforts are aimed at this.

The result of our systematic policy to increase the indicators of development of our structure is proven by specific figures.

Over the past 10 years, the electricity production of the KUS Group's HPP has increased by 160.4%, and heat energy by 67.8%. The power transmission companies that are part of our structure have built and reconstructed about 10,000 kilometers of power transmission lines, as well as over 2,000 substations and distribution points over 10 years. The volume of electric power transmission services via electric networks has increased by 4.7 billion kWh over 10 years. The number of subscribers of the KUS Group's sales companies has increased by more than 360,000 over the past decade.

In 2022 alone, the increase in the volume of electric power transport by power transmission companies compared to 2021 amounted to 1.3% or 126 million kWh. I would especially like to note a very significant increase in the number of subscribers of KUS Group's sales companies. In 2022, this number was 30,513, while in 2021 the number of subscribers increased by 19,116.

Sustainable development of the Kazakhstan Utility Systems Group is reflected by international authorized organizations. In the reporting year, we confirmed our credit ratings: the international Fitch Ratings agency confirmed the long-term issuer default ratings in foreign and national currencies at the level of "B+", the rating outlook is "Stable".

All the work we carried out would not have been possible without the comprehensive support and trust of the KUS Supervisory Board, and we are very grateful to it. I am sure that the cohesive work of the Group's team in 2023 will not only achieve the goals set, but also prepare the basis for an even more dynamic development of the Company.

SABYRGALI IDRISOV

General Director





KEY EVENTS

of the Year 2022 and Implementation of Priority Tasks

1 Kazakhstan Utility Systems LLP

- On October 26, 2022, the international Fitch Ratings agency confirmed Kazakhstan Utility Systems LLP's long-term issuer default ratings (IDRs) in foreign and national currencies as "B+". The rating outlook is "Stable".

2 Karaganda Energocenter LLP

- Construction of the ash dump No. 3 of the Karaganda CHPP-3 was carried out.
- Activities of the investment program of Karaganda Energocenter LLP were carried out according to the type of activity "production of heat energy", approved for 2021-2026.
- Major repairs of equipment have been carried out:
 - at Karaganda CHPP-3: boiler units BKZ-420-140-5, station No. 4,7 and turbine units T-110/120-130, station No. 3, T-120/140-130/12,8, station No. 5,

- at Karaganda CHPP-1: boiler units BKZ-50-39F, station No. 1.5, PTVP-100, station No. 1 and turbine unit PR-6, station No. 2.

- Own training center has been established, where classes are held to improve the personal performance of company managers, improve the skills of mentors, train the personnel reserve, adapt newly hired employees.

- Salary of the company's employees has been increased by 39% – in order to bring the level of remuneration to the average industry level.

- Assistance was provided to the residents of Ekibastuz: a team of specialists from Karaganda CHPP-1 and Karaganda CHPP-3 arrived in the city to eliminate the consequences of the accident at the Ekibastuz CHPP.

3 Ust-Kamenogorsk CHPP LLP

- Construction of ash dump No. 5 (laying of technological pipelines).

- Development of the project of replacement of the steam pipeline 140 ata.
- Implementation of the project of replacement of the main steam pipelines 140 ata (2nd stage).
- Construction of a package transformer substation (PTS) with power supply networks for the onshore pumping station of Ust-Kamenogorsk CHPP LLP
- Reconstruction of the outdoor switchgear-1
- Major repairs of boiler unit, st. No. 12 with replacement of the screen superheater
- Overhaul of ash pipelines
- Overhaul of boiler unit, st. No. 15 with replacement of rear screen panels
- Overhaul and fire retardant treatment of load-bearing structures of main building
- Overhaul of the generator TVF-60-2 st. /No.9
- Overhaul of boiler unit, st. No. 15 with replacement of gas-air ducts
- Overhaul of the turbine unit, st. No. 10 with extension of the service life

4 Ontustik Zharyk Transit LLP

- The construction of 10-0.4 kV electrical networks was completed in Kiyelitas residential area, Taskeshu in Tolebi district, in Nurly Zhol residential area in Saryagash district, in Igilik, Zhideli, Sairam residential areas in Shymkent
- Reconstruction of 110 kV HV line with a total length of 70.88 km was carried out.
- Reconstruction of 35 kV HV line with a total length of 33.3 km was carried out.
- Reconstruction of a number of substations (SS) with a voltage of 110/35/10 kV was carried out.
- Reconstruction of a number of overhead and cable lines with a voltage of 0.4-10 kV, as well as transformer substations (TS) and distribution points (DP) of 10/0.4 kV with the use of self-supporting insulated wires (SIW) was completed.
- The Utility Metering System (UMS) was implemented on 0.4 kV networks of Shymkent and Turkestan region on ten SSs in the amount of 138 metering devices

(MD) and 2,262 MDs on 10 PTSs.

- Construction of SS-35/10 kV with TMN-6300 kVA in Shchubarsu, Ordabasy district;
- Construction of 35 kV HV line by soldering from 35 kV HV line, L-41 to SS-35/10 kV Shornak with a length of 23.5 km, as well as reconstruction of 35 kV HV, line L-40A from SS-110/35/6 kV ZHBI to SS-35/10 kV Shornak with a length of 23.9 km in Sauran district;

5 Karagandy Zharyk LLP

- Three adjustments to the approved investment program with a change in the cost of existing activities and the inclusion of new investment activities in it.
- Activities of the approved investment program, taking into account adjustments in the amount of 9.2 billion KZT without VAT in full.
- Repair campaign, within the framework of which major and current repairs, maintenance of power transmission lines

and equipment of substations, distribution points, transformer points were carried out. According to the results of the repair campaign, a "Certificate of Company's Readiness to Work in the Autumn-Winter Period of 2022-2023" was obtained.

6 Mangistau Regional Electricity Network Company JSC

- Construction of 110/10 kV substation in the area of the Warm Beach and 110 kV HV line ("Yuzhnaya" SS);
- Modernization (reconstruction) of 35/10kV substation of Shetpe MSDS;
- Modernization (reconstruction) of 10kV indoor switch-gear on 110/10kV substation of 2G MSDS;
- Installation of fire alarm systems in the premises of the locksmith workshop and warehouse No. 2 of the Zhetybay RES production base, design of installed fire alarm systems in the buildings of 1 packaged distribution substation and "Opornaya-110/6kV" substation.



01

The enterprises of the KUS Group develop a production chain – from power and heat generation to their delivery to the final consumer. In 2022, the Company operated in Karaganda, East Kazakhstan, Mangistau and Turkestan regions, as well as in Shymkent.

ABOUT THE COMPANY

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



BRIEF COMPANY PROFILE

Kazakhstan Utility Systems LLP (KUS LLP, KUS, Company, KUS Group or the Group) is a successful vertically integrated company in the power and heat sector in Kazakhstan.

Enterprises of the KUS Group form an industrial chain – from power and heat generation to their delivery to the end user. In 2022, the Company operated in Karaganda, East Kazakhstan, Mangistau and Turkestan regions, as well as in Shymkent. All KUS enterprises have unified management processes that provide effective interaction of all structural subdivisions of subsidiaries.

Development strategy of the Group corresponds to priorities of the state policy on energy sector development. The key strategic directions are

modernization of existing assets, expansion of generating and power transmission capacities, as well as customer orientation of retail companies. KUS is a stable company with a stable financial position, which is confirmed by ratings of international Fitch Ratings agency.

The Company is a member of the Kazakhstan Electricity Association (KEA). KEA includes 109 corporate members: energy producers and power grid companies, large industrial energy consumers, industry research and design institutes, power equipment producing companies, and other companies. In addition, KUS is a member of the KAZENERGY Association and the Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan.

VERTICAL INTEGRATION

The Group is a vertically integrated company, including 9 energy companies at the end of 2022. The number of employees of the Group's companies in 2022 is 8.6 thousand people.

The Group includes 9 energy companies



Group's Segments

Generation

- Karaganda Energo LLC
 - Karaganda CHPP-1
 - Karaganda CHPP-3
- Shygys Energo LLC
 - Ust-Kamenogorsk CHPP LLC
- Zhuzimdyk Wind Farm LLC

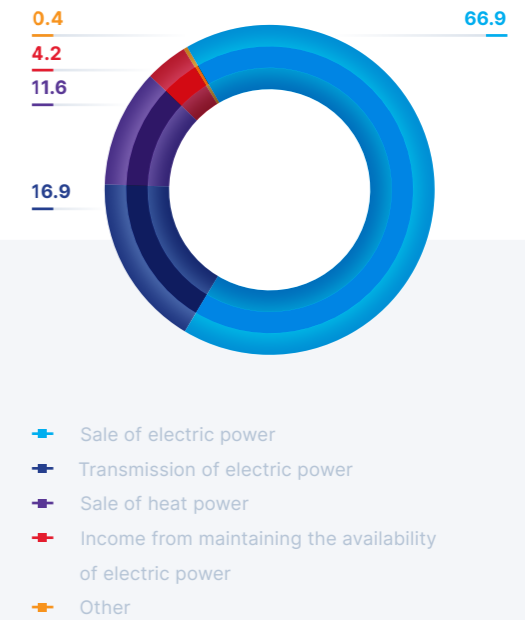
Transmission and Distribution

- Karagandy Zharyk LLC
- Ontustik Zharyk Transit LLC
- Mangistau Regional Electricity Network Company JSC

Sale

- Karagandy Zhylu Sbyt LLC
- Raschetnyi Servisnyi Center LLC
- Energopotok LLC

Revenue Structure, 2022





PROFILES OF SUBSIDIARIES

Generation

Karaganda Energocenter LLP is a company that combined two power plants of the Group – Karaganda CHPP-1 and Karaganda CHPP-3.

Karaganda CHPP-1

- Electric power:

24 MW

Installed

24 MW

Available

- Heat power:

392.0 Gcal/h

Installed

235.8 Gcal/h

Available

Karaganda CHPP-3

- Electric power:

670.0 MW

Installed

535.7 MW

Available

- Heat power:

1,432.0 Gcal/h

Installed

1,076.1 Gcal/h

Available

1,303 people

Total number of employees of KEC LLP

Ust-Kamenogorsk CHPP LLP

- Electric power:

372.5 MW

Installed

309.3 MW

Available

- Heat power:

859.9 Gcal/h

Installed

775.8 Gcal/h

Available

565 people

Number of employees

Zhuzimdyk Wind Farm LLP is a project for development of alternative energy in Turkestan region (Shayan village, Baidibek district), which is at the stage of concluding an "off-take" contract with the state.

- The installed capacity of the Zhuzimdyk Wind Farm

40

Installed

Transmission and Distribution

Karagandy Zharyk LLP is a power grid company in the Karaganda region.

- 0.4-220 kV electrical networks designed for electric power supply to urban, industrial and agricultural consumers of Karaganda and Karaganda region:

5,149 km

0.4-220 kV HV-line

104 units

Substations of 220/110/35 kV

1,745 km

0.4-35 kV CL

21.4 thou km²

The service area

1,517 people

Number of employees

2,237 units

TS, PTS, DB 6-10/0.4 kV

Ontustik Zharyk Transit LLP is a regional power grid company in Shymkent and Turkestan region.

- 0.4-110 kV electrical networks designed for electric power supply to urban, industrial and agricultural consumers in Shymkent and Turkestan region:

23,175 km

0.4-110 kV HV-line

256 units

Substations of 110-35 kV

662 km

0.4-110 kV CL

366 pcs.

Service transformers

3,440 people

Number of employees

6,058 pcs.

TS, PTS, DB 6-10/0.4 kV



Mangistau Regional Electricity Network Company JSC is a power grid company in Mangistau region.

- 0.4-220 kV power networks designed for electric power supply to urban, industrial and agricultural consumers in Mangistau region:

5,468 km

0.4-220 kV HV-line

134 pcs.

Service transformers

67 pcs.

Substations of 220/110/35 kV

424 pcs.

PTs of 6-10/0.4 kV

731 people

Number of employees

Sale

Karagandy ZhyluSbyt LLP is a power supply company in Karaganda and Karaganda region.

2 district and 2 city sales areas.

- Number of heat supply subscribers:

161,879

Individuals

4,832

Legal entities

3,416 contracts

- Number of power supply subscribers:

204,614

Individuals

8,597

Legal entities

5,445 contracts

- Number of DHW (Domestic hot water) subscribers:

133,205

Individuals

2,475

Legal entities

1,891 contracts

263 people

Number of employees

Raschetnyi Servisnyi Center LLP is a power supply company in Karaganda region.

3 sales sites:

The Abai site is located in Abai, the Shakhtinsk site is located in Shakhtinsk, the Central site is located in Karaganda.

- Number of power supply subscribers:

61,896

Individuals

1,806

Legal entities

48 people

Number of employees

Energopotok LLP is a power supply company in Turkestan region and Shymkent.

21 regional and 5 city sales sites.

- Number of power supply subscribers:

663,967

Individuals

32,135

Legal entities

700 people

Number of employees

Financial performance of subsidiaries by the end of 2022

Company	Assets, thousand KZT	Net profit, thousand KZT
Karaganda EnergoCenter LLP	89,552,513	10,812,211
Ust-Kamenogorsk CHPP LLP	48,504,139	5,945,708
Karagandy Zharyk LLP	78,505,872	3,282,592
Ontustik Zharyk Transit LLP	54,423,765	3,831,256
Mangistau Regional Electricity Network Company JSC	59,382,752	2,041,167
Karagandy ZhyluSbyt LLP	9,217,408	723,072
Raschetnyi Servisnyi Center LLP	985,894	85,225
Energopotok LLP	7,427,617	(1,060,671)





BRIEF COMPANY HISTORY

2008-2010

- On November 3, 2008, the management company Kazakhstan Utility Systems LLP was established.
- The Group gained control over 100% ownership interest in Ontustik Zharyk Transit LLP and Karagandy Zharyk LLP to establish a vertically integrated energy company.
- In 2010, the Group became a member of Karaganda Energocenter LLP by making an additional contribution to the authorized capital and redistribution of shares between the participants.

- Decision on the construction of a new power unit (boiler + turbine) at 110 MW and 185 Gcal/h at Karaganda CHPP-3.
- Karagandy Zharyk LLP commissioned two new substations.
- Karagandy Zharyk LLP has implemented a utility metering system (UMS), the second stage.
- The construction of 110-kV HV line RHPP-1 – CHPP-2 of Karagandy Zharyk LLP was completed.
- Ontustik Zharyk Transit LLP has implemented an automatic database and consumers system (ADCS) to issue technical specifications for the fastest possible determination of connection points.

- Signing of EPC-contract for expansion of Karaganda CHPP-3, installation of power unit No. 6.
- Commissioning of a new turbine No. 5 with a capacity of 120 MW.
- Commissioning of the cooling tower No. 4 of Karaganda Energocenter LLP.

- Implementation of the UMS by the Karagandy Zharyk LLP, the 3rd stage.

2012-2013

- Signing an agreement with Development Bank of Kazakhstan JSC for opening a credit line of 30 billion KZT for Karaganda Energocenter LLP.
- Construction of new ash dumps for dry waste storage at stations of CHPP-1 and CHPP-3 of Karaganda Energocenter LLP.
- Construction of Zharyk substation (SS) of Karagandy Zharyk LLP.
- Ontustik Zharyk Transit LLP has begun construction of 110 kV Severnaya substation and 110 kV Nursat substation.
- Establishment of Energy Center LLP. The company's statutory activity is the production of heat and power energy. 100% share in the partnership belongs to KUS LLP.

2011

- Obtaining control over 100% shares in Karagandy Zhylusbyt LLP, Raschetnyi Servisnyi Center LLP, Energopotok LLP and Ontustik Zharyk LLP to establish a vertically integrated energy company.

2014

- Since 2013, there has been a process of expansion of CHPP-3 of Karaganda Energocenter LLP, by installing turbine No. 6 and boiler No. 8.
- Karagandy Zharyk LLP commissioned 220/110/10 kV Zharyk and 110/35/6 kV Santechnicheskaya-2 substations.
- Ontustik Zharyk Transit LLP commissioned Severnaya substation (2x40,000 kVA), constructed and modernized 10/0.4 kV networks, and various voltage class substations.
- The project "Construction of a Wind Power Station in the South Kazakhstan Region" was initiated.
- Sales subsidiaries expanded their customer base and introduced the "Unified Billing System" for suppliers of all types of utilities and, buildings were acquired to establish contact centers.

2015

- In December, Ontustik Zharyk Transit LLP introduced a 10/0.4 kV UMS, as a result, 31 KTP and 3,740 consumers were tied up in Turkestan in 2015.

- Ontustik Zharyk Transit LLP designed, built and commissioned 110/10–10 kV Nursat closed type substation with installed capacity of 2 x 40 MVA power transformers.
- Karagandy Zharyk LLP constructed and commissioned 220/110/35-kV Zharyk substation.
- Karagandy Zharyk LLP constructed and commissioned 110/35/10-kV Santechnicheskaya-2 and 110-kV CHPP-3 Santechnicheskaya-2 HV line, L = 1.3 km with the installation of AC wire 300 sq. mm.
- In order to diversify the Group's activities through the development of alternative energy, on July 15, 2015, Zhuzimdyk Wind Farm LLP was established, with 100% shares belonging to KUS LLP.
- In November, in Karaganda region, for the convenience of consumers, a joint project with ERC LLP for implementation of a unified payment document (UPD) was completed and developed on the principle of "one window", the number of cash handling units was increased, and the electronic queue system was introduced.
- Installation of the new 110-MW power unit was completed

- at Karaganda CHPP-3 of Karaganda Energocenter LLP. A trial run of the unit was carried out at full capacity with an ad hoc acceptance of equipment; a new fan cooling tower was commissioned.
- New contact centers were opened in the sales subsidiaries of the South Kazakhstan region and Shymkent.

2016

- Kazakhstan Utility Systems LLP has acquired 6.54% of the common shares of Mangistau Regional Electricity Network Company JSC.
- In the trading system of Kazakhstan Stock Exchange JSC (KASE), the first specialized trades on placement of bonds of Kazakhstan Utility Systems LLP were held.
- The international rating agency Fitch Ratings confirmed that Kazakhstan Utility Systems LLP has long-term issuer default ratings (IDR) in foreign and national currencies at the level of "BB-". The rating outlook is "Stable".



- During the international competition “Choice of the Year No. 1 in Kazakhstan” Kazakhstan Utility Systems LLP officially became the “Energy Company No. 1 of 2016 in Kazakhstan”.
- A new power unit commissioned at Karaganda CHPP-3 of Karaganda EnergoCenter LLP, including a 110 MW power turbine and a 400 Gcal/h steam heat boiler. Due to this, Karaganda CHPP-3 became the largest heat and power plant in Kazakhstan.
- A closed-type 110/10 kV Nursat power substation was put into operation in Shymkent.
- Ontustik Zharyk Transit LLP developed the project and completed modernization of 0.4-10 HV transmission lines with the use of self-supporting insulated wire with total length of 0.4 kV overhead transmission line – 220 km for 0.4-kV HV lines, for 6-10 kV HV line – 7 km.
- Karagandy Zharyk LLP reconstructed TSS, PTS with power equipment – 119 pcs, CL – 52 km, ACL (SIW) – 88 km; a new building of dispatcher station of the operational dispatching service for high-voltage electrical networks.
- In 2016, Karagandy ZhyluSbyt LLP switched to unified payment document (UPD) in settlements with consumers.

2017

- KUS LLP has attracted funding in the amount of 882.4 million KZT through successful placement of bonds on KASE.
- A credit line was opened with SB Sberbank JSC for purchase of 100% of shares in AES Middelzee Holding B.V. for a total amount of 7.2 billion KZT maturing in March, 2024. 6.6 billion KZT was used.
- Generating assets purchased in East Kazakhstan region: Ust-Kamenogorsk CHPP and Sogrinsk CHPP with total installed capacity 447.5 MW.
- 37.5% of the shares of Mangistau Regional Electricity Network Company JSC (MRENC) from the total number of outstanding shares were purchased, and the total number of MRENC shares in the KUS portfolio reached 43.73%.
- Karaganda CHPP-3 completed the first stage of project to increase the number of dams of 3rd section of ash dump No. 2.
- At Ust-Kamenogorsk CHPP, the project for reconstruction of existing ash dump is completed, and construction of new ash dump for storage of ash and slag was started.

- MRENC JSC constructed 220 kV power line Aktau– Karazhanbas with autotransformer 1×150 MVA at Karazhanbas tie distribution substation.
- In the course of diversification of activities, the project for maintenance of household utilities successfully expanded the market for services.
- Number of serviced personal accounts of consumers has increased by almost 20 thousand, or 1.8%, compared to 2016.

2018

- 6.77% of ordinary shares in subsidiary MRENC JSC were acquired. The Group owns 50.19% of placed shares of MRENC JSC, the share of ownership of voting shares – 52.63%.
- Transaction for sale of Sogrinsk CHPP LLP was completed.
- At Karaganda CHPP-3, the 2nd stage of the project to build up the dams of the 3rd section of the ash dump No. 2 was completed.
- Ust-Kamenogorsk CHPP LLP is currently completing a project for reconstruction of the existing ash dump, and construction of a new ash dump for storing ash and slag waste has begun.

- In March 2018, MRENC JSC attracted financing from the European Bank for Reconstruction and Development in the amount of 12.3 billion KZT from the Bank's regular resources and 5.3 million US dollars from a special Green Climate Fund will be used for the implementation of the investment program.
- Expanding the customer base of Energopotok LLP through the participation of customers of Ontustik Zharyk LLP.

2019

- At Karaganda CHPP-3, the third stage of the project for increase in number of dams in the third section of the ash dump No. 2 was completed.
- The project for the construction of the 1st section of the new ash dump No. 3 at Karaganda CHPP-3 was completed.
- Reconstruction of the ash dump No. 3 was performed with the use of ash and slag waste in the body of the dam for the first time in domestic practice; construction of a new ash dump No. 5 has begun; boiler unit No. 15 was upgraded to reduce nitrogen oxide emissions; implementation of

- automated process control system on boiler unit No. 15 was completed.
- Construction of a closed 110/10-10 kV Yassy substation with a capacity of 2*40 MVA with 110 kV lines in Turkestan has started with a plan for commissioning in 2020 at Ontustik Zharyk Transit LLP.
- At OZht LLP, the UMS was implemented with coverage of 12 high-voltage substations (for wholesale market entities), as well as on 0.4 kV networks with coverage of 3,940 subscribers of Shymkent (for retail market entities).
- At Karagandy Zharyk LLP, construction of 110/10 kV Tikhonovka SS was completed, as well the reconstruction of the 110 kV HV line CHPP-3 – Karaganda was completed. Technical modernization of 6-35-110 kV equipment was performed at nine substations: Novaya Dubovka, Karabas SS, Kzyl SS, Fedorovka-2 SS, Astakhovka SS, Karbyshevka SS, Karaganda SS, Karagaily SS, and Saran SS.
- Construction of the power line – 220 kV Aktau – Karazhanbas with autotransformer 1×150 MVA at URPS-220/110/35/10 kV Karazhanbas was completed at Mangistau Regional Electricity Network Company JSC;

- Construction of 110 kV transmission line from Uzen –220 kV SS to 110/35/6 kV SS (with the length 1×18.7 km) with replacement of 1×40 MVA transformer was completed;
- Modernization of outdoor switchgear 110 kV of SS 220/110/10 kV “Uzen”;
- A number of substations (9 pcs.) and HV lines with a voltage of 35 kV and higher (180 km) were purchased.

2020

- On March, 2020, the international rating agency Fitch Ratings confirmed Kazakhstan Utility Systems LLP's long-term issuer default ratings (IDR) in foreign and national currencies as “B+”. The rating outlook is “Stable”.
- KEC LLP concluded an investment agreement for the expansion of the Karaganda CHPP-3 with the Ministry of Energy of the Republic of Kazakhstan.
- Dams of the 3rd section of the ash dump No. 2 of the Karaganda CHPP-3 was completed.
- At Ust-Kamenogorsk CHPP LLP:



- boiler of station No. 13 was overhauled with the replacement of a smooth-tube water economizer of the 1st stage with a membrane one.
- boiler unit No. 14 was overhauled with the replacement of burners (8 pcs.).
- reconstruction of discharge heat No. 5 of conveyor 5/2.
- construction of a package transformer substation (PTS) with power supply networks for coastal pumping station No. 2 (purchase of equipment).
- At Ontustik Zharyk Transit LLP:
 - closed substation 110/10-10 kV Yassy with a capacity of 2*40 MVA with 110 kV cable lines in Turkestan was completed and put into operation.
 - construction of 10-0.4 kV electrical networks in residential areas of Zhuldyz, Badam, Tasken, Bazarkakpa, Martobe, Shymkent was completed.
 - reconstruction of 110 kV HV line with a total length of 9 km was carried out.
 - reconstruction of the 35 kV HV line with a total length of 27.75 km was carried out.
 - reconstruction of a number of SS was carried out: 110/35/10 kV "Samsonovka", 110/35/10 kV "Shaulder", 110/35/10 kV "Abai-Bazar", 110/35/6 kV "No. 4", 110/35/6 kV "Cement", 35/10 kV "KSKhT", 35/10 kV "Kaitpas", 35/10 kV "Slavyanka", 35/10 kV "Darmino", 110/35/10 kV "Turkestan".
- reconstruction of a number of HV lines-0,4-10 kV, KL-0,4-10 kV, as well as PTS, TS, DB 10/0.4 kV was completed.
- the UMS was implemented over 0.4 kV networks with coverage of 3,171 subscribers in Shymkent, Turkestan (for retail market entities).
- At Karagandy Zharyk LLP:
 - 220 kV outdoor switchgear 220/110/35/10 kV "Saran" TS – with the use of SF6 circuit breaker instead of S and SCB.
 - replacement of supports and wires along the entire route of the 110 kV HV line "Karaganda – New City".
 - technical modernization of the SS equipment in the amount of 34 pcs.
 - overhaul of the 35/110/220 kV HV line – 10 pcs.
- At Mangistau Regional Electricity Network Company JSC:
 - power lines – 10.5 kV with a length of 10.5 km in the area of Warm beach was put into operation.
 - modernization (reconstruction) of 6 kV equipment was performed at 110/35/6kV Sai-Utes Substation;
- repair of metering devices UMS-6-10/0.4 kV was carried out.
- modernization of RPAE at SS-220/110/10kV Uzen was carried out.
- workshops for the mechanization and transport service of MRENC JSC were put into operation.
- power line-10 kV from 35/10 kV KTZh SS to 10 kV HV-line of cell 113 SS-110/10-10 "Kuryk" 1x7 km was put into operation.

2021

- **Karaganda EnergoCenter LLP**
 - Start of construction of ash dump No. 3 of the Karaganda CHPP-3.
 - The project of reconstruction of the heating plant of the Karaganda CHPP-3 was updated.
- **Ust-Kamenogorsk CHPP LLP**
 - Investment agreement No. 8 dated 20.01.2021 was concluded with the Ministry of Energy of the Republic of Kazakhstan for the modernization, reconstruction, expansion and/or renewal of Ust-Kamenogorsk CHPP for 2025-2034.

- Construction of ash dump No. 5 (power supply).
- **Ontustik Zharyk Transit LLP**
 - The construction of 10-0.4 kV electrical networks was completed in Karabastau mcrdt, Karatobe mcrdt, Otyrar mcrdt, Yelaman mcrdt, Kyzylzhar mcrdt in Shymkent.
 - Reconstruction of 110 kV HV line with a total length of 48 km was carried out.
 - Reconstruction of 35 kV HV line with a total length of 79 km was carried out.
 - Construction of SS-35/10 kV and 35 kV HV line in Arys, Sairam district was completed.
 - Construction of 35 kV HV line in Shubarsu, Ordabasy district, a 35/10 kV transmission line with a length of 5.67 km was completed.
- **Karagandy Zharyk LLP**
 - work was begun on the development of project documentation for the construction of the 110/10 kV Novy Maikuduk substation, 110/6 kV Fedorovka substation and 110/10 kV Bolashak substation;
 - work was begun on the development of project documentation for the reconstruction of the 110/35/6 kV Karaganda substation, 35/10 kV Tikhonovka substation, 110/35/10 kV Botanicheskaya substation, 35/10 kV Komarovskaya substation, 35/10 kV Zhosaly substation.
 - construction and installation works on cable and overhead lines (COL) 0.4 kV with a total length of 30 km, COL 6 (10) kV with a total length of 7 km, and on TS 0.4/6(10) kV in the amount of 66 pcs.;
 - the main work on the first stage of SCADA implementation at the upper voltage level over 35-220 kV networks.
- **Mangistau Regional Electricity Network Company JSC**
 - A 110 kV HV line with a length of 6 km and a 110/10 kV substation in the area of the Warm Beach in Aktau were put into operation.
 - A 10 kV power line with a length of 10.3 km was put into operation in the area of the Warm Beach.
 - The UMS was implemented at such substations as "1G", "2G", "3G", "Pribrezhnaya", "SS-4", "N-2", "Kuyulus", "RMZ", "Recreation Center".
 - The SCADA was implemented at the SS-220/110/10 kV Uzen.
 - A number of works on the implementation of SCADA at 220,110,35 kV substations were completed.





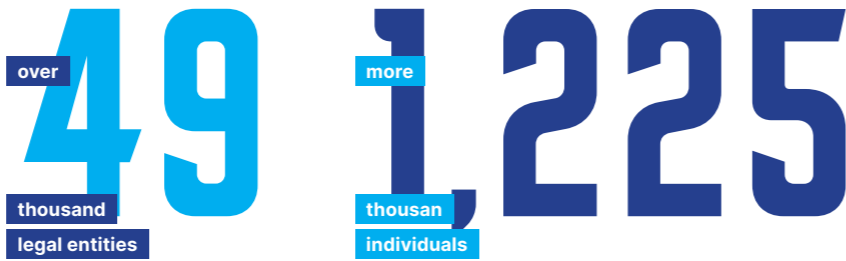
GEOGRAPHY OF ACTIVITY

In 2022, the Group was represented in 4 of 17 regions of Kazakhstan – Karaganda, Turkestan, East Kazakhstan and Mangystau. The total population of these regions is 6.6 million people, which is about 35% of the republic's population.

In 2022, consumers of KUS services were more than 1,225 thousand individuals and over 49 thousand legal entities.

In Karaganda region, the Group focuses on production of heat, electric power energy and chemically purified water, as well as transmission, distribution and sale of electric power and heat. In Turkestan region and in Shymkent – only transmission, distribution and sale of electric power, in the East Kazakhstan – production of heat and power energy, in Mangystau – transmission and distribution of electric power.

Consumers of KUS services were:



4 In terms of installed capacity, KUS LLP is one of the four largest energy companies.

KUS covers the regions of presence with electric and heat supply services, where 35% of the country's population lives



Live in the regions where KUS LLP operates



Mangystau region

100% of the electric power Transmission and Distribution market (except Aktau)

Karaganda region

32% of the electric power transmission services market (in Karaganda power generation center)

38.7% of the total electric power output from the buses of all stations in Karaganda region

31% of the electric power sales market (Karaganda and satellite cities)

100% of the heat supply market (Karaganda)

Turkestan region and Shymkent

68% of the electric power transmission market

48% of the electric power sales market

East Kazakhstan region

22% of the total electric power output from the buses of all stations in East Kazakhstan region

83% of the heat supply market of Ust-Kamenogorsk



02

Energy-producing organizations that are part of the Company annually carry out the necessary amount of measures to maintain reliable and sustainable production of heat and power.

STRATEGY

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



MISSION, VISION, VALUES

Mission

The mission of the KUS Group is to provide reliable and high-quality power supply to its consumers, to promote long-term economic growth and social stability in the regions of presence, their prosperity and progress. The Group also sees its mission in preservation and protection of the environment when using natural resources rationally. At the same time, the Group places its unity with consumers, honest and open dialogue and implementation of joint tasks as the main priority.

Vision

The KUS Group is an actively developing structure, a leader in key segments of power and heat power of Kazakhstan: generation, transmission and sale of energy.

The Group constantly expands the list of assets and geography of its operation through inclusion of various power engineering industry companies, use of renewable power sources and support to promising innovative projects.

Values

Reliability is ensuring reliability and high quality of the services provided by the Company.

Professionalism and team spirit – improvement of professional level of employees as one of the most important tasks of the Company.

Human capital asset is a belief in success of a common goal, mutual respect, assistance to each employee in growth and development, understanding of their interests and needs.

Innovativeness is continuous aspiration to improve and optimize already existing approaches and technologies as well as strenuous support and promotion of development of new products and solutions.

Goals and Priorities

The goal of KUS LLP is to increase the value of the Company, to maintain profitability and stability of business, to ensure shareholders' return on investment through increase in the value of assets.

To achieve these goals, the Company is constantly working to develop and optimize business processes, including reducing costs, increasing the efficiency of operations, improving the quality of products and services provided, and applying new advanced technologies.

Kazakhstan Utility Systems LLP considers quality management, labor safety, and preservation of life, health, environmental protection as **an integral part of its mission** of a high-tech, efficient and dynamically developing company in the Republic of Kazakhstan.

The main **priorities** of Kazakhstan Utility Systems LLP that allow us to ensure quality and timely implementation of all projects are:

- 1 systematic training and continuous improvement of professional skills of KUS Group employees, improvement of human resources, preservation and enhancement of human capital assets of KUS LLP;
- 2 maximum of effective use of existing production, financial and human assets of the KUS Group to achieve set goals;
- 3 customer orientation of retail companies, providing constant feedback to consumers, improving services;
- 4 strict observance of legislation of the Republic of Kazakhstan, government legal acts regulating energy policy, which are guides to the KUS Group in its activities;
- 5 construction of new power grids, expansion of generating and power transmission capacities, stable growth of production indicators of enterprises belonging to the KUS Group;
- 6 modernization of existing energy assets, use of innovative solutions at their production facilities, scientific, innovative approach and optimization of energy costs;
- 7 constant focus on preserving the environmental balance in the course of operations of the organizations belonging to the KUS Group, implementation of the most progressive, energy efficient and safe solutions considering the environment and labor protection, technical solutions for implementation of projects;
- 8 openness and transparency of all activities of KUS Group, provision of necessary information to consumers, partners and the public about the work of KUS LLP, including media coverage, taking into account the high social significance of the products manufactured and sold by the Group;
- 9 continuous analysis of activities of all suppliers and contractors of the KUS Group, building long-term, mutually beneficial relationships with them.



Responsibility

The Group strives to create value in the long term for various stakeholders, and voluntarily assumes responsibility for taking into account the interests of stakeholders in making strategic decisions.

Responsibility to the government is to ensure:

- ability of the Company's networks and energy assets to meet the growing demand for heat and electric power;
- sufficiency and reproducibility of the resource base, effective cost management;
- efficient and reasonable use of funds invested in the Company, as well as minimization of investment risks;
- coordination of the Company's plans and regional development plans in such a way as to meet the long-term energy supply needs of the regions.

Responsibility to shareholders includes protection and implementation of the rights and interests of shareholders by further improving the corporate governance system (in terms of increasing the value of assets), based on modern Kazakhstan and international standards.

Responsibility to consumers is to ensure reliable and high-quality electric power and heat supply, as well as transparent justification of the tariff policy.

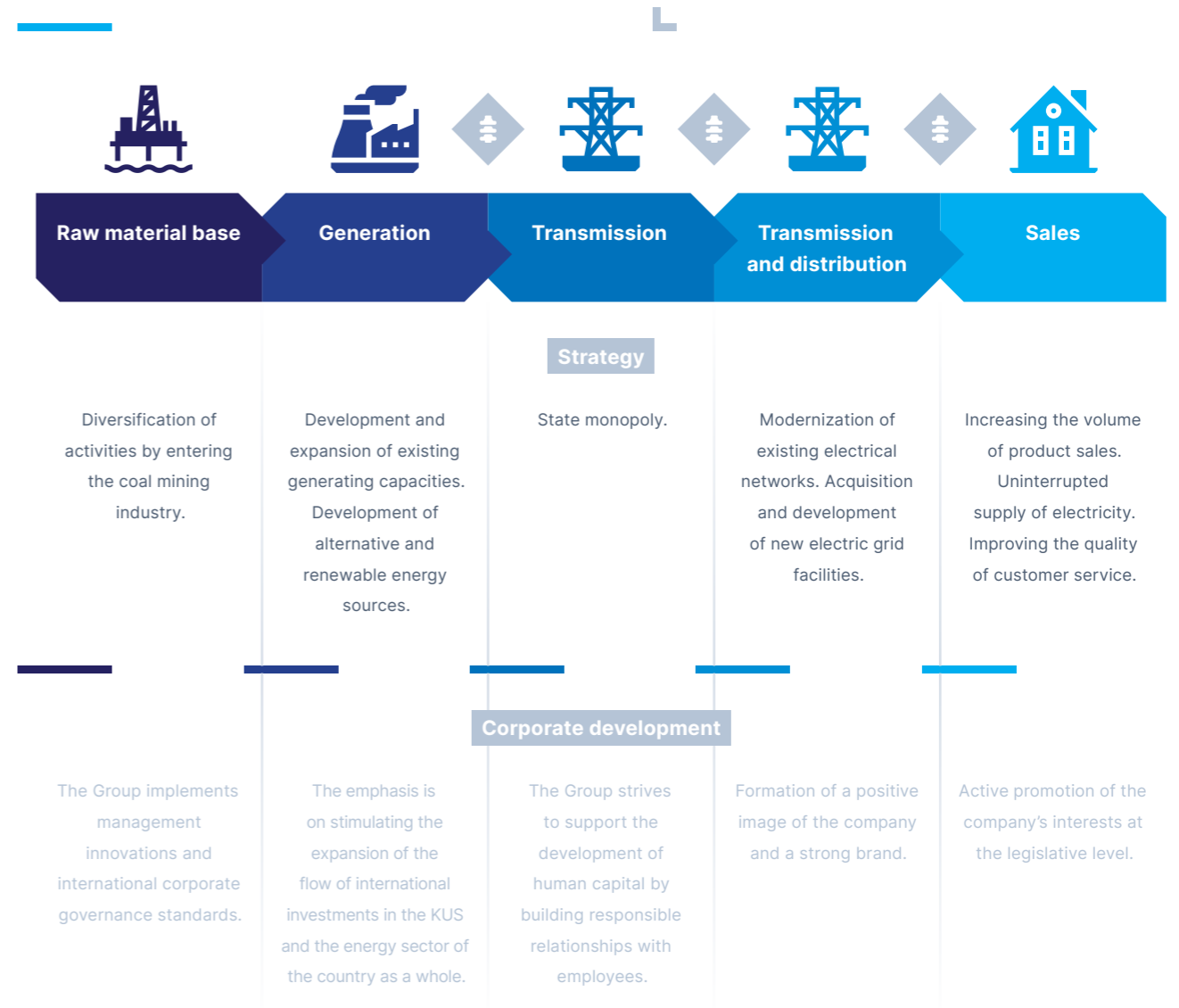
Responsibility to the environmental community and future generations is to reduce the negative impact on the environment through the introduction of environmentally friendly and safe technologies for generating, transport electric power, save energy, and improve the efficiency of the Company's environmental management.

Responsibility to contractors and suppliers is to create a transparent competitive environment and fulfill all obligations imposed on the Company.

Responsibility to the staff, corporate social responsibility is to ensure a stable and competitive salary level, create decent and safe working conditions, opportunities for professional growth; assist to socially vulnerable population.

STRATEGY OF KAZAKHSTAN UTILITY SYSTEMS LLP

The Group occupies one of the leading places in the list of energy companies in the country. The strategic goal of KUS is **to become one of the three largest energy companies in Kazakhstan in the future for 5 years.**





KPI

of Kazakhstan Utility Systems LLP for 2023

Nº	Key performance indicators	UoM	Fact for 2020	Fact for 2021	Adj. plan for 2022	Fact for 2022	Plan for 2023
1.	EBITDA	million KZT	43,857	50,746	49,757	50,287*	59,608
2.	Capitalization	million KZT	279,564	333,033	335,187	336,438	352,019
3.	Average capacity of the electric power supply	MW	648.0	670	728	712	752
4.	Volume of electric energy transport	million kWh	9,502	9,908	10,065	10,035	10,395
5.	Losses in networks	%	9.01	9.1	9.6	9.52	9.48

* EBITDA data for 2022 are given without taking into account the impact of exchange rate differences

BUSINESS MODEL

Using existing resources, by implementing a long-term sustainable development strategy, we create values for stakeholders.

Our Resources

as of January 1, 2023

Production Capacity

The Group has a strong production base, which is a combination of power and heat generating sources, as well as power transmission networks, heating plants and substations.

Generation

Electric capacity of the sources is

1066,5 MW

Installed

869 MW

Available

Heat power capacity of the sources is

2,683.9 Gcal/h

Installed

2,087.7 Gcal/h

Available

Transmission and Distribution

Length of HV lines:

33,792 km

0.4–220 kV HV lines

Length of cable lines:

2,407 km

0.4–110 kV cable lines

Number of substations is

427 units

Capital

The Company strives to effectively use the shareholders' capital and borrowed financing, ensuring proper profitability and stably performing the financial liabilities, which is confirmed by high credit ratings ("B+" from Fitch Ratings).

Equity

190,806 mln KZT

The principal debt on loans and bonds

85,173 mln KZT

Personnel

The basis of the Company's activity is professional employees who are committed to their business and share its values.

The number of the Group's employees

8,625 people

What Do We Do?

Enterprises of the KUS Group form an industrial chain – from power and heat generation to their delivery to the end user. In 2022, the Company operated in four regions of the country. Effective interaction of all structural subdivisions of subsidiaries is ensured.

Heat and Power Generation

The basis for heat and power generation of the Group consists of 3 combined heat and power plants. CHPP-1 and CHPP-3 are part of a subsidiary of Karaganda Energocenter LLP which is the only centralized supplier of heat power and the largest electric power supplier in Karaganda. Ust-Kamenogorsk CHPP is a subsidiary of Shygys Energo LLP. The power and heat generated by Ust-Kamenogorsk CHPP covers 80% of the city's housing and utility services. The Group's capacities play a significant role in the energy sector of these regions of operation.

Electric Power Transmission and Distribution

The Group's power networks are a set of substations, switchgears and transmission lines with a voltage of 0.4–220 kV. Three subsidiary power grid companies provide electric power to urban, industrial and agricultural consumers in Karaganda, Turkestan and Mangistau regions.



Sale

Power retail enterprises of the Group carry out direct work on interaction with consumers, which are both individuals and large industrial companies. Electric power retail companies of the Group operate in Karaganda and Turkestan regions.

Investment Activity

The Group implements a number of large-scale activities to modernize production facilities aimed at significantly improving the efficiency and reliability of equipment. Implementing the investment program makes it possible to reduce regulatory technical losses, as well as to increase the reliability of power supply to regions covered.

More than **310** bln KZT were capital investments in 2010-2022.

Value Creation

results of 2022

Consumers

Consumers of KUS services in four regions of the Group's operation are more than 1,225 thousand individuals and over 49 thousand legal entities.

- Electric power was produced:

6,159 mln kWh

- Heat power was produced:

5,750 thousand Gcal

Personnel

The Company maintains the status of a responsible employer, strives to create the best working conditions for its employees, providing them with proper material and non-material remuneration, conducting training and developing their competencies.

- Labor remuneration:

25,156,366 thousand KZT

- Expenses for social support of employees:

239,734 thousand KZT

- People have completed training programs:

6,355 people

COMPETITIVE ADVANTAGES

Founders and creditors

An effective system of corporate and risk management is aimed at maintaining the balance of interests of founders and creditors and Group's development.

- Interest paid on loans and bonds:

10,254,487 thousand KZT

State bodies and regions of operation

The Company is a large employer and taxpayer in the regions of its operation, and also provides infrastructure development and supports local communities.

- Was paid for taxes at the end of the year:

17,660,431 thousand KZT*

- Were the Group's capital investments for the year:

37.1 bln KZT

*net of corporate income tax

- Strategic importance – In 2022, **the Group and its subsidiaries cover regions of operation with power and heat, where 6.6 million people of Kazakhstan's population live.**
- Being a vertically integrated, **large scale and diversified**, the Group operates to a maximum effect in order to provide qualitative services to its customers, which at the end of 2022 counted more than 1,225 thousand individuals and 49 thousand legal entities. In the regions of its presence, KUS occupies a dominant position.
- The possibility of **concluding long-term purchase and sale contracts** for electric power allows attracting large industrial consumers with long-term development plans.
- The Group has established itself as **one of the most attractive issuers** of debt obligations among operating companies present on Kazakhstan securities market.
- Absence of a debt burden in foreign currency, accordingly, guarantees the availability of **a flexible pricing policy.**
- The Group successfully **diversifies its funding sources.**



03

To prevent the risks of imbalances in the energy system and the impact of high tariffs from newly introduced new energy sources, standards were developed for the transition to a new target model of the electricity market, which provides for a centralized purchase of electric power and introduction of a balancing market.

MANAGEMENT REPORT

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



ENVIRONMENT OVERVIEW

Macroeconomic Overview

The gross domestic product of the country, according to preliminary data from the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, in 2022 amounted to 102.9 trillion KZT and grew in real terms by 3.3%. The difficult political situation in the region exerts negative pressure on the Kazakhstan economy, including exports, but at the same time it was possible to achieve growth in the main production sectors.

In 2022, industrial products worth 48 trillion KZT were produced. Growth to 2021 was 1.1% (in 2021, the growth was 3.8%). 51.3% of the industrial output is accounted for by the mining industry, 43.1% – by the manufacturing industry. At the same time, more impressive growth rates were observed in the manufacturing industry – 3.4%. In particular, the production of beverages, tobacco products, refined petroleum products, chemical industry products, basic precious and non-ferrous metals, and motor vehicles has increased. While the mining industry experienced a decline of 1%, due to a decrease in the production of crude oil, natural gas, and iron ores. In the supply of electric power, gas, steam, hot water

and conditioned air, the decline was 0.5% due to the reduction of the steam supply and air conditioning system by 3.5%.

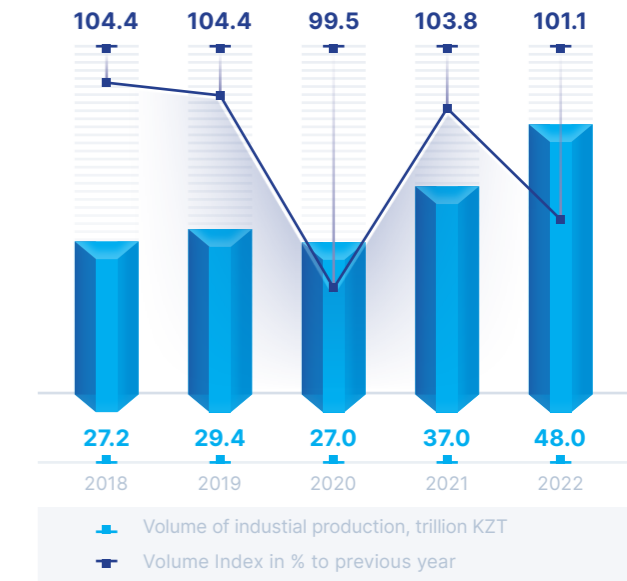
An increase in production volumes was recorded in 13 regions of the republic, a decrease is observed in Atyrau, West Kazakhstan, Karaganda, Kostanay, Kyzylorda, Pavlodar and Turkestan regions. The largest industrial growth was observed in Akmola (by 13.4% due to the production of gold-bearing ores and gold in the dore alloy) and Zhambyl (by 10.2% due to the growth of sausage products, sugar and gold in the dore alloy) regions. The biggest decline was observed in Turkestan (by 6.2% due to a decline in the production of uranium and concrete) and in Kostanay (by 5.5% due to iron ore products) regions.

In 2022, there was a significant increase in consumer prices. Inflation for the year was 20.3% – the highest level in more than ten years (8.4% in 2021). Prices for food products increased by 25.3% over the year, for non-food products – by 19.4%, for paid services – by 14.1%.

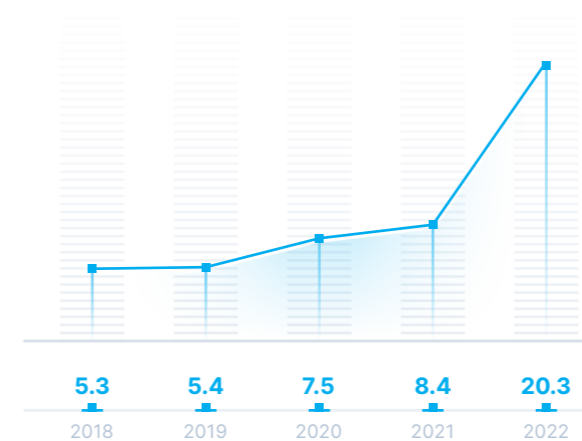
GDP dynamics



Industrial Production Dynamics



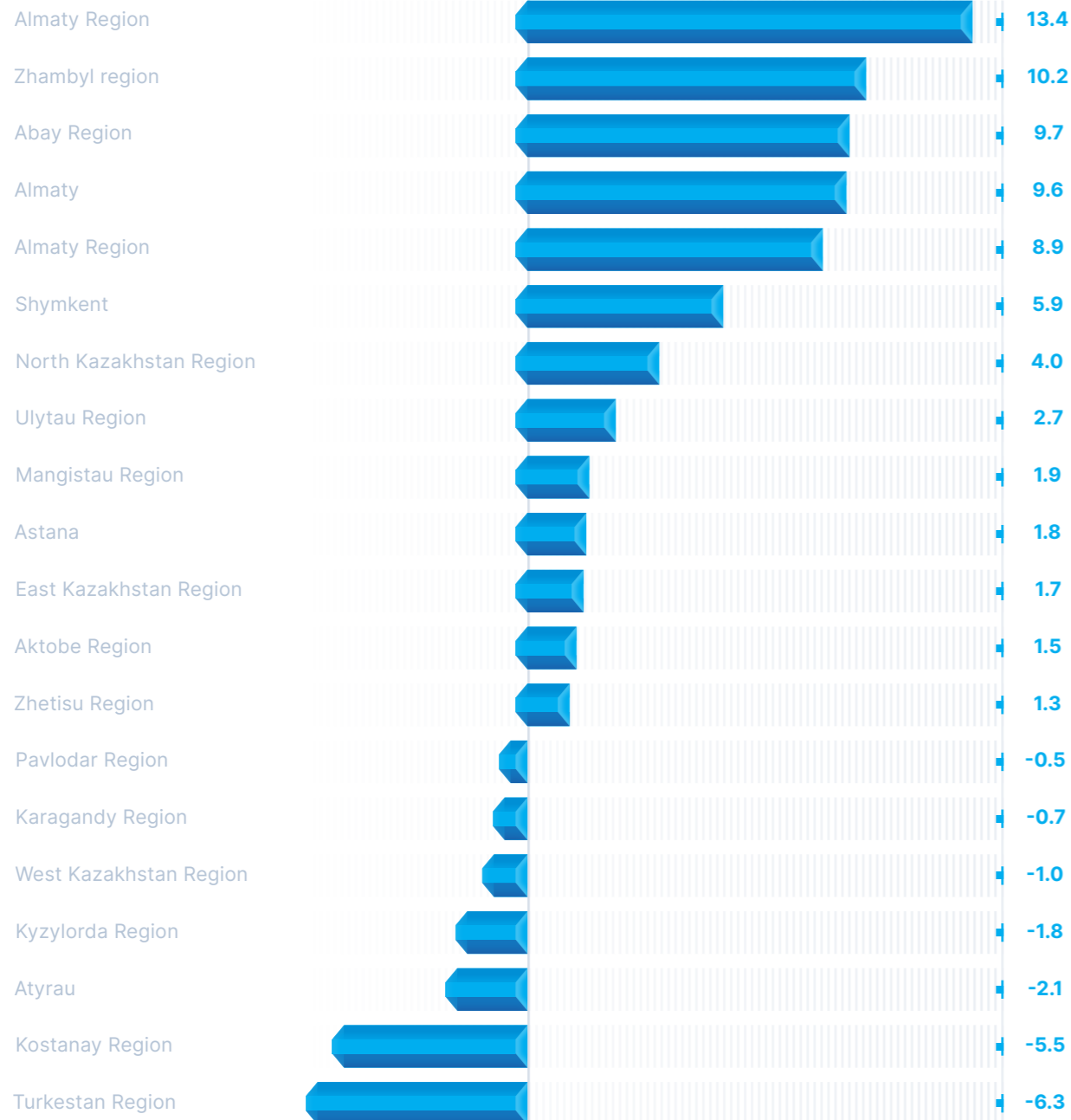
Consumer Price Index in Kazakhstan



Source: Bureau of National Statistics of ASPR RK



Change in Industrial Production Indices by Regions, 2022 in % to 2021



Source: Bureau of National Statistics of ASPR RK

Energy Industry Overview

According to the Ministry of Energy of the Republic of Kazakhstan, by the end of 2022, electricity generation amounted to 112.8 billion kWh, the plan for 2023 is 114.9 billion kWh. The volume of renewable energy production amounted to 5.1 billion kWh, the share of renewable energy reached 4.5%.

In 2022, 12 RES projects were implemented with a total capacity of 385 MW. It is planned to launch 15 RES projects in 2023 with a capacity of 276 MW.

In order to ensure the planned sustainable development of the energy complex, the Energy Balance was approved until 2035, according to which new capacities are expected to grow by almost 2 times.

To prevent the risks of imbalances in the energy system and the impact of high tariffs from newly introduced new energy sources, standards were developed for the transition to a new target model of the electricity market, which provides for a centralized purchase of electric power and introduction of a balancing market.

At the same time, the main challenge for the industry is the high depreciation of existing energy capacities and facilities.

On behalf of the Head of State, an audit of all heat power plants and electric networks of the country was completed in the 1st quarter of 2023.

In order to stimulate market participants, investments will be directed to the reconstruction and modernization of capacities. A new program "Tariff in Exchange for Investment" is being developed. The volume of investments in the industry under the Program is estimated at about 400 billion KZT annually.

In 2023, the Law "On Heat Power Engineering" will be adopted. The Law is aimed at solving the problems of heat supply to the regions, will allow implementing long-term plans and systematizing the relationship between central and local executive bodies.

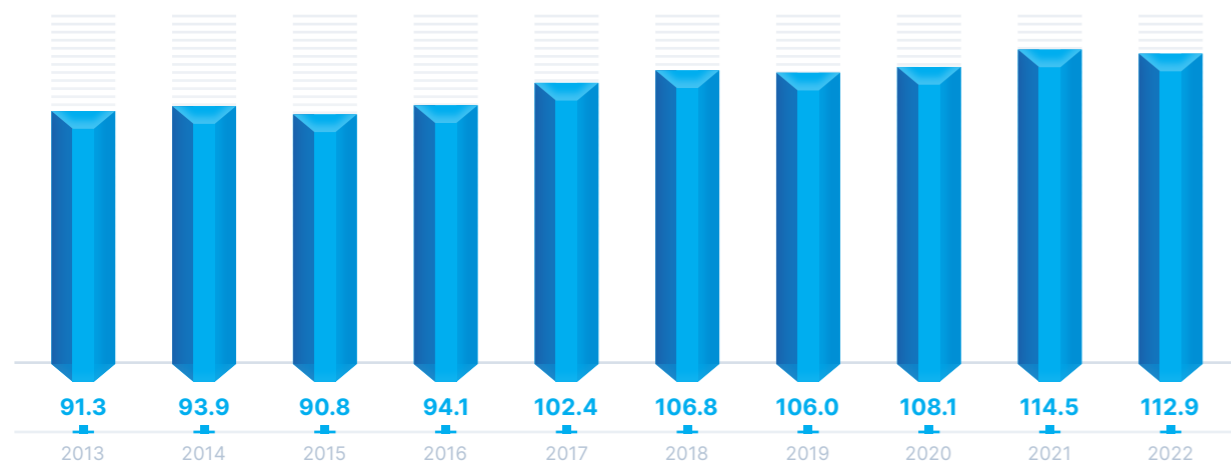
A digital energy platform will be put into operation, which will allow managing risks and monitoring the technical condition of the stations.





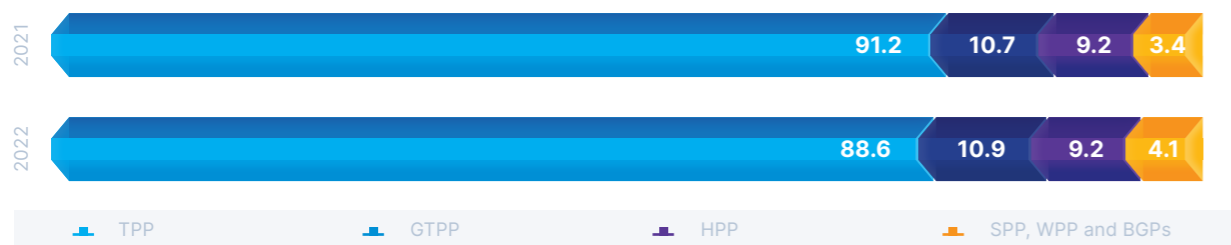
Dynamics of Electricity Generation

bIn kWh



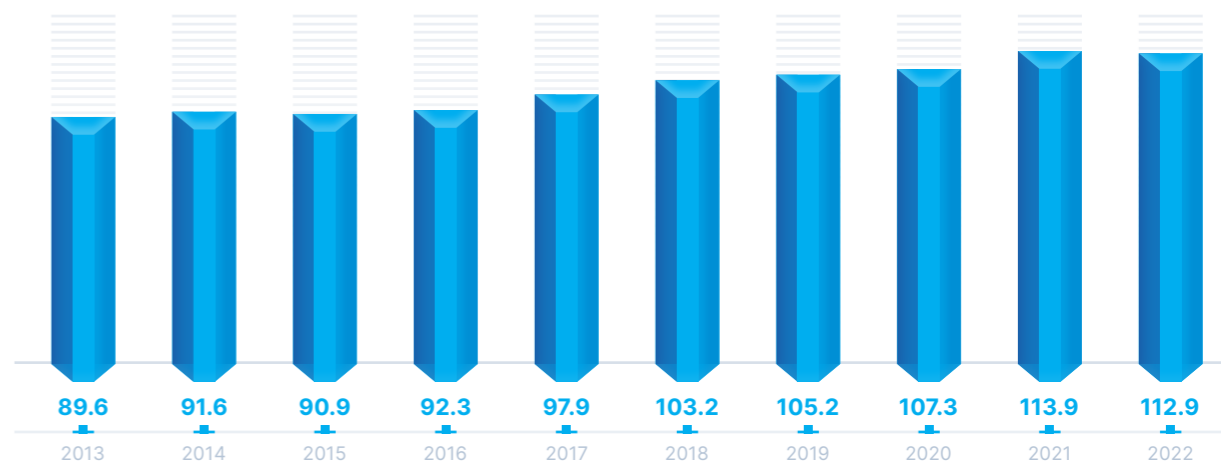
Structure of Electricity Generation in Kazakhstan by Types of Energy Sources

bIn kWh



Dynamics of Electricity Consumption

bIn kWh



Structure of Electricity Consumption

bIn kWh



BUSINESS CONDITIONS

Tariffs of Subsidiaries

Tariff regulation applied to various activities of energy industry enterprises is carried out depending on a link in the energy production-consumption chain under consideration. For example, for traditional organizations,

there are marginal tariffs for electric power, which reflect the cost and the rate of profit, as well as a surcharge for electric power from renewable energy sources. For the production of heat energy, tariffs are determined within the framework of regulation of natural monopolies of the Committee for Regulation of Natural Monopolies of the Republic of Kazakhstan. Also, the transmission of

Power Plants

electricity and the supply of heat energy are regulated in accordance with the legislation governing natural monopolies. Finally, tariffs for electricity supply services are regulated within the framework of Legislation on socially significant markets. There have been some changes in each of the sectors of the energy chain in 2022.

The marginal tariffs of power plants were revised from July 1 in the segment of power generation. At the same time, starting from July 1 of this year, tariffs are also expected to increase by an average of 20%. Below is the dynamics of just marginal tariffs of power plants for the period from 2021 to 2023.



Group number	Plant name	2021			2022-2023				2023		
		from 01.01, KZT/kWh	from 01.04, KZT/kWh	from 01.07, KZT/kWh	from 01.07.22, KZT/kWh	abs. growth 2022/2021, KZT/kWh	rel. growth 2022/2021, %	from 1.07.22 with a RES, KZT/kWh	from 01.06, KZT/kWh	abs. growth 2023/2022, KZT/kWh	rel. growth 2023/2022, %
1	Ekibastuz GRES-1 named after B.Nurzhanov	5.80	7.25	5.90	5.90	0.00	0%	7.48	7.32	1.42	24%
2	Eurasian Energy Corporation JSC	5.55	6.94	5.59	6.17	0.58	10%	7.75	7.40	1.23	20%
3	Ekibastuz GRES-2 JSC	9.13	9.69	8.59	8.59	0.00	0%	10.17	11.20	2.61	30%
4	Topar Main Distribution Power Station	7.50	9.21	7.91	8.78	0.87	11%	9.85	11.65	2.87	33%
5	Zhambyl GRES named after T.I. Baturov	9.10	11.42	10.45	11.32	0.87	8%	12.90	12.28	0.96	8%
6	Karaganda Energocenter LLP	7.91	9.92	8.78	9.86	1.08	12%	11.44	12.64	2.78	28%
7	Ust-Kamenogorsk CHPP LLP	7.72	9.68	8.48	9.45	0.97	11%	11.03	12.75	3.30	35%
8	Sevkazenergo JSC	8.38	10.09	9.44	10.90	1.46	15%	12.48	14.50	3.60	33%
9	Astana-Energiya JSC	6.17	7.77	6.70	7.19	0.49	7%	8.77	8.49	1.30	18%
10	Pavlodarenergo JSC (CHPP-2,3)	8.29	10.24	9.49	10.67	1.18	12%	12.25	14.11	3.44	32%
11	ArcelorMittal Temirtau JSC CHPP-2, CHPP-PVS	7.00	7.00	6.77	6.77	0.00	0%	8.35	6.77	0.00	0%
12	Aluminum of Kazakhstan JSC	4.80	6.00	4.93	5.39	0.46	9%	6.97	6.05	0.66	12%
13	Kazakhmys Energy LLP (ZCHPP, BCHPP)	10.39	12.92	12.02	13.52	1.50	12%	15.10	16.37	2.85	21%
14	Ridder CHPP JSC	10.10	13.13	12.68	13.93	1.25	10%	15.51	18.17	4.24	30%
15	Sogrinsk CHPP LLP	9.50	11.62	10.70	11.41	0.71	7%	12.99	15.02	3.61	32%
16	Bassel Group LLS LLP	8.86	11.88	10.53	10.53	0.00	0%	12.11	14.02	3.49	33%
17	Tekeli Energy Complex LLP	11.78	12.86	11.97	12.98	1.01	8%	14.56	14.79	1.81	14%
18	Stepnogorsk CHPP LLP	9.95	12.73	11.66	12.12	0.46	4%	13.70	16.40	4.28	35%
19	Shakhtinskteploenergo LLP	6.30	6.61	5.76	6.36	0.60	10%	7.94	6.36	0.00	0%
20	Ayrau CHPP JSC	8.48	13.99	13.24	14.49	1.25	9%	15.21	16.20	1.71	12%
21	Aktobe CHPP JSC	8.10	8.79	8.10	8.86	0.76	9%	9.58	10.61	1.75	20%
22	Kentau Service SE	7.30	7.30	7.07	7.07	0.00	0%	8.65	7.07	0.00	0%
23	Arkalyk Thermal Power Company	8.67	8.67	8.44	8.44	0.00	0%	10.02	8.44	0.00	0%
24	Kostanay Thermal Power Company	7.61	8.43	7.28	7.28	0.00	0%	8.86	7.28	0.00	0%
25	Zhaiykteploenergo JSC	9.47	9.47	8.89	9.82	0.93	10%	10.54	9.82	0.00	0%
26	Almaty Electric Stations JSC	10.30	11.01	10.23	11.19	0.96	9%	12.77	14.02	2.83	25%
27	MAEK-Kazatomprom LLP	13.10	13.68	13.04	14.87	1.83	14%	15.59	18.68	3.81	26%
28	Zhanazhol Gas Turbine Power Plant LLP	10.02	12.47	11.44	11.44	0.00	0%	12.16	11.44	0.00	0%
29	Ural Turbine Power Plant LLP	11.81	12.20	11.43	11.97	0.54	5%	12.69	13.10	1.13	9%
30	Zhaiymunai LLP	7.60	7.60	7.60	7.60	0.00	0%	8.32	7.60	0.00	0%
31	Crystal Management JSC	10.40	13.39	12.44	12.44	0.00	0%	14.02	12.44	0.00	0%
32	Bukhtarma Hydroelectric Power Station Kazzinc LLP	1.10	2.75	1.46	1.46	0.00	0%	3.04	1.46	0.00	0%
33	Shulba HPS NPP LLP	3.44	4.15	2.85	3.20	0.35	12%	4.78	3.67	0.47	15%
34	Ust-Kamenogorsk HPS NPP LLP	2.59	3.37	2.14	2.40	0.26	12%	3.98	3.14	0.74	31%
35	Shardara HPS JSC	8.10	9.74	8.77	9.82	1.05	12%	11.40	9.82	0.00	0%
36	U.D.Kantayev Moynak HPP JSC	12.02	12.03	10.90	11.71	0.81	7%	13.29	12.77	1.06	9%
37	Aktobe Rail and Section Works LLP	10.80	13.50	13.05	13.05	0.00	0%	13.77	13.05	0.00	0%
38	Sagat Energy LLP	15.46	15.47	15.04	15.04	0.00	0%	15.76	15.04	0.00	0%
39	3-Energoortalyk JSC	11.30	13.73	12.34	12.34	0.00	0%	13.92	12.34	0.00	0%
40	Kyzylordateploelectrocenter State Enterprise	11.30	12.54	11.58	11.58	0.00	0%	13.16	11.58	0.00	0%
41	Tarazenergocenter JSC	8.76	8.76	8.53	8.53	0.00	0%	10.11	12.15	3.62	42%
42	Batye Power LLP	12.78	12.80	12.35	12.35	0.00	0%	13.07	12.35	0.00	0%
43	UPNK-PV LLP	7.00	8.75	7.48	7.48	0.00	0%	9.06	7.48	0.00	0%
44	Teplokommunenergo State Enterprise	7.39	7.39	7.16	8.05	0.89	12%	9.63	19.25	11.20	139%
45	Karabatan Utility Solution LLP	12.10	12.10	10.67	10.67	0.00	0%	11.39	10.67	0.00	0%
46	OralMunayProm LLP	-	17.50	16.92	16.92	0.00	0%	17.64	16.92	0.00	0%
47	EPC Industry LLP	-	11.48	10.17	10.17	0.00	0%	11.75	10.17	0.00	0%



The following are data on actual dynamics of tariffs for goods and services of KUS power stations.

Karaganda Energocenter LLP

Electrical Energy.

By Order of the Minister of Energy of the Republic of Kazakhstan dated December 5, 2018 No. 476 "On Approval of the Group of Energy-Producing Organizations that Sell Electric Energy", the energy-producing organization of Karaganda Energocenter LLP is included in Group 6.

In accordance with the amendments mentioned above to the Law of the Republic of Kazakhstan dated July 9, 2004 "On Electric Power Industry" and the Order of the Acting Minister of Energy of the Republic of Kazakhstan dated June 24, 2021 No. 211, the marginal tariff for electric energy of Karaganda Energocenter LLP from July, 2021 to June, 2022 amounted to 8.78 KZT/kWh without VAT. At the same time, amount of the surcharge to support the use of renewable energy sources, determined by the FSC of RES LLP in accordance with the legislation of the Republic of Kazakhstan on support for the use of renewable energy sources from January 1, 2022 amounted to 1.58 KZT/kWh without VAT. Thus, from January to June, 2022, the selling price for electric energy is set at 10.36 KZT/kWh without VAT.

From July to December 2022, the Order of the Minister of Energy of the Republic of Kazakhstan dated June 30, 2022 No. 226 approved the marginal tariff for electric energy for the 6th group of energy-producing organizations in the amount of 9.86 KZT/kWh without VAT. Thus, from July to December 2022, the selling price for electric energy is set at 11.44 KZT/kWh excluding VAT.

From 01.06.2023, the company will introduce a tariff for the production of electric energy of 12.64 KZT/kWh without VAT. At the same time, taking into account the introduction of a Single Electricity Buyer model, the through surcharge on renewable energy sources will be abolished.

Heat Energy.

Since the beginning of 2021, by Order of the Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan for the Karaganda region No. 81-OD dated July 14, 2020, the tariff for heat energy production was approved in the amount of 1,721.93 KZT/Gcal without VAT with entry into force from September 1, 2020.

Based on the Order of the Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan for the Karaganda region dated October 25, 2021 No. 211-OD from December 1, 2021, tariffs for heat energy production services for 2021-2026 were established in the following amount:

- 2021 – in the amount of 2,012.16 KZT/Gcal without VAT;
- 2022 – in the amount of 2,198.45 KZT/Gcal without VAT;
- 2023 – in the amount of 2,598.98 KZT/Gcal without VAT;
- 2024 – in the amount of 2,942.74 KZT/Gcal without VAT;
- 2025 – in the amount of 3,289.50 KZT/Gcal without VAT;
- 2026 – in the amount of 3,400.34 KZT/Gcal without VAT.

Change in the tariff for production of heat energy from 2022 is due to the approval of the investment program for the type of activity – production of heat energy, as well as reduction of a number of costs to actual indicators as required by current legislation.

Ust-Kamenogorsk CHPP LLP

Electrical Energy.

By Order of the Minister of Energy of the Republic of Kazakhstan dated December 5, 2018 No. 476 "On Approval of the Group of Energy-Producing Organizations that Sell Electric Energy", the energy-producing organization of Ust-Kamenogorsk CHPP LLP is included in Group 7.

Tariff for production of electric energy of 8.48 KZT/kWh, which has been in effect since the beginning of 2022, was put into effect from 01.07.2021, due to an increase in the main costs for the production of electric energy in 2021.

Tariff for production of electric energy of 9.45 KZT/kWh without VAT has been put into effect since 01.07.2022, due to an increase in the main costs for the production of electric energy in 2022.

From 01.06.2023, the company will introduce a tariff for the production of electric energy of 12.75 KZT/kWh without VAT.

Heat Energy.

The average tariff for the production of heat energy from 01.02.2021 to 31.01.2022 was approved by Order 12-OD dated 26.01.2021 in the amount of 3,046.00 KZT/ Gcal.

The average tariff for the production of heat energy from 01.02.2022 to 31.01.2023 was approved by Order 200-OD dated 25.12.2020 in the amount of 3,340.48 KZT/Gcal.

Department Order No. 5-OD dated 10.01.2022 approved a new tariff with entry into force from 01.02.2022 for industrial consumers in the amount of 11,075.97 KZT/ Gcal, and for consumers of the Population group of Ust-Kamenogorsk Heat Networks JSC in the amount of 1,276.46 KZT/Gcal. At the same time, the average tariff remains at the amount of 3,340.48 KZT/Gcal.

By Order No. 42-OD dated 16.02.2022, the authorized body approved the average tariff with entry into force from 22.02.2022 in the amount of 3,473.96 KZT/Gcal due to the rise in the cost of strategic goods.

Differentiation of tariffs effective in 2022 by consumer groups:

Name of consumer groups	UoM	2022		
		Ord.200-OD	Ord.5-OD	Ord.42-OD
Effective date of tariffs from		01.02.2022	01.02.2022	22.02.2022
Average tariff (approved)	KZT/Gcal	3,340.48	3,340.48	3,473.96
Indust.consumers	KZT/Gcal	10,892.95	11,075.97	11,881.11
UK Heat networks, incl.:	KZT/Gcal	1,839.48	1,803.10	1,803.10
▪ Population	KZT/Gcal	1,327.52	1,276.46	1,276.46
▪ Other consumers	KZT/Gcal	3,107.52	3,107.52	3,107.52



Below are the data for comparing tariffs in January 2022, approved by the Department and actually established:

Name of consumer groups	Approved tariff (Order 12-OD) for January 2022	Actual tariff for January 2022
Industrial consumers	9,708.61	9,708.61
UK heat networks, incl.:	1,721.85	1,815.44
▪ Population	1,276.46	1,276.46
▪ Other	2,825.02	2,825.02
Average tariff (approved), KZT/Gcal	3,046.00	3,425.99

In fact, the weighted average tariff for the production of heat energy for the reporting period from 01.01.2022 to 31.01.2022 amounted to 3,425.99 KZT/Gcal, which is higher than the approved level by 379.99 KZT/Gcal, or 12.47%:

Deviation of the actual weighted average tariff from 01.01.2022 to 31.01.2022 from the approved level is due to a change in the structure of heat energy consumption between consumer groups.

Below are data for comparing tariffs from 01.02.2022 to 31.01.2023, approved by the Department and actually established:

Consumer groups	Approved tariff, January 2022 (Order 5-OD) from 01.02.2022 to 21.02.2022	Approved tariff, January 2022 (Order 42-OD) from 22.02.2022 to 31.01.2023	Actual tariff, from 01.02.2022 to 31.01.2023
Average tariff, KZT/Gcal	3,340.48	3,473.96	3,516.30
Other indust. consumers	11,075.97	11,881.11	11,881.11
Ust-Kamenogorsk Heat Networks JSC, including:	1,803.10	1,803.10	1,818.41
▪ Population	1,276.46	1,276.46	1,276.46
▪ Other	3,107.52	3,107.52	3,107.52

In fact, the weighted average tariff for the production of heat energy from 01.02.2022 to 31.01.2023 amounted to 3,516.30 KZT/Gcal, which is higher than the approved level by 42.34 KZT/Gcal, or 1.22%:

to a change in the structure of heat energy consumption between consumer groups.

Deviation of the actual weighted average tariff from 01.02.2022 to 31.01.2023 from the approved level is due

The current average tariff for the production of heat energy was approved by the Order of the Department No. 5-OD dated 25.01.2023 with entry into force from 01.02.2023 in the amount of 3,990.87 KZT/Gcal.

Electrical Networks

Karagandy Zharyk LLP

In 2022, in accordance with the adjusted tariff estimate, by order of the DCRNM No. 253-OD dated 25.11.2021, the company had a tariff for the transmission of electric energy in the amount of 6.13 KZT per 1 kWh from 01.01.2022 due to the introduction of a temporary compensating tariff for 2021, from 01.08.2022 the approved tariff in the amount of 6.14 KZT without VAT due to the expiration of the TCT.

Since January 2023, the tariff of 6.57 KZT without VAT has entered into force at the enterprise, approved by the Order of the DCRNM for the Karaganda region No. 228-OD dated 23.11.2022.

Due to the change in the cost of strategic goods and the change in the average monthly nominal salary of one employee by type of economic activity in the region (city), which has developed according to statistics for 2022, Kagandy Zharyk LLP plans to apply for a tariff change in 2023.

Ontustik Zharyk Transit LLP

The company's tariff for 2022 amounted to 7.25 KZT/kWh. For 2023, the tariff approved as part of the tariff estimate for 2023-2027 amounted to 8.00 KZT/kWh. However, in 2023, this tariff was introduced on March 1, 2023. From 01.01.2023 to 28.02.2023, a tariff of 5.19 KZT per 1 kWh without VAT was in effect.

Mangistau Regional Electricity Network Company JSC

At Mangistau Regional Electricity Network Company JSC (MRENC JSC), the tariff for electric power transmission in 2022 was at the level approved by the Order of the Department of the Committee for Regulation of Natural Monopolies in the Mangistau region "On Approval of Tariff Estimate of MRENC JSC for Regulated Electric Power Transmission 2021-2025" No. 185-OD dated 16.11.2021.

Name	2022 (Order No. 185-OD dated 16.11.2021)
Tariff for legal entities	6.26
Tariff for SPEs that transmit and distribute electric power	2.40
Tariff for the population	2.28
Tariff for consumers of Aktau (through the networks AUES SPE) and Munaily district (through the networks of the Mangistauenergo SPE)	0.10

On July 20, 2022, by order of the authorized body No. 48-OD, the tariff for 2022 was approved, due to changes in prices for strategic goods (electric power from MAEK-Kazatomprom LLP), since the price for 1 kW of electric

power in the tariff estimate was 13.10 KZT, whereas from June 1, 2022, the station increased the tariff up to 15.59 KZT/kWh.



Name	2022 (Order No. 185-OD dated 16.11.2021)	2022 (Order No. 48-OD dated 20.07.2022)
Tariff for legal entities	6.26	6.35
Tariff for SPEs that transmit and distribute electric power	2.40	2.40
Tariff for the population	2.28	2.28
Tariff for consumers of Aktau (through the networks AUES SPE) and Munaily district (through the networks of the Mangistauenergo SPE)	0.10	0.10

Energy Supply Organizations

KaragandyZhyluSbyt LLP

Power Supply

From January 1, 2022, the price for retail sale of electric energy of 19.17 KZT per 1 kWh, excluding VAT, previously approved from September 1, 2021, was in effect.

From September 1, 2022, on the basis of a Reasoned Conclusion of the department of the authorized body for the Karaganda region, in connection with an increase in the marginal tariffs of power generating stations from July 1, 2022, an average selling price of 20.69 KZT per 1 kWh, excluding VAT, was agreed with an increase of 7.9%. The increase in prices for the population by 10%, legal entities and producers of socially significant food products by 8%, budget organizations amounted to 3%.

Heat Supply

By the orders of the authorized body for Karaganda region, the following tariffs for the heat supply service for 2022 were approved for the enterprise:

From October 1, 2021, a temporary compensating tariff of 4,098.50 KZT per 1 Gcal excluding VAT was approved, which is 1.2% lower than previously approved. Tariffs for all consumer groups were reduced by 0.5%. The tariff was valid until February 01, 2022.

Since February 1, 2022, the average tariff of 4,575.02 KZT per 1 Gcal without VAT was approved, including 3,026.36 KZT/Gcal without VAT for the population, 8,192.82 KZT/Gcal without VAT for legal entities, and 11,595.46 KZT/Gcal without VAT for budget organizations.

Since October 1, 2022, the average tariff of 4,842.57 KZT per 1 Gcal without VAT was approved, including 3,330.12 KZT/Gcal without VAT for the population, 9,014.56 KZT/Gcal without VAT for legal entities, and 12,759.32 KZT/Gcal without VAT for budget organizations.

Raschetnyi Servisnyi Center LLP

The Company's tariffs for 2022 had been changed several times, as did the rest of the energy supply companies of the KUS and the whole country. At the end of the moratorium imposed on behalf of the Head of State on raising tariffs for regulated utilities for the population, for a period of 180 days (from 01.01.2022 to 30.06.2022), as well as taking into account the increase from July 1, 2022 of the tariff of energy-producing organizations, the marginal price for retail sale of electric energy from September 1, 2022 amounted to 22.43 KZT per kWh

excluding VAT. Increase in the price compared to the previously valid price at the beginning of the year was 8.7%, from 20.63 KZT per kWh up to 22.43 KZT per kWh.

The main reason for increase in the marginal price for electric power supply was an increase in the cost of buying and transmitting electric power, as well as an increase in the price from 01.01.2022 for a service to ensure the readiness of electric power to carry the load from 692,376 to 711,432 KZT per 1 MW.

Energopotok LLP

The average electric power tariff of Energopotok LLP from January 1, 2022 amounted to 21.57 KZT/kWh. At the same time, due to the increase in the cost of electric power from energy-producing organizations from July 1, 2022, the authorized body agreed to increase the tariff of the enterprise by 8.8% (up to 23.47 KZT/kWh) with entry into force from September 1 of the same year.

OPERATING RESULTS

Ensuring Reliability

Energy-producing organizations that are part of the Company annually carry out the necessary scope of measures to maintain reliable and sustainable production of heat and electric power.

This is confirmed by the annual successful completion of electric power plant certifications conducted in accordance with the Rules approved by the Order of the Minister of Energy of the Republic of Kazakhstan dated December 3, 2015 No. 686. During the certification, it is necessary to use all generating equipment at maximum loads for a long period. In case of unsatisfactory condition of the equipment, this fact would be

impossible. For example, in 2022, the certifications were successfully passed:

- **Karaganda CHPP-3** – February 15, 2022,
- **Karaganda CHPP-1** – February 08, 2022,
- **Ust-Kamenogorsk CHPP** – April 05, 2022

On the basis of acts of certificates, contracts are concluded with organizations for maintaining electric power.

Also, the equipment of the stations annually undergoes a technical inspection for its condition and operability. For example, as required by paragraph 43 of the Rules



of technical operation of power plants and networks approved by the Order of the Minister of Energy of the Republic of Kazakhstan No. 247 dated March 30, 2015 (hereinafter referred to as RTO), in 2018, a technical inspection of the equipment Karaganda CHPP-3, CHPP-1 was carried out by the Commission of the Karaganda CHPP-3 with involvement of the expert organization EI-Nur-Service LLP: external and internal inspection, verification of technical documentation, testing for compliance with equipment safety. According to the technical inspection results, the condition of technical devices is satisfactory, it is maintained in working condition and, if the RTO requirements are met, their safe operation is possible. Frequency of these works according to the RTO is every 5 years.

If the equipment economic life is exceeded, an additional inspection and metal control is carried out, on the basis of which a decision is made to extend the service life in accordance with the technical instructions for metal control and extending the service life of main elements of boilers, turbines and pipelines of thermal power plants of the Republic of Kazakhstan RD 153-34 RK.1-17.421-03.

In addition to these works, power plants have their own accredited metal control laboratories that perform technical diagnostics of station equipment, pressure vessels, support structures, etc. For each of them, a schedule of metal control has been drawn up and observed, which is coordinated with the schedule of equipment withdrawal for scheduled repairs.

The technical diagnostics results are taken into account annually when compiling repair programs of stations, which allow maintaining the equipment in working condition.

Continuous Improvement

Organizations have successfully implemented a system of continuous improvement of Kaizen according to the Japanese philosophy of conducting and improving production and auxiliary business processes. Within the framework of this program, a provision was developed according to which it is provided for the nomination, development and execution of Ideas at the level of each individual employee, aimed at modernizing or rationalizing any process or procedure in order to improve their effectiveness, efficiency and quality of results. Based on the results of consideration of these Ideas, decisions are made on their implementation and encouragement of employees, both those who developed the Idea and those who implemented it.

According to the results of 2022:

- In Ust-Kamenogorsk CHPP LLP, 16 projects participated in the Kaizen program, 15 were approved, 12 rational proposals, 159 Ideas were implemented, 127 employees were encouraged. The potential economic effect amounted to 448 million KZT.
- In Karaganda Energocenter LLP, 14 projects participated in the Kaizen program, 14 were approved, 6 of which have already been implemented, 26 employees were encouraged. The potential economic effect amounted to 125 million KZT.

Capacities

The Group's production capacities in 2022 are a combination of electric power and heat generating sources, as well as energy transmission grids, heating plants and substations.

Generation:

- installed electric power capacity of sources is 1,066.5 MW, available power is 869 MW;
- installed heat power capacity of sources: is 2,683.9 Gcal/h, available capacity is 2,087.7 Gcal/h.

Transmission and Distribution:

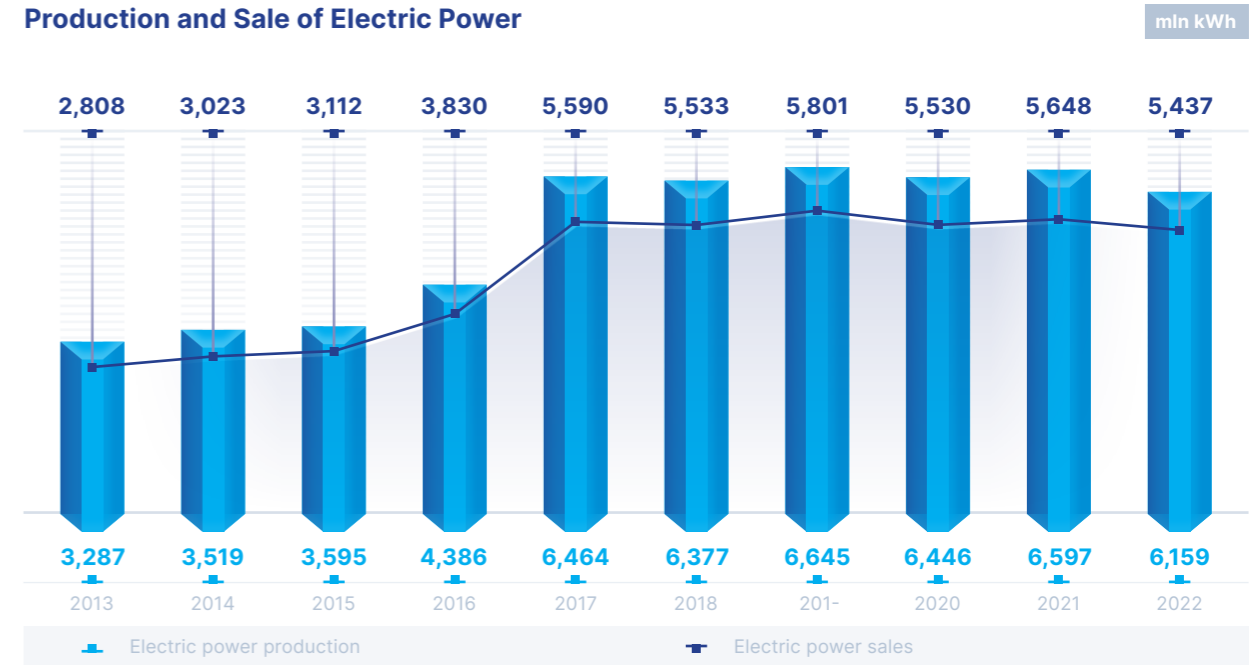
- length of HV lines is 0.4–220 kV is 33,792 km;
- length of 0,4–110 kV cable lines is 2,407 km;
- number of substations is 427 units.

Generation

Volume of electric power generation in 2022 was 6,158.8 million kWh. Compared to 2021, there was a decrease in generation by 438 million kWh due to the prolonged shutdown of the turbine unit of station No. 5 of the Karaganda CHPP-3 due to the failure of the generator.

Electric power sales by the stations in 2022 amounted to 5,437 million kWh.

Production and Sale of Electric Power



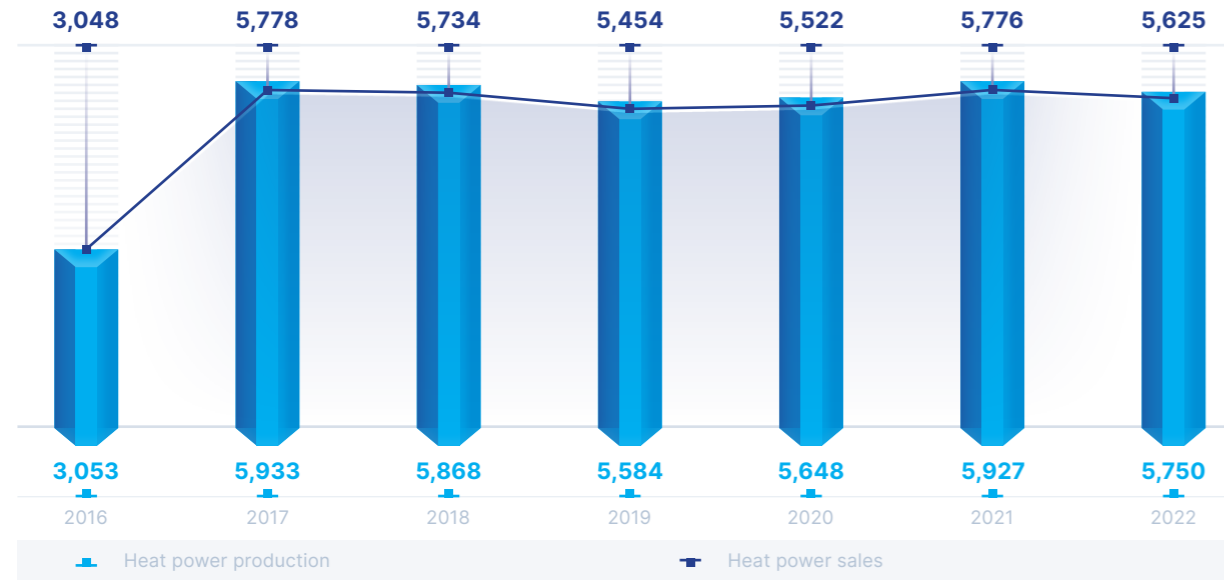
The production of heat energy in 2022 amounted to 5,750 thousand Gcal. The aggregate indicator of heat energy production is decreased by 3% due to warmer weather

conditions during the heating period in the regions of operation. The sale of heat energy by the Group's stations amounted to 5,625 thousand Gcal.



Production and Sale of Heat Power

thou Gcal



Specific fuel equivalent consumption for the supply of electric energy in 2022 at Karaganda Energocenter LLP is 351.7 g.t./kWh, which is 12.3% lower than in 2021, and the specific fuel equivalent consumption for supply of heat power is 196.9 kg g.t./Gcal, which is 0.03% higher than in 2021.

Specific fuel equivalent consumption for the supply of electric energy in 2022 at Ust-Kamenogorsk CHPP LLP is 314.1 g.t./ kWh, which is 0.5% higher than in 2021, and the specific fuel equivalent consumption for supply of heat power is 182.3 kg g.t./Gcal, which is 0.3% higher than in 2021.

In addition, there was 2 (two) accidents in 2022, and the number of failures of the 1st degree was – 4, failures of the 2nd degree – 75. At Ust-Kamenogorsk CHPP LLP, there was a decrease in failures (13 vs. 23) in 2022 as compared to 2021.



Largest Clients in 2022

Karaganda Energocenter LLP

A total of 31 contracts for the supply of electric power were signed by Karaganda Energocenter LLP in 2022.

Name of consumers	Volume of electric power sales, thousand kWh	Volume of electric power sales, thousand KZT (excluding VAT)	Share in total volume of electric power sales, %
KaragandyZhyluSbyt LLP	981,911	10,704,500	26.09
YDD Corporation LLP	888,416	9,706,468	23.61
Karaganda EnergoSbyt LLP	721,631	7,827,359	19.18
Karaganda Zharyk LLP	269,683	2,947,002	7.17
Asia FerroAlloys LLP (Kaz Karbon)	265,241	2,878,209	7.05
Energopotok LLP	240,091	2,575,880	6.38
Karagandy Su LLP	77,449	842,944	2.06
Teplotransit Karaganda LLP	75,081	812,342	2.00
EnergoSbytContract LLP	61,917	675,298	1.64
Kostanay Energy Center LLP	48,346	538,239	1.28
Raschetnyi Servisnyi Center LLP	45,726	497,354	1.22
Other	87,583	933,997	2.32
Total	3,763,075	40,939,592	100

Ust-Kamenogorsk CHPP LLP

A total of 38 contracts for the supply of electric power were signed by Ust-Kamenogorsk CHPP LLP in 2022.

Name and location of consumers	Volume of electric power sales, thousand kWh	Volume of electric power sales with VAT, thousand KZT	Share in total volume of electric power sales, %
Shygysenergotrade LLP	438,392	5,180,292	24.9
AB Energo LLP	255,767	2,916,035	14.5
Energopotok LLP	237,138	2,751,712	13.5
OESK JSC	133,907	1,587,530	8
Raschetnyi Servisnyi Center LLP	134,189	1,577,226	8
Karaganda EnergoSbyt LLP	142,892	1,665,593	8
KaragandyZhyluSbyt LLP	105,364	1,241,159	6
Energosnab XXI LLP	33,587	395,756	1.9
Other consumers	278,233	15,053,365	15.2
Total	1,759,469	20,629,413	100



Transmission and Distribution

The total transformer capacity of Karagandy Zharyk LLP as of December 31, 2022 was 4,087 MVA.

According to the results of 2022, the total transformer capacity of Ontustik Zharyk Transit LLP as of December 31, 2022 was 4,064.5 MVA. The percentage of depreciation of fixed assets was reduced by 0.3% (from 57.9 to 57.6%).

In MRENC JSC, in 2022 there were 2 technological violations (failures of the 2nd degree. 13.10. at the Kuyulus PS, 08.11. at the GPP N-2 PS. There was no unserved energy). The total transformer capacity was 2,630.1 MVA at the end of 2022. The total depreciation of fixed assets amounted to 65.6%, regulatory losses for 2022 – 4%. There was one accident with a serious outcome (on 14.06.2022 in the Shetpe RES, an electrician broke his leg while descending from the overhead line support. After a course of treatment, he started working).

Electric Power Transmission Volumes in 2022

Name	2022	
	thousand kWh	thousand KZT
Karagandy Zharyk LLP	3,142,056	19,274,222
Ontustik Zharyk Transit LLP	3,395,224	24,615,376
Mangistau Regional Electricity Network Company JSC	3,498,043	16,444,758

Statistics of Electric Power Losses for the KUS Group of Companies

Karagandy Zharyk LLP

Name of indicators	UoM	2020	2021	2022
Transmission volume	thousand kWh	2,976,134	3,075,829	3,142,056
Losses of energy	thousand kWh	248,261	254,903	262,324

Ontustik Zharyk Transit LLP

Name of indicators	UoM	2020	2021	2022
Transmission volume	thousand kWh	2,902,896	3,180,783	3,395,224
Losses of energy	thousand kWh	565,396	607,998	658,475

Mangistau Regional Electricity Network Company JSC

Name of indicators	UoM	2020	2021	2022
Transmission volume	thousand kWh	3,623,142	3,651,777	3,498,043
Losses of energy	thousand kWh	162,683	160,863	136,876

Large Consumers in 2022

Karagandy Zharyk LLP

Name of consumers	Sales volume, thousand kWh
Karagandy ZhyluSbyt LLP	1,087,238
ArcelorMittal Temirtau JSC	704,968
AB Energo LLP	126,692
Raschetnyi Servisnyi Center LLP	247,281
Karaganda EnergoSbyt LLP	205,701
Branch of Kazakhmys Corporation LLP for Karagandatsvetmet OP	95,584
Teplotransit Karaganda LLP	75,081
Energougol XXI LLP	62,337
Karagandy Su LLP	50,207
Kazakhmys Coal LLP	22,653
KTZ-Freight Transportation LLP	110,902
KTZ-Passenger Locomotives LLP	44,357
Other consumers	309,057

Ontustik Zharyk Transit LLP

Name of consumers	Sales volume, thousand kWh
Energopotok LLP	2,769,650
Alem Pavlodar LLP	8,129
FSHMES of KEGOC JSC	411
EnergoSbab XXI LLP	47,820
Kazsbytgroup LLP	55,925
Branch of NC Kazakhstan Temir Zholy JSC	3,099
Yugenergoimpuls LLP	192,215
Garant Energo LLP	209,782
KuatZhylu Ortalyk-3 SCE	50,450
JV Zarechnoye JSC	28,858
Airport-Shymkent JSC	1,753
Batys Power Service LLP	17,894
KTZ Freight Transportation	315
KAR Technology LLP	3
Kadasco A LLP	8,225
Prime Energy Resources LLP	693



Mangistau Regional Electricity Network Company JSC

Name of a client	Sales volume, thousand kWh
Ozenmunaigas JSC	741,354
Mangistau Zharyk LLP	1,153,064
Mangistaumunaigas JSC	296,770
Karazhanbasmunai JSC	265,151
AktauEnergoSbyt LLP	222,661
Branch of Buzachi Operating Ltd	145,276
Karakudukmunai LLP	108,012
Mangistauenergomunai LLP	253,252
AlliansEnergoSbyt LLP	168,346

INVESTMENT PROJECTS

Implementing the measures to upgrade capacities allows reducing regulatory technical losses, as well as improving reliability of power supply in the covered regions. From 2010 to 2022, the Group has invested more than 310 billion KZT.

Volume of investment of **Karaganda EnergoCenter LLP**, aimed at upgrading and reconstructing capacities in 2022 amounted to about 9.3 billion KZT. Successfully completed:

- Major repairs of boiler units BKZ-420-140-5 st. No. 4;
- Major repairs of boiler units BKZ-420-140-5 st. No. 7;
- Major repairs of turbogenerator T-110/120-130-3 st. No.3;
- Major repairs of turbogenerator T-110/120-130-3 st. No. 5;
- Major repairs of generator st. No. 5;

- Construction of the 1st section of the ash dump No. 3;
- Repair of ash dump No. 2;
- Replacing the conveyor belt with LC-1A, 2B, 6/1A, 4B, 5B, 7/1;
- Repair of the TGM-6A diesel locomotive No. 2485 according to the KR cycle;
- Repair of network pipelines of the 1st stage PB (1st stage PB);
- Overhaul of the BDO roof;
- Major repairs of the main building fire water main;
- Major repairs of MD-A hammer crusher;
- Reconstruction of technological pipelines;
- Major repairs of the boiler unit BKZ-50-39F st. No. 1;
- Major repairs of the boiler unit BKZ-50-39F st. No. 5;
- Major repairs of the boiler unit PTVP-100 st. No. 1;
- Major repairs of chimneys No. 1 (H-60m), No. 2 (H-100m);

- Major repairs of the turbine unit PR-6-35/5 st. No. 2;
- Major repairs of the boiler BO-350-2 st. No. 4;

Volume of investment of **Ust-Kamenogorsk CHPP LLP** in 2022 amounted to 5.2 billion KZT. Successfully completed:

- Construction of a package transformer substation (PTS) with power supply networks for coastal pumping station No. 2;
- Reconstruction of the 31.5 ata steam pipeline;
- Arrangement of service chambers with shutoff valves on water conduits 2D1000 mm;
- Reconstruction of railway track No. 10 from DEPO to the Main building;
- Reconstruction of the outdoor switchgear-1;
- Upgrading of the Relay Protection and Automation Devices;
- Upgrading of Automatic regulation of turbogenerator excitation;
- Major repairs of boiler unit, st. No. 10 with replacement of the air heater;
- Major repairs of boiler unit No. 11 with replacement of steam pipes from the drum to the ceiling superheater;
- Construction of ash dump No. 5;
- Development of the project "Reconstruction of the 140ata Main Steam Pipelines";
- Implementation of the project of replacement of the 140 main steam pipelines;
- Replacement of high-pressure feed pipelines of 5-7 stages;
- Major repairs of boiler unit No. 10 with replacement of swirlers emulsifiers;
- Major repairs of ash pipelines;
- Major repairs of boiler unit No. 12 with replacement of steam pipes screens;
- Replacement of 6kV high-voltage switches with vacuum ones;
- Replacement of the arc-extinguishing reactor;
- Major repairs and fire-resistant treatment of load-bearing GC structures;

- Major repairs of the chimney No. 1;
- Major repairs of the generator TVF-60-2 st./No. 9 with full rewinding of the stator winding;
- Major repairs of boiler unit st. No. 10 with replacement of gas ducts;
- Major repairs of boiler unit st. No. 14 with replacement of gas ducts;
- Major repairs of boiler unit st. No. 15 with replacement of gas ducts;
- Major repairs of the bulldozer;
- Major repairs of the turbine unit, st. No. 10 with extension of the service life;
- Acquisition of production fixed assets;
- Reconstruction of the automated process control system of the boiler unit st. No. 12 in connection with the replacement of the starting equipment for the actuators.

Volume of investments of **Ontustik Zharyk Transit LLP** in 2022 amounted to 7.2 billion KZT. As part of the implementation of the investment program, the following activities were implemented:

- Construction of 10-0.4 kV electric networks in Kiyelitas, Taskeshu in Tolebi district, in Nurly Zhol residential area in Saryagash district, in Igilik, Zhideli, Sairam residential areas in Shymkent, at the same time, put into operation:
 - Power lines-10-6-0.4 kV – 66,6 km;
 - PTS-23 pcs.
- Reconstruction of 110 kV HV line with a total length of 70.88 km;
- Reconstruction of 35 kV HV line with a total length of 33.3 km;
- Reconstruction of SS 35-110 kV – 18 pcs.; PTS, TS, DS 10/0.4 kV – 140 pcs.;
- Reconstruction of the 0,4-10 kV HV line: work was carried out with the complete replacement of supports, wires and insulators on the 10 kV HV line – 185.4 km, 0,4 kV HV line – 248 km.
- Modernization of the 0.4 kV HV line with a length of 127 km with the use of self-supporting insulated wires;



- Reconstruction of cable lines: CL-10 kV – 4.3 km and CL-0.4 kV – 2 km;
- UMS was implemented for 0.4 kV networks in Shymkent, Turkestan, to work:
 - in the wholesale electric power market (WEM): SS – 10 pcs., 138 PU;
 - in the retail electric power market over 0.4 kV networks using PLC technologies for data transmission from electric power meters to USPS: PTS, TP – 10 pcs., 2,262 PU;
- Construction of SS-35/10 kV, Shchubarsu village of Ordabasy district:
 - SS-35/10 kV with TMN-6300 kVA;
- Construction of 35 kV HV line by soldering from 35 kV HV line, L-41 to SS-35/10 kV Shornak with a length of 23.5 km, as well as reconstruction of 35 kV HV, line L-40A from SS-110/35/6 kV ZHBI to SS-35/10 kV Shornak with a length of 23.9 km in Sauran district;
- Construction of snow-retaining fences at 28 substations
- Installation of 10 sets of RF communication channel equipment on SS and overhead lines
- Reconstruction of 35kV overhead line of GPP-2 – “Sergiopol” 1,2 chains (crossing the Nura River)
- Reconstruction of SS110/6kV RTI – 1 stage of indoor switchgear-10kV
- Installation of gas cylinder equipment for 30 vehicles
- Purchase of a tractor truck based on KAMAZ
- Reconstruction of the UMS equipment of SS Kirovskaya, Melkombinat, central station
- Technical modernization of 110 kV overhead line of “Saran-RTI” 1,2 chain, “Soldering from op.No. 24 OL-110 kV “Saran-RTI” 1,2 ts on Yubileynaya SS (replacement of wire, insulation cable, linear-suspension fittings along the entire route of the line)
- Overhaul of 110 kV Saran-Shahan overhead line, 35 kV Santekhnikeskaya-Verkhniy Sokur overhead line, 35 kV Dolinka-Karagandinskaya overhead line.
- Technical modernization of the SS110 battery/35/10/6kV “New City”

Volume of investments of **Karagandy Zharyk LLP** in 2022 amounted to 9.2 billion KZT. As part of the implementation of the investment program, the following activities were implemented:

- Construction of SS 110/10kV “Novy Maikuduk” – 1st stage of indoor switchgear-10kV, open switchgear-110kV.
- Reconstruction of 220 kV overhead line of CHPP-3 – Zhana Zharyk
- Construction and installation works on cable and aerial lines (CAL) 0.4-6 (10) kV with a total length of 37.88 km, and on TS 0.4/6(10) kV in the amount of 10 pcs.;
- Work on the first stage of SCADA implementation at the upper voltage level over 35-220 kV networks (27 substations).
- Reconstruction of SS 110/35/10kV “Botanicheskaya” – 1st stage of open switchgear-110kV and indoor switchgear-10kV

Volume of investments of **Mangistau Regional Electricity Network Company JSC** in 2022 amounted to 4.196 billion KZT. As part of the implementation of the investment program, the following major activities were implemented:

- Construction of 110/10 kV substation in the area of the Warm Beach and 110 kV HV line (“Yuzhnaya” SS);
- Modernization (reconstruction) of 35/10kV substation of Shetpe MSDS;
- Modernization (reconstruction) of 10kV indoor switchgear on 110/10kV substation of 2G MSDS;
- Installation of fire alarm systems in the premises of the locksmith workshop and warehouse No. 2 of the Zhetybay RES production base, design of installed fire alarm systems in the buildings of 1 packaged distribution substation and “Opornaya-110/6kV” substation.

Developed DED (Design and estimate documentation) in 2022:

- Modernization (reconstruction) of the equipment of indoor switchgear-6kV on SS 110/6kV “Tenga” with replacement of power transformers 2×6,3MVA by 2×6,3MVA;
- Modernization (reconstruction) of equipment of open switchgear-35kV and indoor switchgear-6kV of SS 35/6kV “PTF”.

PROCUREMENT

Kazakhstan Utility Systems LLP is fully guided by the Law of the Republic of Kazakhstan “On Natural Monopolies” in its activities, including in the procurement of goods, works and services. In 2019, the Company launched a process for switching purchases of goods, works and services to an electronic format through electronic trading platforms, which in turn allowed the company to optimize a number of processes, as well as ensure transparency of procurement procedures.

In 2021, the Company’s Management decided to switch to the electronic trading platform of Caspy Tender LLP, which has a number of advantages over other electronic services:

- Caspy Tender LLP was audited by the Information Security Committee of the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan and received a certificate of compliance with information security requirements. The document confirms that the platform can operate

in state-regulated industries and guarantees the confidentiality of client data.

- Flexibility of the Caspy Tender platform made it possible to conduct any type of bidding, configure integration with the ERP system to record purchased goods, as well as automate the work of all employees of the procurement departments of Kazakhstan Utility Systems LLP.

The volume of purchases of goods and services by natural monopolies in 2022:

- Karaganda EnergoCenter LLP – 56,709,312,623 KZT;
- Ust-Kamenogorsk CHPP LLP – 23,164,605,154 KZT;
- Karagandy Zharyk LLP – 23,214,637,482 KZT;
- Ontustik Zharyk Transit LLP – 6,850,471,865 KZT;
- Mangistau Regional Electricity Network Company JSC – 7,669,357,273 KZT.

100% of the volume of procurements is from Kazakhstan suppliers and contractors.



PLANS FOR 2023

1 Implementation of measures to update the long-term issuer default rating (IDR) in foreign and national currencies.

2 Attraction of the international strategic partners to implement the Company's long-term development strategy.

3 Active promotion of the Company's interests at the legislative level. Submission of all draft amendments to the legislation, necessary for the Company, to the relevant associations (Atameken, KEA, KazEnergy) and the authorized body.

4 The following activities are planned at Karaganda CHPP-1:

- Overhaul of boiler BKZ-50-39F st. No. 2;
- Overhaul of the PTVP-100 st. No. 2;
- Overhaul of the turbine units PR-6-35/5 st. No. 5;
- Overhaul of the generator T2-6-2t/a PR-6-35/5 st.No. 5
- Major repairs of the boiler BO-350-2 st. No. 2;
- Overhaul of the transformer for own needs
- Overhaul of VK coating structures
- Other capital works on aux. Equipment

5 The following activities are planned at Karaganda CHPP-3:

- Overhaul of boiler BKZ-420-140-5 st. No. 3
- Overhaul of boiler BKZ-420-140-5 st. No. 5
- Major repairs of turbine T-110/120-130-3 st. No. 4
- Overhaul of cooling tower No. 2

- Overhaul of the roof of the chemical water treatment building
- Overhaul of the facade of the BDO (axes 1-23 row B)
- Construction of the 1st section of the ash dump No. 3
- Reconstruction of technological pipelines
- Replacement of drop traps and swirl blocks to/a BKZ-420-140-5 st. No. 3
- current repair of all boilers and turbine units;
- Reconstruction of the ash dump by the method of dry ash storage

6 The following activities are planned at Ust-Kamenogorsk CHPP:

- Replacement of high-pressure feed pipelines of 5-7 stages
- Modernization of the thyristor self-excitation system of the turbo generator 8
- Local notification system of Ust-Kamenogorsk CHPP LLP (DED development)
- A platform for storing equipment and materials equipped with a 50 ton gantry crane
- Major repairs of boiler unit, st. No. 10 with replacement of the superheater
- Major repairs of boiler unit st. No. 11 with replacement of the 1st stage steam cooler
- Major repairs of boiler unit st. No. 14 with replacement of connecting pipes
- Major repairs of boiler unit, st. No. 12 with replacement of the screen superheater
- Major repairs of boiler unit st. No. 12 with replacement of steam pipes screens

- Major repairs of boiler unit st. No. 15 with replacement of side panels, rear screen and rear radiation superheater
- Overhaul of ash pipelines
- Major repairs of boiler unit, st. No. 10 with replacement of the air heater
- Major repairs of boiler unit, st. No. 14 with replacement of the "cold" part of the air heater
- Major repairs of the boiler unit st. No. 14 with replacement of steam pipes from the "output" package of the superheater to the PSC collector
- Major repairs of boiler unit No. 7 with replacement of swirlers emulsifiers
- Major repairs of the roof with the restoration of wall panels, GC of the 7th stage of CO and TO
- Major repairs of the main building lighting
- Major repairs of the retaining dam with dredging of the Ulba river
- Major repairs of railroad switches, sections of curves and ballast prism of railway tracks
- Overhaul of cooling tower
- Acquisition of production fixed assets
- Construction of ash dump No. 5
- Implementation of the project of replacement of the 140 main steam pipelines
- Replacement of swirlers of emulsifiers of boilers No. 7
- Overhaul of ash pipelines
- Reconstruction of the II-IV stage of the main building (DED development)
- Reconstruction of the outdoor switchgear-1
- Reconstruction of underground pipelines (DED development)

- Implementation of the project "Automated monitoring system of emissions into the environment for Ust-Kamenogorsk CHPP LLP"
- Replacement of high-pressure feed pipelines of 5-7 stages
- Project development and modernization of the electrolyzer plant

7 The following activities are planned at Karagandy Zharyk LLP:

- Planned (capital and current) repairs of SS, CDD, TS (PTS) equipment and overhead transmission lines.
- Volume of major repairs is 1,014 km. 0.4-110kV overhead line and 289 pcs. SS-35-110kV, CDD, TS (PTS)-6(10)kV;
- start of construction and installation work on the reconstruction of the SS 110/35/6kV "Karaganda", the reconstruction of the substation will be carried out for 3 years, during which the complete replacement of all substation equipment will be carried out: outdoor switchgear-110kV; outdoor switchgear-35kV; indoor switchgear-6kV, power transformers;
- Completion of construction and installation work on the reconstruction of SS 110/35/10kV "Botanicheskaya". In 2023, a complete replacement of the equipment of the outdoor switchgear 35 kV of substation will be carried out;
- Construction of the 110 kV HV line "Santekhicheskaya – Novy Maikuduk", necessary for the inclusion in the work of the SS 110/10 kV "Novy Maikuduk" under construction, the full completion of construction and commissioning of the power transmission line with the substation is planned in 2024;



- In 2023, construction and installation works on the reconstruction of SS110/6kV “RT1” are being completed, within the framework of which the complete replacement of the equipment of outdoor switchgear-110kV and indoor switchgear-6kV was carried out;
 - In 2023, work begins on the installation of SCADA equipment of the lower level 6 (10) kV in Karaganda. Installation of the equipment will be carried out in 2023-2025;
 - Work continues on reconstruction, technical modernization, construction of 0.4-10 kV electrical networks in Karaganda and the Karaganda region. In 2023, construction and installation work begins in the Ozernoye village of Bukhar-Zhyrau district, and work is ongoing in the Aktas village of Saran, and in Karaganda. Work continues on the implementation of engineering-geodetic and geological surveys, as well as the development of design and estimate documentation for the reconstruction, technical modernization and construction of 0.4-10 kV electrical networks for 2024-2025.
- 8 The following activities are planned at Ontustik Zharyk Transit LLP:**
- reconstruction of 110 kV overhead line, 35 kV overhead line, overhead line 0,4-6-10 kV, including 0.4 kV overhead line with the use of self-supporting insulated wire;
 - reconstruction of 6-10-0.4 kV cable lines;
 - reconstruction of SS 35-110 kV;
 - reconstruction of DS, TS, PTS 10-6/0.4 kV;
 - implementation of UMS system;
 - construction of SS-110/10-10 kV;
 - reconstruction of a 110 kV overhead line L-103,104, replacement of a section with a 110 kV cable line (2 lines);
 - reconstruction of the 6 kV overhead line, replacement of the site with a CL-6 kV;
- 9 The following activities are planned in 2022 at Mangistau Regional Electricity Network Company JSC:**
- Reconstruction of SS-110/6kV PTB;
 - Construction of SS-35/10kV in the area of Sayyn village and OL-35kV from SS-110/35/6kV “Dunga”.

FINANCIAL RESULTS OF OPERATIONS

Revenue and Expenditure Analysis

Basic data of income statement, million KZT	2022	2021	2020
Revenue	189,436	175,468	143,468
Cost of sales	-142,416	-127,909	-106,989
Gross profit	47,020	47,559	36,479
Administrative expenses	-10,512	-8,339	-9,067
Selling expenses	-4,492	-3,768	-3,288
Financial costs	-11,788	-11,664	-11,132
Financial income	6,966	6,042	5,825
Foreign exchange loss	-7,519	-1,552	5,079
Other income	681	298	70
Profit before tax	20,356	28,576	23,966
Income tax expenses	-6,706	-7,242	-4,202
Net profit	13,650	21,334	19,765

In 2022, there was an increase in the Company's revenue, but there was a decrease in net profit due to an increase in losses from fluctuations in the exchange rate of Russian rubles. Revenue in the reporting year increased by 8% by 2021 and amounted to 189.4 billion KZT.

Approximately 67% of the revenue came from the sale of electric energy. In 2022, they increased by 8% and reached 126.8 billion KZT. Favorable tariff regulation contributed to the growth. Services for the transmission of electric power amounted to 32 billion KZT (an increase of 10%), for the sale of heat energy – 21.9 billion KZT (an increase of 14%). The income from maintaining the availability of electric power, which appeared after the

market reform in 2019, amounted to 7.9 billion KZT, showing a decrease of 12% by 2021.

The cost of sales in 2022 increased by 11% and amounted to 142.4 billion KZT at the end of the year. A significant contribution to this growth was made by an increase in the cost of purchased electric power – by 20% to 26.3 billion KZT. At the same time, the largest item in the cost price remains the cost of materials – 21% in the cost structure or 29.5 billion KZT (an increase of 6% in 2022). Depreciation and amortization expenses amounted to 17.3 billion KZT by the end of 2022 (an increase of 8%), payroll expenses increased by 29% to 16.6 billion KZT – in the total cost of sales structure they amounted to about 12%.



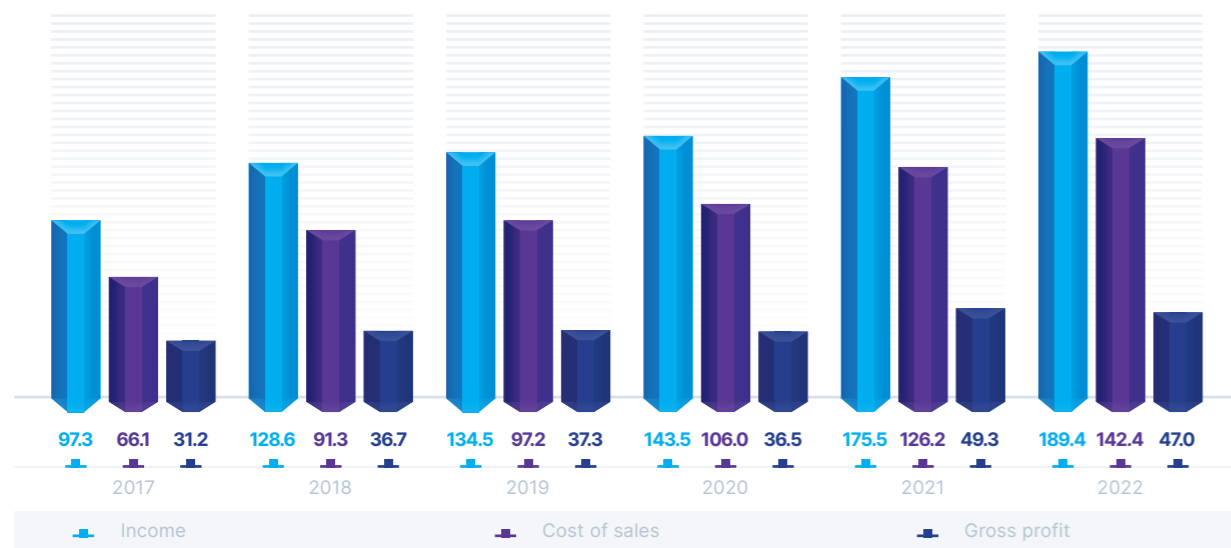


As a result of a relatively larger increase in cost of sales compared to revenue growth, gross profit in 2022 decreased slightly by 1% compared to the 2021 and amounted to 47 billion KZT.

At the same time, the loss from the exchange rate difference affected the final profitability. As a result, net profit by the end of 2022 amounted to 13.7 billion KZT, showing a 36% drop by 2021.

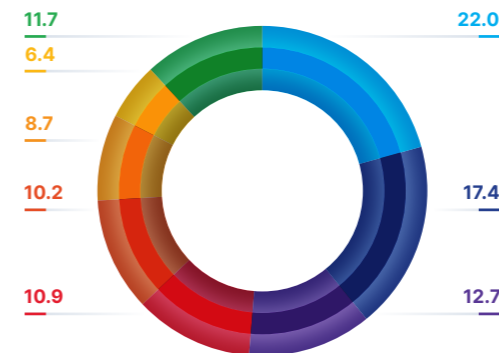
Dynamics of Income, Cost of sales and Gross Profit

bln KZT



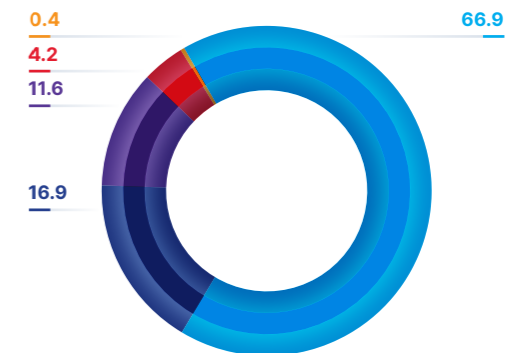
Cost structure, 2022

%



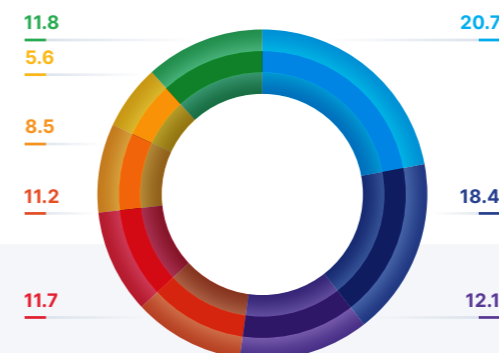
Revenue structure, 2022

%



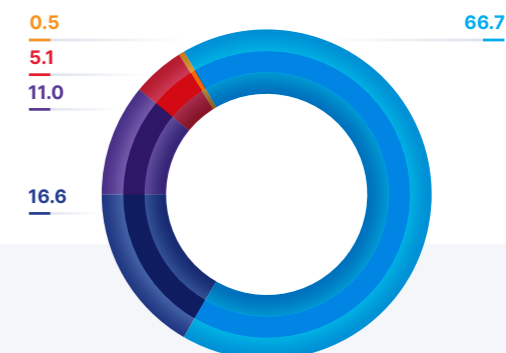
Cost structure, 2021

%



Revenue structure, 2021

%



- Materials
- Purchased electric power
- Depreciation and amortization
- Salary and related taxes
- Services for the transmission of electric power, heat and chemically treated water
- Purchased electric power from the SFC
- Technological losses in the transmission of electric power
- Other

- Sale of electric power
- Transmission of electric power
- Sale of heat power
- Income from maintaining the availability of electric power
- Other





Balance Sheet Analysis

Basic balance sheet data, million KZT	2022	2021	2020
Assets	378,095	355,362	337,742
Long-term assets	342,667	319,509	305,629
Fixed assets	264,947	246,029	237,162
Loans issued to related parties	75,531	70,128	67,005
Long-term advances issued	398	1,238	441
Other	1,791	2,114	1,022
Current assets	35,427	35,853	32,113
Inventories	5,766	3,997	4,494
Trade accounts receivable	21,081	19,446	16,932
Cash and cash equivalents	2,544	5,873	4,029
Other	6,036	6,537	6,659
Liabilities	170,896	161,549	165,443
Long-term liabilities	51,277	51,757	116,432
Bank loans	11,939	14,739	81,159
Deferred tax liabilities	35,654	33,159	32,141
Other	3,684	3,859	3,132
Current liabilities	119,618	109,792	49,010
Trade payables	25,700	16,393	14,118
Loans and bonds	73,008	76,766	18,939
Other	20,910	16,633	15,953
Capital	207,199	193,813	172,300
Authorized capital	11,636	11,636	11,636
Additional paid-in capital	9,239	9,239	9,239
Foreign currency translation reserve	-	801	622
Retained earnings	169,930	156,682	136,817
Non-controlling interests	16,393	15,454	13,985

Over **207** bln KZT
Equity at the end of the 2022 year

The Group's assets in 2022 increased by 6% by 2021 and amounted to 378.1 billion KZT. Long-term assets were formed at the level of 342.7 billion KZT. Fixed assets increased by 8% to 265 billion KZT, loans to related parties amounted to 75.5 billion KZT, an increase of 8% over the year. Current assets reached 35.4 billion KZT and decreased by 1%. A slight decrease is due to a decrease in cash and cash equivalents by 57%, at the end of the year they amounted to 2.5 billion KZT and occupies 7% in the structure of current assets. Trade receivables account for 60% of current assets, and inventories account for 16%.

The Group's liabilities in 2022 increased by 6% and amounted to 170.9 billion KZT. In particular, current liabilities amounted to 119.6 billion KZT and increased by 9%. The increase is mainly due to an increase in trade payables by 57% to 25.7 billion KZT. Long-term liabilities decreased slightly by 1% and reached 51.3 billion KZT. In particular, bank loans and bonds decreased by 19% to 11.9 billion KZT, deferred tax liabilities increased by 8% to 35.7 billion KZT.

Equity increased by 7% in 2022 and amounted to 207.2 billion KZT at the end of the year. Increase is almost completely provided by an increase in retained earnings by 8%, at the end of the year it was at the level of 169.9 billion KZT.

Dynamics of Assets and Liabilities





Analysis of Key Coefficients

Key performance indicators	2022	2021	2020
Liquidity ratios			
Current liquidity ratio (current ratio)	0.25	0.28	0.52
Quick ratio	0.20	0.24	0.43
Profit margin			
Net profit margin, %	7.2%	12.2%	13.8%
Gross profit margin, %	24.8%	27.1%	25.4%
Basic earning power, %	6.7%	9.6%	17.7%
Return on assets (ROA), %	3.6%	6.0%	5.9%
Return on equity (ROE), %	6.6%	11.0%	11.5%
EBITDA, billion KZT	42,858	50,745	43,857
EBITDA margin, %	22.6%	28.9%	30.6%
Capital structure coefficients			
Equity adequacy ratio, %	54.8%	54.5%	51.0%
Financial leverage ratio, %	24.7%	26.7%	47.1%
Efficiency ratio			
Inventory turnover ratio	29.18	30.13	24.90
Turnover of accounts receivable, days	39.04	37.84	37.05
Turnover ratio of fixed assets	0.74	0.72	0.60
Asset turnover ratio	0.50	0.49	0.42
Interest coverage ratio	2.14	2.93	2.63
Return on capital employed (ROCE), %	9.74%	13.93%	10.14%

*Calculation of key indicators:

- The current liquidity ratio is calculated as the ratio of current assets (excluding corporate income tax prepayments and other current assets) to short-term liabilities.
- The quick liquidity ratio is calculated by dividing liquid assets (excluding corporate income tax prepayments and other current as-sets) by short-term liabilities.
- Basic earning power = EBIT / assets.
- Return on assets = net profit / assets.
- Return on equity = net profit / equity.
- Equity capital adequacy ratio = capital / assets.
- Financial leverage ratio = long-term liabilities / equity.
- Interest coverage ratio = EBIT / interest payable.
- Return on equity = EBIT / (equity + long-term liabilities).

By the end of 2022, the Group continues to demonstrate sufficient profitability indicators. There is a decrease in return on assets and return on capital compared to 2021 – 3.6% and 6.6%, respectively, by the end of 2022. EBITDA decreased by 16% to 42.9 billion KZT. The EBITDA margin was 23%, which is lower than the level of the last few years due to foreign exchange losses.

The level of liquidity remains approximately at the same level as in 2021. By the end of 2022, the current liquidity was 0.25, quick liquidity – 0.20. The deterioration of these indicators since 2021 is due to the reclassification of some long-term loans into short-term ones due to violation of covenants.

There is also a strong balance sheet structure, which ensures a stable financial position of the Group. The share of equity in the balance sheet was 54.8% at the end of 2022. The financial leverage ratio decreased from 26.7% in 2021 to 24.7% in 2022, primarily due to a decrease in the volume of long-term bank loans.





04

The Group maintains an open dialogue with all stakeholders. Striving for development in harmony with the environment, the Company takes into account the incoming information from stakeholders and their interests in the course of making key decisions.

SUSTAINABLE DEVELOPMENT REPORT

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



INTERACTION WITH STAKEHOLDERS

The Group maintains an open dialogue with all stakeholders. Striving for development in harmony with the environment, the Company takes into account the incoming information from stakeholders and their interests in the course of making key decisions.

Stakeholders largely guide the Group's business strategy. The higher the contribution of stakeholders, the greater the legitimacy and sustainability in the development of the KUS.

Interaction with stakeholders allows making decisions at both the micro and macro levels. Stakeholders provide useful feedback on the Company's impact on economic, environmental and social issues that affect the Group's sustainable development and life in the regions where it operates. Cooperation with stakeholders takes place on a daily basis in the course of the Company's activities.



Interaction with key stakeholders

CONSUMERS*



Our approach

The Group supplies energy to thousands of private and commercial customers who rely heavily on the reliable operation of KUS. Interaction helps to better understand customers' needs, as well as ways to ensure continuous improvement of service. KUS takes into account the current and future needs of all energy consumers in the regions where it operates.

Interaction tools

- Customer feedback system.

Expectations and interests

- Uninterrupted energy supply.
- Balanced pricing policy.

* consumers of all types of products and services of the KUS Group

EMPLOYEES



Our approach

KUS Group employs more than 8.6 thousand people. The success of a Company depends on the overall talent, skills and values of its employees. The Group creates a basis for constant two-way feedback and involvement of employees at all levels in key issues that affect them. Company strives to be a supportive and attractive employer that people want to work for. We also ensure voluntary participation in collective agreements and receive significant feedback in the course of interaction with trade unions.

Interaction tools

- Internal corporate communication channels;
- Meetings and negotiations with trade union representatives.

Expectations and interests

- Ensuring safe working conditions;
- Transparent and effective remuneration system;
- Training and development;
- Non-discrimination.



Interaction with key stakeholders

OWNERS



GOVERNMENT



Our approach

KUS participants own the Company and expect to receive a return on their investment. The Group strives to maintain a constructive dialogue with the participants and regularly interacts with them to understand their long-term vision and ensure that it is taken into account when making decisions. KUS takes care that the corporate management system meets international standards and the wishes of the participants.

Our approach

KUS works constructively with the government and regulatory authorities. Regulators play a central role in forming the energy sector. Their participation is especially important in creating a sustainable energy system that supports the achievement of long-term development goals of the country. KUS ensures high-quality interaction with regulatory authorities to protect the long-term interests of energy consumers and develop in accordance with the emerging expectations of society as a whole.

Interaction tools

- Work of the Supervisory Board;
- Providing reporting.

Interaction tools

- Working groups;
- Negotiations;
- Appeals, inspections by Supervisory authorities;
- Conducting meetings.

Expectations and interests

- Economic performance.
- Long-term sustainable development.

Expectations and interests

- Support of the state policy on energy development;
- Compliance with legislation;
- Growth of payments to the budget.

SUPPLIERS and Contractors



SOCIETY



Our approach

KUS relies on its supply chain to implement investment projects and ensure successful operational activities. The Group's goal is to build strong relationships with suppliers and contractors so that they can maximize cost efficiency and improve positive economic, social and environmental results, which is important for socioeconomic development in the regions where it operates and ensure the transition to a low-carbon economy.

Our approach

The Group is committed to building a responsible business. Mature bilateral relations with communities in the regions where the company operates become an important basis for corporate strategic decisions in the Company, as well as for making and fulfilling daily obligations to society. KUS interacts with communities on social, environmental and other energy and business issues.

Company also ensures effective interaction with the media and strives for maximum openness of its activities.

Interaction tools

- Conducting meetings, negotiations;
- Conclusion of contracts.

Interaction tools

- Informing about the Company's activities;
- Conducting meetings;
- Responses to queries;
- Feedback channels.

Expectations and interests

- Economic performance.
- Long-term cooperation;
- Compliance with business ethics standards;
- Transparent procurement practices.

Expectations and interests

- Social policy and support for local communities;
- Careful use of natural resources;
- Transparency of business;
- Economic performance.



CORPORATE SOCIAL RESPONSIBILITY

Due to the scale and specifics of the Group's activities, the Group has a significant impact on the quality of life in the regions where it operates. Therefore, much attention is paid to the issues of corporate social responsibility (CSR) in the implementation of operational activities.

Key CSR Principles:

- Quality provision of services, which, ultimately, is the key to the active socio-economic development of the regions of its operation;
- Fair and timely remuneration of Company's employees, as well as ensuring safe working conditions and creating all the conditions necessary for career growth, personal and professional development of each employee;
- Responsibility for preservation of the environment to the state and society as a whole.

CSR principles are observed in all business processes of the Group, are an integral part of business planning and an indispensable tool for preventing emergency and conflict situations.

The Group strives to conduct an open, transparent business, perfectly comply with the legislation of the Republic of Kazakhstan and comply with international CSR standards.

The Supervisory Board:

The Supervisory Board is responsible for determining the priority areas of the Company's activities and approving the development strategy, medium-term development plan (business plan) and annual budget of the Company, as well as monitoring the implementation of the strategy, plans and budget of the Company. In particular, work is being carried out to assess compliance with the approved priority directions of the Company's development. All members of the Supervisory Board, in exercising their rights and performing their official duties, monitor trends in the energy industry and the economy as a whole, as well as other areas of strategic importance for the Company's development.

HUMAN RESOURCES MANAGEMENT

Through effective HR management technologies, KUS strives to create high-quality human resources that meet the Group's strategic goals, strengthen human capital, and create additional competitive advantages of the Group.

Basic principles of Personnel Policy:

- Proactivity.
- Transparency and openness.
- Integration.
- Continuity.
- Motivation of employees.
- The relationship between the interests and goals of the Group and employees.
- Communication with employees.
- Personnel support system.

The Group creates conditions for employees' interest in the success of the common cause, encourages initiative, and provides opportunities for potential realization, career and professional growth in various fields.

The purpose of the incentive and remuneration system is to attract, retain and motivate employees to ensure that the Group successfully fulfills its mission and achieves business goals at optimal costs.

For effective development of the Company, the human resource management process is integrated with all business processes.

The Group respects and values its employees, takes care of them and takes into account their needs and

requirements, contributes to creation of favorable working conditions that meet the safety requirements.

KUS strives to ensure open communication with employees. To build effective communication, all channels and information resources are used in each Company that is part of the Group. This ensures that employees are regularly informed about the Group's news, its mission, strategy, immediate plans and development prospects. In case of significant changes related to the Group's activities, employees will be informed using information resources, meetings and the Group's internal corporate newspaper.

The system of recruitment and promotion of employees in the Group provides a fairly high level of professionalism of employees and transparency of recruitment procedures. Career development of employees is carried out based on an objective assessment of their work results, business qualities, as well as professional competence. Group ensures openness at all stages of the human resource management process.

In the Group, the human resources system is built in accordance with regulatory, methodological and legal documents that regulate and create conditions for its effective functioning. Strict compliance with, implementation and application of the norms of the current Labor Code of the Republic of Kazakhstan allows not to discriminate against employees, and not to allow complaints about the practice of labor relations.



Number of staff

Number of Employees of the Group as of December 31, 2022 was 8,625 people.

Number of Employees by the Group Companies



Breakdown of Number of Employees by Regions where the Group Operates



Number of full-time and part-time employees (broken down by gender groups and by region)

Region	Total number of employees	Among them:			
		Number of full-time employees		Number of part-time employees	
		male	female	Male	female
Astana	58	33	25	0	0
East Kazakhstan region	565	458	106	0	1
Mangystau region	731	564	154	5	8
Karaganda region	3,131	1,924	1,205	1	1
Turkestan region and Shymkent	4,140	3,259	753	80	48
Total	8,625	6,238	2,243	86	58

Number of permanent and temporary employees in the reporting year (broken down by gender groups and by region)

Region	Total number of employees	Among them:			
		Number of permanent employees		Number of temporary employees	
		male	female	male	female
Astana	58	33	25	0	0
East Kazakhstan region	565	457	107	1	0
Mangystau region	731	564	154	5	8
Karaganda region	3,131	1,913	1,182	12	24
Turkestan region and Shymkent	4,140	3,313	755	29	43
Total	8,625	6,280	2,223	47	75



Personnel Structure by Age

The share of employees under the age of 40 in the Group is 46.63% of the total number. The share of employees in the age category over 60 years is 6.63%.

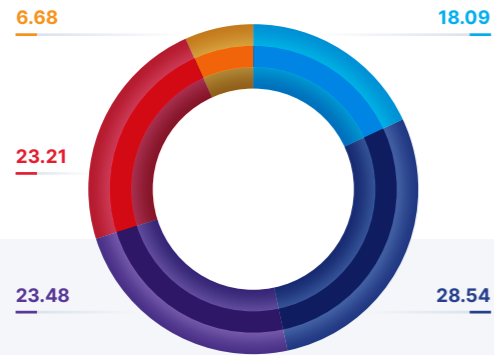
Personnel Structure by Category

The structure of the Group's employees is featured by a high proportion of men – 73.3%. Men in the category of “workers” make up 77% due to the specifics of their activities.

The share of employees in the “managers” category is 7.8% of the total number.

Personnel Structure by Age

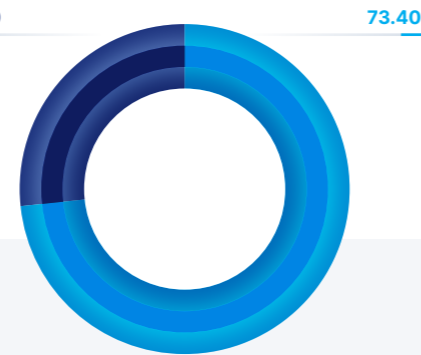
%



- Under 30 years old
- 30-40 years old
- 40-50 years old
- 50-60 years old
- Over than 60 years old

Gender Structure of Personnel

%



- Men
- Women

Personnel category	Age group, total			Among them:		Among them:	
	age	persons	%	male	%	female	%
Managers		671	100%	555	83%	116	17%
	Under 30 years old	50	7%	48	7%	2	0.3%
	30-40 years old	227	34%	196	30%	31	5%
	40-50 years old	186	28%	143	21%	43	6%
	50-60 years old	151	23%	120	18%	31	5%
	Older than 60 years old	57	8%	48	7%	9	1%
Specialists, employees		2,145	100%	1,320	62%	825	38%
	Under 30 years old	375	17%	252	12%	123	6%
	30-40 years old	822	38%	533	25%	289	13%
	40-50 years old	498	23%	267	12%	231	11%
	50-60 years old	350	16%	192	9%	158	7%
	Older than 60 years old	100	6%	76	4%	24	1%
Workers		5,809	100%	4,454	77%	1,355	23%
	Under 30 years old	1,134	20%	1,003	18%	131	2%
	30-40 years old	1,418	24%	1,103	19%	315	5%
	40-50 years old	1,370	24%	938	16%	432	7%
	50-60 years old	1,482	26%	1,043	18%	439	8%
	Older than 60 years old	405	6%	367	6%	38	1%
Total		8,625		6,329		2,296	





Structure of Hired Personnel by Category and Gender

The total number of employees hired by the Group of Companies was 1,459 people, of them 1,219 – workers, 219 – specialists, and 21 – managers.

Personnel category	Age group, total		Among them:		Among them:		
	persons	%	male	%	female	%	
Managers	21	100%	19	90%	2	10%	
	Under 30 years old	4	19%	4	21%	0	0%
	30-40 years old	6	29%	5	26%	1	50%
	40-50 years old	4	19%	3	16%	1	50%
	50-60 years old	4	19%	4	21%	0	0%
	Older than 60 years old	3	14%	3	16%	0	0%
Specialists, employees	219	100%	127	58%	92	42%	
	Under 30 years old	92	42%	57	45%	35	38%
	30-40 years old	63	29%	38	30%	25	27%
	40-50 years old	39	18%	20	16%	19	21%
	50-60 years old	20	9%	10	8%	10	11%
	Older than 60 years old	5	2%	2	1%	3	3%
Workers	1,219	100%	978	80%	241	20%	
	Under 30 years old	493	40%	433	44%	60	25%
	30-40 years old	266	22%	212	22%	54	22%
	40-50 years old	259	21%	179	18%	80	33%
	50-60 years old	168	14%	125	13%	43	18%
	Older than 60 years old	33	3%	29	3%	4	2%
Total	1,459		1,124		335		

Staff turnover

Staff turnover in the Group of Companies for 2022 was 16.56%, 3.33% lower than in 2021.

Personnel category	Total persons		Male		Female	
	persons	%	persons	%	persons	%
Managers	58	4%	51	4%	7	2%
Specialists, employees	294	19%	198	16%	96	30%
Workers	1,198	77%	978	80%	220	68%
Total	1,550	100%	1,227	79%	323	21%

	By gender groups		By age groups				
	Male	Female	Under 30 years old	30-40 years old	40-50 years old	50-60 years old	Older than 60 years old
Turnover coefficient, %	11.39	5.17	5.77	5.56	2.71	1.55	0.97

Region	Turnover coefficient, %
Turkestan region and Shymkent	20
Karaganda region	18
Mangystau region	9
East Kazakhstan region	9
Astana	28

In order to reduce the staff turnover, the following measures are taken:

- material and non-material incentives for qualified employees;
- stable economic situation in the Group;
- improving the conditions of social guarantees in accordance with the collective agreement;
- healthy psychological atmosphere;
- opportunities for career growth.

Staff training and development

Staff training system is a set of personnel training activities aimed at providing employees with theoretical knowledge and practical skills necessary to achieve the Group's strategic goals.

Main goals of the training:

- improving the staff performance;
- ensuring the professional level of staff required by the position;
- ensuring the accumulation and transfer of knowledge within the company;
- increasing employee loyalty to the company;
- training of the personnel reserve.

For the purpose of a structural approach to personnel training and development, an annual training plan for a calendar year is approved. The plan includes training related to professional development, training for a profession, recertification, obtaining a related specialty to ensure timely training of new personnel and performance of work.

In 2022, **6,355 people** were trained, which is **73.68%** of the total number of employees.

In 2022, the total amount of training costs amounted to **50,142,630 KZT**.

Employees trained in 2022, people

Personnel category	Male	Female	Total
Managers	306	87	393
Specialists, employees	692	264	956
Workers	4,737	269	5,006
Total number of trained personnel			6,355



Information on training

Personnel category	Male		Female	
	total number of training hours	average number of training hours per employee	total number of training hours	average number of training hours per employee
Managers	7,122	23.27	1,539	17.69
Specialists, employees	14,136	20.43	3,556	13.47
Workers	146,088	30.84	2,736	10.17
Total	167,346	74.54	7,831	41.33

Total number of employees	Employees receiving regular performance assessment in 2022		Among them:		Among them:	
	persons	%	male	%	female	%
8,625	5,037	58%	4,461	52%	576	6%

Attracting Young Professionals

As part of implementation of the personnel policy, the Group conducts activities aimed at ensuring continuity and transfer of professional knowledge and skills from experienced, highly professional employees to young initiative employees.

For these purposes, a mentor is assigned to each student, a new employee, in accordance with dual training agreements, a personnel adaptation program within the Group.

Structure of hired young specialists in 2022 by education, people

Total young professionals	Hired in 2022	Technical/vocational education	%	Higher education	%	Secondary education	%
1,281	302	81	26.82%	106	35.10%	115	38.08%

Thus, the Group conducts activities aimed at attracting young specialists to achieve an optimal combination of young initiative employees and experienced, highly professional employees.

Every year in November, Ust-Kamenogorsk CHPP LLP holds a contest "Best Young Employee of the Year". Young

professionals present their presentations containing the following information: the specifics of their immediate work, description of the workplace, suggestions for improving and increasing productivity. Each presentation is assessed by Commission members from 1 to 10 points, and during a constructive conversation with the contestant, they ask questions about professional activity.

The results of testing and presentation are entered in the contest list and signed by the contestant and the judging panel.

According to the results of two contests, prizes are distributed.

Such events have a beneficial effect on the desire of young professionals to develop professionally and see new horizons for building a career within the Company.



Staff motivation and remuneration

In 2022, the average salary increase in the Group was 28%. The Group has a flexible payment system aimed at meeting the key performance indicators of each employee on a monthly basis. This payment system allows encouraging employees to work effectively, introducing innovations in everyday activities to increase labor productivity.

The percentage of deviation of the basic remuneration rate for men compared to women is on average 8.4% (for specialists – 10%, for workers – 17%). Reason for deviation is the harder work of men, which requires endurance, strength and high performance.

Base rate ratio in 2022

Personnel category	Base interest rate, KZT		
	male	female	deviation, %
Managers	361,198	485,749	34%
Specialists	260,862	234,242	10%
Workers	184,928	153,348	17%



Ratio of the annual total remuneration of the highest paid employee of the organization to the average annual total remuneration of all employees (with the exception of the highest paid person)	Ratio of the percentage increase in the annual total remuneration of the highest paid employee of the organization to the median percentage increase in the annual total remuneration of all employees (with the exception of the highest paid person)
4.49	0.34

Non-Financial Motivation

Every year, events are held with the awarding of awards, certificates of honor, titles in order to increase motivation for effective work, to stimulate employees for achieving high production results in the subsidiaries of the Group.

At the end of 2022, 444 employees were awarded for their effective work. Of them, 284 employees were awarded corporate awards, 23 employees were awarded state

awards, 39 were awarded public awards, 8 employees were awarded by the CIS Electric Power Council, 90 employees were awarded KEA awards (15 employees were awarded the title of "Merited Power Engineer", 19 employees were awarded the title of "Honorary Power Engineer", 27 employees were awarded the title of "Ardager Power Engineer", 29 were awarded certificates of honor).

Personnel category	Total number of employees	Number of employees eligible for retirement in the next 5 years	%	Number of employees eligible for retirement in the next 10 years	%
managers	671	47	7.00%	83	12.37%
specialists	2,145	88	4.10%	133	6.20%
workers	5,809	377	6.49%	556	9.57%
Total	8,625	512	5.93%	772	8.95%

Social Support for the Group's Employees

In order to increase the loyalty of employees and ensure safety during the daily performance of work duties, the following events were organized:

According to the Labor Remuneration Rules of the Labor Code of the Republic of Kazakhstan, employees are provided with additional paid labor leave for long, continuous work in the energy industry as follows:

- for the first 2 years – 1 day;

- subsequently, for each year of work – 1 day, but no more than 4 calendar days.

Employees are also provided with all types of paid leave (labor, environmental, disability).

The following types of surcharges are made for combining positions and performing the duties of a temporarily absent employee:

- for combining position of general director, commercial or financial director – 30% of the basic salary of the employee;
- for combining position of the head of a structural unit – 20% of the basic salary of the employee;
- for combining position of a specialist – 10% of the basic salary of the employee.

The following types of compensation are made for working overtime, holidays and weekends:

- payment is not less than one and a half times, based on the daily (hourly) employee rates,
- provision of another day of rest (day off) at the request of the employee.

One-time and current bonuses are provided, in connection with holidays, anniversaries, retirement, for the best performance in work.

In accordance with the collective agreement, social and material assistance is provided to employees in the following cases:

- in difficult life situations (illness, accident, robbery, etc.), including the preservation of salary, at the expense of the Company's net income;
- in cases of surgical operations, emergency events (fire, theft, natural disasters, etc.), severe injuries (industrial and domestic) in the amount of 20,000 (twenty thousand) KZT;
- in connection with the death of a close relative in the amount of 20,000 (twenty thousand) KZT;

- in case of dismissal due to retirement in the amount of 2 (two) official salaries;
- in connection with the death of an employee for the funeral of 50,000 (fifty thousand) KZT;
- with a positive financial situation of the Company, payment is made for the rental of gyms, swimming pools, recreational activities and services;
- if there is a net profit, it is possible to provide interest-free loans to needy workers to improve housing conditions;
- provision of a one-day vacation on the "Day of Knowledge" for employees-parents raising primary school children;
- a partial payment of a voucher for sanatorium treatment in the amount of 25% of the cost of the voucher;
- provision of transport for centralized delivery to the place of work;
- payment for cellular communications;
- organization of a New Year's matinee and New Year's gifts for the children of employees;
- conducting a lottery with prizes for the Power Engineers' Day;
- referral of the Company's employees for training and advanced training.

For the Group of Companies in 2022, the total number of employees who took social leave to care for a child before reaching the age of 3 (three) years old was 135 persons. Of them, 47 employees have started performing their work duties.

Total number of employees who took parental leave until reaching the age of 3 (three) years old, persons		Total number of employees who started working after parental leave until reaching the age of 3 (three) years old, persons	
female	Male	female	male
134	1	47	0



Total number of employees who returned from parental leave until reaching the age of 3 (three) years old, persons, in 2021		Total number of employees who have worked in the company for at least 12 months, after returning from parental leave until the age of 3 (three) years, people	
female	male	female	male
15	0	5	0

Interaction with Trade Union Organizations

The purpose of the incentive and remuneration system is to attract, retain and motivate employees to ensure that the Group successfully fulfills its mission and achieves business goals at optimal costs.

In this connection, trade union organizations have been established and operate in the Group of Companies and

collective agreements have been concluded to ensure the social protection of employees.

In 2022, the total number of employees in the trade union amounted to 5,280 people, which is equal to 64.0% of the total number of employees of Companies where Collective agreements have been concluded.

Initial data	Total for 2022
Amount spent by the trade union for payments, KZT	68,695,552
Total number of employees as of 01.01.2022 in companies with Collective Agreements, persons	8,256
Number of employees in the trade union, people	5,280
Share of the total number, %	64.0%

In the Group of Companies, collective agreements provide social guarantees and benefits for employees who are members of a trade union, their family members, as well as pensioners and veterans of enterprises, particularly:

- financial assistance in case of death of close relative, birth of the first child, treatment, anniversary date, retirement;
- payment of 50% for health resort treatment;
- payment of 50% of the cost of vouchers to children's health camps;
- New Year's gifts, March 8, Nauryz gifts;
- with positive financial condition of the Company, payment is made for the rental of gyms, swimming pools, recreational activities and services;
- if there is a net profit, it is possible to provide interest-free loans to needy workers to improve housing conditions;
- provision of a one-day vacation on the "Day of Knowledge" for employees-parents raising primary school children;
- additional paid leave for single parents; mothers who are not married and raising a minor child; who have a large family, i.e. a family with four or more minor

children living together; victims of nuclear tests at the Semipalatinsk nuclear test site (upon presentation of the appropriate certificate); who are raising a disabled child (one of the parents);

- provision of social leave with average pay in case of marriage; death of close relatives; birth of a child; on the "Day of Knowledge" to one of the parents (caregiver);
- payment of a one-time benefit to an employee (or members of his/her family in case of his/her death) who suffered as a result of an accident related to production and executed by an accident report in the form determined by the authorized labor body, and establishing the degree of fault of the employer – 100%.
- material social assistance in the following cases, not related to the production, with documentary evidence provided: in case of death of an employee – to his/her family members; to employees in difficult situations (serious illness or operation, accident, fire, and etc.); to employees in case of death of relatives; to employees upon dismissal at retirement age; 1

time per year, when the Trade Union purchases group vouchers to rest homes, or vouchers for health resort treatment of employees, or rehabilitation of their children in children's camps in Kazakhstan, the payment is made in the amount of 50% of the cost of the voucher, but not more than 10,000 KZT when the Trade Union provides the relevant documents; in case of a birth of children – to treatment and medical services;

- drivers are provided with extra bonuses for their qualifications;
- educational leave is provided for the preparation and passing of exams for students studying in educational organizations in specialized energy specialties;
- lump sum bonuses are paid to employees in the following cases: according to the results of work for the year, for years of service; for the uninterrupted supply of electric power to consumers in the autumn-winter peak load (working capacity); for saving in materials; for performing particularly important tasks; for significant anniversaries, public Kazakhstan holidays.

Health and Safety

One of the main business principles for the Group is to prioritize the life and health of employees. The main goal is to avoid accidents with employees of the Company and contractors.

The management of Kazakhstan Utility Systems LLP adheres to the following health and safety principles:

- We put the safety of station employees and contractors first.
- We comply with the legislation of the Republic of Kazakhstan and support continuous training, improving the culture of employee safety.
- We strive to preserve the health of every employee.
- We openly talk about the company's activities on health and safety.

All personnel of the HSE services of subsidiaries are competent, qualified specialists, most of who are certified under the IMS system: OHSAS 18001, ISO 14001, ISO 9001, IOSH and Nebosh international standards. Also, our specialists constantly undergo advanced training at various special courses and trainings on HSE. Specialists participate in the HSE activities at various levels.



Protecting employees from injuries and occupational diseases is an integral part of risk management and is coordinated by senior management. In 2022, no accidents were registered at the Group's enterprises.

Labour Safety System

- Kazakhstan Utility Systems LLP adheres to the **zero tolerance** policy towards violations of the fundamental (basic) rules and norms in the area of labor safety and health. The zero tolerance policy is a certain level of responsibility for violation of the HSE basic rules up to the termination of the contract (employment contract or contract with a contractor). Violation of the cardinal rules, detection of the fact of the use of alcoholic beverages (above zero ppm in the blood) are grounds for resolving the issue of termination of the employment contract. Measures for violation of safety and environmental protection rules for the employees of contractors are defined in the standard HSE Annex for works / services on the customer's territory. Each employee must comply with and require others to comply with all legal norms and rules on labor protection and safety in force at the enterprise.
- The right to suspend work** is a process that empowers each employee of a subsidiary and contractor with the authority to stop work as soon as a situation is noticed which, in his/her opinion, is unsafe. The right to stop work also includes the obligation of all employees and contractors to stop their work as soon as the employee or contractor requests to do so, applying the right to stop work. Stopping work is considered the last chance to prevent incidents and, consequently, serious injuries and deaths. As soon as the right to stop work was applied, the work shall

be immediately suspended, the reason for the work stoppage shall be explained, work safety analysis shall be carried out to identify and determine, if necessary, additional control measures to reduce risks. Employees are encouraged and thanked for the identified risks and the suspension of work for the sake of safety.

- Preventive safety** is the use of a work safety analysis form to assess risk to qualitatively study each stage of work, identify existing and potential hazards and risks at each stage of work, and identify risk control measures to reduce and eliminate hazard and risk.
- Checklists** of hot works, work at height, HD, works in confined spaces, and so on.
- 1C: Safety Walk** (Ust-Kamenogorsk CHPP LLP) is a program for registering of HSE rounds. The process of rounds by employees of the enterprise, as well as the results achieved, are entered into the Safety Walk registration program to identify unsafe actions and conditions at crew workplaces, as well as to keep records of the detected violations.
- Notifications about the upcoming 1C qualification test.** The Module "Notifications about the Upcoming Knowledge Qualification Examination, (KQE)" was developed in Safety Walk by analogy with the notification of the elimination of rounds shortcomings.

The module provides multiple notifications to employees (30 days, 15 days, 1 day) about the upcoming KQE. A message is sent to the e-mail of the employee and the immediate supervisor.

This module allows notifying employees about the upcoming KQE in a timely manner and monitoring the deadlines for passing KQE.

- Application of the LOTO system.** Every year, thousands of workers in various industries are killed or injured during repair or maintenance of industrial equipment under the accidents with an uncontrolled supply of energy. The LOTO system is a monitoring system for hazardous energy sources in order to ensure the safety of people, to protect the equipment, to ensure its uninterrupted operation. The system is based on the multiple inspections of each important stage of control of hazardous energy sources carried out by competent and authorized persons to ensure proper disconnection from hazardous energy sources. The LOTO is recommended for use by the International Labor Organization (ILO) as the most effective system of industrial safety during repair and maintenance work, which makes it possible to almost completely eliminate the risks associated with human factors while providing equipment and blocking the supply of dangerous energy.
- Annual purchase of sets of suits for protection against electric arc.** The set is selected in accordance with a nature of the hazard and operating conditions. The set includes: a fire-resistant jacket, a fire-resistant suit or overalls, heat-resistant gloves, heat-resistant helmet with a protective screen for the face, a balaclava.

Sets for protection against electric arc provide a chance to save lives and to preserve health during erroneous actions of operating personnel, as well

as in emergency situations and allow extending the time of evacuation from the danger zone.

Also, protection sets help to reduce the likelihood of accidents in organizations of the power industry, including fatal ones.

- Conducting monthly HSE and environmental days** is one of the opportunities for personnel training, practical skills training, as well as informing personnel on the importance of labor safety, occupational safety and environmental protection in their daily work.

Safety days are also an opportunity to get feedback on effectiveness of measures taken to improve the safety culture and environment. At the beginning of the calendar year, a schedule of HSE days is drawn up, which is approved by the plant management and includes the most topical topics on labor safety and environment in the area of energy and related production areas. The schedule is drawn up in such a way that employees of all structural divisions of the enterprise and employees of contractors, performing work at the enterprise, take part in the events every month.

- Training in the CTC (Ust-Kamenogorsk CHPP).** The Corporate Training Center (CTC) plays an important role in the training of personnel and contractors. It is worth noting training of the contracting personnel. Operating and construction contractors form a large part of the Company's team, and it is critically important that they share the safety culture of the Group. Training in the CTC is a kind of foundation from which all further work begins with the employees of contractors.
- Weekly issue of the HSE newsletters.**
- Testing during the qualifying exams under the program.**



HSE bonuses

The quarterly HSE bonus for the personnel of the enterprise is given in case of absence of accidents with employees of the enterprise and contractors. In order to motivate contractor's personnel to work safely, the Company reserves the right to determine the best contractor or contractor employee for a certain period of time and provide bonuses.

Corporate Events

In 2022, Karaganda Energocenter LLP held two Sports Contests. Intra-company competitions were dedicated to the end of the heating season in May 2022. In total, the Sports Contests brought together more than 120 participants. 10 teams – CHPP-1, CHPP-3 and office – competed in team sports – volleyball and futsal, and 50 participants in table tennis, chess and checkers games. Then Karaganda Energocenter LLP took part in the 25th anniversary of KEGOC JSC in football and volleyball games. The team of Karaganda Energocenter LLP took the honorable 2nd PLACE in football.

In December 2022, within the framework of the Power Engineers' Day, Karaganda Energocenter LLP organized competitions among energy enterprises in Karaganda. The teams – Karaganda Energocenter LLP, Kagandy Zharyk LLP, a branch of Kegoc JSC, Energoexpert and K LLP – became participants of the Sports Contest. There were about 80 participants in total. The 1st PLACE in futsal, table tennis among women and men was taken by employees of Karaganda Energocenter LLP.

Certification

Kazakhstan Utility Systems LLP group of companies is certified for compliance with the ISO 9001 quality management system, ISO 14001 environmental management, and OHSAS 18001 environmental safety.

In 2022, the football team of Karaganda Energocenter LLP joined the Kazakhstan League of Football Fans. There are 12 football players in the team – they are all employees of the company – CHPP-1, CHPP-3 and the central office.

In February 2022, Ust-Kamenogorsk CHPP LLP hosted a traditional chess tournament. In preparation for the 48th Sports Contest of Power Engineers of the East Kazakhstan region, internal competitions among employees are held annually at the enterprise.

On February 20, in the regional center of the East Kazakhstan region, a cross-country skiing competition was held among employees of the structural divisions of the Ust-Kamenogorsk CHPP. The competitions were held on everyone's favorite Komsomolsk Island with the support of the enterprise's Trade Union. The participants were faced with the task of passing a distance in the shortest possible time: men – 2.4 km, women – 1.6 km.

In March 2022, in honor of the International Women's Day, the beautiful half of the company was greeted with flowers at work.

More than 100 bouquets of bright red roses were received by employees of Ust-Kamenogorsk CHPP. Early in the morning, young specialists met them at the entrance of the enterprise. Along with warm congratulations and compliments from men, the ladies were presented with roses. Such an action has become a tradition of the company. Thus, the male part of the team expresses its charming colleague's words of admiration, appreciation and gratitude. During the festive day, the men organized a concert program on their own in the assembly hall. The solemn event started with a congratulatory speech by the General Director A. Bexoltan and line managers.

On March 26, a large-scale Earth Hour campaign was held around the world. On this day, participants turn off lights and household appliances in houses, lights on administrative and other buildings for an hour from 20.30 to 21.30. The campaign has been supported by Ust-Kamenogorsk CHPP LLP for several years, turning off the illumination of the entrance group of the Enterprise, the light in the workrooms and corridors. The main goal of the Earth Hour campaign is a call for careful attitude to the resources of the earth, a responsible approach to the environment. This year Earth Hour in Kazakhstan is timed to the ecotourism theme. To become a real ecotourist, you need to promote nature conservation.

On April 2, 2022, on a day off, sports competitions "Come on Guys" were held in Ust-Kamenogorsk. The competition was organized as part of the program of the 48th Sports Contest of Power Engineers of East Kazakhstan Region. The strongest young men of the enterprises competed in endurance, strength and agility. The competition program included five types of exercises: lifting weights, arm wrestling, chasing, push-ups and tug of war.

Teams of large energy enterprises of the region competed in a stubborn struggle for the right to the championship. Teams of young men sought the title of super-team. It was interesting, fun, and the participants showed a competitive spirit. The course of the competition was monitored by the physical education instructor of the UKCHPP Labor Protection Department Nadezhda Grunskaya: "We, as in previous years, approached the preparation thoroughly, gathered a team of multifunctional athletes who are ready to show themselves in all disciplines. I think that the team performed well: the second place in the team standings speaks for itself. The gap from the winners is quite insignificant, so we can do better!"

In April 2022, the Leading Engineer of the Production Control, Safety and Labor Protection Service of Ust-Kamenogorsk CHPP LLP, Syrim Omirzakov, participated in the competition "The Best Labor Protection Engineer" and received a Letter of Thanks at the KIOSH international exhibition.

In April 2022, in accordance with the Civil Defense Action Plan, a seismic training was conducted at Ust-Kamenogorsk CHPP LLP, where the Company's employees once again brought the actions taken in emergency situations to automatism. Such events are held quarterly, their main purpose is to develop and consolidate the skills of practical actions of personnel during an earthquake, conducting accident rescue and emergency works, basic techniques and methods of rescue and mutual assistance to minimize possible losses.

In total, 337 employees of Ust-Kamenogorsk CHPP LLP and 34 employees of contractors took part in the training. During the training, an emergency signal was given, after which everyone had to leave the premises within 20 seconds.

On April 5, 2022, a joint reporting meeting was held with representatives of the Environment Department of East Kazakhstan Region in the online conference



mode. The Environmental Protection Action Plan of Ust-Kamenogorsk CHPP LLP has been agreed with the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan for 2021-2023. The Environmental Protection Action Plan for 2021 provides for the implementation of 20 measures in 9 areas of environmental protection. All activities for 2021 have been completed in full. The actual investments for implementation of environmental measures for 2021 amounted to 287,360 million KZT, the General Director of the enterprise Aydin Bexoltan says in his report.

On April 14, as part of the Clean City environmental project, more than 50 employees of Ust-Kamenogorsk CHPP LLP participated in a clean-up day. The event was organized in support of the “Birge Taza Kazakhstan” campaign. With the arrival of the spring thaw, the Company’s employees traditionally tidy up the landing area. Armed with the necessary equipment, they eliminated garbage and dead wood.

According to the participants of the clean-up day, they were pleased to tidy up the territory of the plant: “I have recently been working at the UKCHPP, so for me this event gave an opportunity not only to benefit nature, but also to get to know my colleagues better,” the draftsman Zhalgas Nurmashev shared his opinion.

Preservation of the environmental balance is one of the priorities of Ust-Kamenogorsk CHPP LLP. Supporting this corporate culture, employees regularly take part in environmental actions. Within three hours, the entire territory of the UKCHPP was put in perfect condition. The team once again demonstrated its cohesion and willingness to participate in socially significant events.

On May 4 and 5, 2022, at the Almaty University of Power Engineering and Telecommunications, named after

Gumarbek Daukeyev, a meeting of students and teaching staff with the Deputy Chairman of the Management Board for the Operation of MRENC JSC Zhaksylyk Berikzhanovich Sagymbekov took place.

The meeting was held as part of the project “Expanding Access to Skills and Employment in Kazakhstan: Support for MRENC and Inclusive Events”. The students got acquainted with the activities of the energy transmission enterprise.

During the meeting, the processes of the dual education system were discussed. Mangystau Regional Electricity Network Company JSC is fully ready to introduce dual education together with the country’s universities. Thanks to its implementation in training, the emphasis will be shifted to students obtaining practical knowledge on the basis of the enterprise. This training format will allow producing qualified and in-demand specialists with already existing practical work experience. The dual education system includes 40% of theoretical training in educational institutions and at least 60% of training practice at work. This will make it possible to popularize a career in the electric power industry among young professionals. The dual training program will be attended by at least 125 future professionals studying at universities, at least a third of whom will be female students. Implementing this program will lead to improved and relevant training of specialists in educational institutions, as well as to the expansion of economic opportunities, employment and career growth of women in the energy industry, which is traditionally dominated by men.

On May 12, 2022, following the results of the heating season of 2021-2022, ten distinguished employees of Ust-Kamenogorsk CHPP LLP were awarded Letters of Thanks from the Ust-Kamenogorsk Akim. In a solemn atmosphere, the head of the city Zhaksylyk Omar thanked

the specialists of public utilities for their professionalism, honest and responsible attitude to their work and noted the importance of their noble and decent work.

In May 2022, UKCHPP participated in a meeting of collectives, during which the innovations and features of amendments to the Constitution of the country were explained in detail, the importance and scale of the referendum were noted, giving a powerful impetus to the development of the country and laying a solid foundation for future transformations that will positively affect every citizen of the country. It was emphasized that Kazakhstan had embarked on the path of fundamental transformations, declared the rule of law and the protection of interests, rights and freedoms of citizens an indisputable priority. This is evidenced by such amendments as the establishment of the Constitutional Court, the election of deputies of the Mazhilis of Parliament under a mixed electoral system, including single-mandate districts, strengthening the role of the Commissioner for Human Rights of the Republic of Kazakhstan, declaring the land, water, and natural resources of the country to belong to the people.

In July 2022, Ust-Kamenogorsk CHPP employees won another victory in sports competitions. Last weekend – July 2 and 3 – an open beach volleyball festival “Happy Volley” took place on the sandy shores of the Bukhtarma reservoir. The purpose of the tournament was to strengthen sports traditions among the population, popularize beach volleyball and develop a healthy lifestyle. This year, the honor of Ust-Kamenogorsk CHPP was defended by two teams, a total of 16 teams took part in the competition. The competitions were held in a round-robin system in 2 groups: Group A (Strong) and group B (Light). Each team consisted of 3 young men and 1 young woman. On the first day, the championship was played among the teams, the second day was decisive, where the strongest teams were determined in the final.

On July 11, 2022, employees of Ust-Kamenogorsk CHPP LLP traditionally became participants of the “Donor Day” campaign, which is held with the assistance of medical personnel of the East Kazakhstan Regional Blood Center. The company annually contributes to donation within the framework of the social responsibility program. Many UKCHPP employees are regular donors, allowing maintaining reserves of vital material in the medical institutions of the region. This time 25 heat power engineers took part in the action. Thanks to their help, the stock of blood components was replenished by 11 liters. The blood donation took place at the plant, without interruption of power engineers from their work. All biomaterials collected at the Ust-Kamenogorsk CHPP will later be used to help young patients of medical institutions in the region. Recall that the World Health Organization emphasizes that regular donation is a guarantee of the availability and safety of blood and its components, which are needed every day by millions of patients.

On August 11, 2022, the youth activist of Ust-Kamenogorsk CHPP took part in the international environmental action “One River – One Destiny” organized by the Youth Resource Center of the East Kazakhstan Region. The main goal of the campaign is the formation of an active civic position of the younger generation, the development of environmental education, caring for the nature of the native land, cleaning the coastline from garbage. It is worth noting that the youth of the UKCHPP supports the action for the second year in a row. The event was also attended by cadets of the military technical school, activists of the city volunteer center, members of the Zhasyl El labor union. According to the eco-movement results, 20 thousand m2 of the Irtysh river coastline were cleaned, more than 2 tons of garbage were collected. The youth activist of Ust-Kamenogorsk CHPP calls on everyone to take care of nature, comply with environmental rules and not leave garbage in recreation areas.



On September 8, 2022, a round table was held at Ust-Kamenogorsk CHPP LLP, during which participants discussed the Message of the President of the Republic of Kazakhstan Kassym-Jomart Tokayev. The meeting was attended by the management of UKCHPP, heads of departments and workshops of the enterprise. Opening the meeting, UKCHPP General Director Aydin Bexoltan noted that when implementing the Message, Kazakhstan's economic policy will be aimed at qualitative growth of the welfare of Kazakhstan population and the economy of the republic as a whole.

During the meeting, it was noted that in his Message, the President identified five specific areas of reforms, such as a new economic policy, development of the real sector, strategic investments in the future of the country, reboot of public administration, law and order.

The Message of the President of the country was as informative as possible. Every word has a deep meaning and concerns important aspects of the life of Kazakhstanis. In his Message, Kassym-Jomart Kemelevich gave a clear instruction to the state apparatus, identified important areas of development, stressed the importance of the hearing state, said Toktar Aktaylakov, Director of Repairs at Ust-Kamenogorsk CHPP LLP.

On October 14, 2022, the team of Ust-Kamenogorsk CHPP LLP took the second place of honor in basketball competitions among power engineers of East Kazakhstan region. The competitions were held within the framework of the XXXVIII Sports Contest among Power Engineers of the region.

On October 25, 2022, a mini-football tournament among the company's employees was held at the Mangistau Arena sports complex on the initiative of the trade union committee of the Local Trade Union of MRENC JSC.

The main goal of the sports campaign is to promote a healthy lifestyle, develop and support the corporate spirit between employees.

Eight teams took part in the tournament, all employees of the structural divisions of the enterprise. Professional referees from the Mangystau Regional Football Federation were invited to judge the participants.

All the teams showed a good game, and from the very beginning of the competition, a stubborn struggle for reaching the finals unfolded.

According to the results of the tournament, the first place was taken by the team of Aktau RES. The second place was taken by the team of Beyneu RES. The bronze medalists of the competition were the team of the Shetpe RES.

On December 23, 2022, Ust-Kamenogorsk CHPP LLP, the largest heat producer in East Kazakhstan Region, held a solemn event dedicated to the celebration of a professional holiday – the Power Engineer's Day.

At the solemn meeting organized in the concert hall of the Yertis Concert CPK, veterans and the best employees of the enterprise who made a significant contribution were awarded with the highest awards, certificates of honor of the Kazakhstan Electricity Association and the Kazakhstan Utility Systems Group, medals and certificates of Ust-Kamenogorsk CHPP LLP, as well as Akims of East Kazakhstan Region and Ust-Kamenogorsk in the development of the plant.

The year 2022 marks an important date for the Company – the 75th anniversary of the Ust-Kamenogorsk CHPP. The solemn event started with the viewing of a documentary dedicated to the station. The film presented the history of the CHPP, its main values and principles.

On December 22, 2022, the leading engineer of the Production Control, Safety and Labor Protection Service of Ust-Kamenogorsk CHPP LLP, Syrym Omirzakov, received the diplomas "Ystyk Kayrat", "Yenbek Adami" from the youth wing of the Amanat Party "Zhastar Rukhy", also a Diploma from the Akim of the city Zh.Omar as the "Best Worker of Production" as part of the Alau youth project.





Charity and Sponsorship

The Group of companies is an active participant in social projects aimed at supporting the population in the regions where it operates.

In connection with the emergency situation in Kostanay region, on September 12, 2022, employees of MRENC JSC provided financial assistance. In such a difficult period, energy companies rallied and demonstrated their readiness to provide assistance. The collected funds were transferred to the “Kayrymdylyk KZ” Unified Public Fund for assistance to Victims of the fire. Residents of Auliekol district of Kostanay region, who suffered as a result of the fire, are now going through a very difficult time. The trouble came unexpectedly, but it did not leave anyone indifferent. Our team has once again rallied to help the affected people. We consider it our civic duty, – noted the power engineers of MRENC JSC.

One of the principles of the social policy of Ust-Kamenogorsk CHPP LLP is caring not only for the employees of the enterprise, but also for the residents of the regional center. Every year, for charitable purposes, the UKCHPP provides all possible assistance, allocating coal free of charge to labor veterans and pensioners living in nursing homes. So, before the start of the heating season, in November 2022, Ust-Kamenogorsk CHPP transferred 42 tons of coal to three non-governmental institutions that do not have central heating: the “Obitel” veterans’ home located in the Tarkhanka village, “Luch Nadezhdy” Center for Social Adaptation and “Dobryi Phoenix” nursing home in the private sector. Homefront workers, veterans, the elderly and the disabled, who require special care, live in these institutions on a permanent basis.

Employees of Ust-Kamenogorsk CHPP are traditionally expected in the “Obitel” Veterans’ Home the onset of the autumn season. Fourteen tons of coal was delivered just before the first cold weather. A car with solid household fuel approaching a small house was met by the head Olga Mikhaylovna Andreyeva. On behalf of the staff and all residents of the Veterans’ Home, she expressed gratitude to Ust-Kamenogorsk CHPP for help and attention to the older generation, shared about the work carried out in the institution to improve living conditions. Fresh vegetables are grown here in an equipped greenhouse with their own hands, an extension to the house was completed and a new furnace was brought there.

We try to create all conditions and comfort for our old women and men. We provide fresh home-made vegetables and food all year round, there is a recreation area where you can watch TV, read newspapers, books, play chess. All rooms in the house are equipped with CCTV cameras, they can be used to monitor the condition of elderly people without disturbing them. Everyone has relatives, they come to visit, help, – says Olga Mikhaylovna. Ust-Kamenogorsk CHPP wishes every resident of nursing homes good health, long life and well-being.

Energopotok LLP is an active participant in social projects aimed at supporting the population in the region. The company provides monthly free benefits to participants of the Great Patriotic War and persons equated to them in the amount of 30 kWh. Also, services for reconnecting to electric networks, after eliminating violations of the terms of the contract, are provided to large families free of charge on the basis of a written request.

ENVIRONMENTAL PROTECTION

The most noticeable impact on the environment has the coal generation of energy. In accordance with the principle of materiality in disclosing information, in this annual report, the Company discloses environmental protection issues with regard to subsidiary energy generating assets.

Kazakhstan Utility Systems LLP views environmental protection activities as an integral part of its daily work, fully recognizing the need to maintain environmental balance and ensure environmentally sustainable social and economic development of society.

Responsible attitude to the environment is the key principle of the Environmental Policy. The objectives of this policy are to minimize the negative impact on the environment, increase the level of environmental safety, responsibility for ensuring environmental protection, energy saving and rational use of natural and energy resources in the activities of the enterprise.

The enterprises implemented and successfully operate an integrated management system based on the operation of three international standards: ISO 9001; ISO 14001; ISO 45001. In 2021, the organizations successfully passed an inspection of management systems, confirmed the compliance of the functioning environmental management system with the requirements of the international standard ISO 14001:2015.

Karaganda EnergoCenter LLP and Ust-Kamenogorsk CHPP LLP annually forms the Environmental Program, which defines the necessary environmental measures, as well as the costs of their implementation.

In 2022, the following measures were taken to protect the environment by the company itself and the third-party companies:

Company

Karaganda EnergoCenter LLP

Event

- Operational and commissioning tests of the ARU of boilers BKZ-50 No. 1-5 and PTVP-100 No. 1-3;
- Monitoring of impact on atmospheric air at the border of sanitary protection and residential zones;
- Periodic watering of the territory of the works performed at the ash dump using special automatic machines;
- Rational use of water resources, reducing the risk of excess water losses;
- Determination of the quality of drinking water;
- Dust suppression of section No. 2 of the dry storage ash dump of CHPP-1 with development and transportation of soils;
- Extending the service life of an ash dump with hydraulic ash removal system;



- Soil cover monitoring;
- Dust suppression in development of ash and slag waste from the existing ash dump No. 1 of CHPP-1 with hydraulic ash removal system loamy soil;
- Disposal of waste to interested individuals and legal entities for processing, utilization and disposal;
- Radiation quality tests of ash and slag waste, fuel oil and coal.
- Repair and partial replacement of burner devices on boilers unit BKZ-420-140 st. No. 1-7;
- Instrumental measurements of emissions of harmful substances into the atmosphere from the station's boilers;
- Maintenance and inspection of the stationary gas analysis complex SGK-509;
- Steam irrigation to reduce emissions from coal transfer;
- Process flow tests of ash-collecting plants;
- Soil cover monitoring;
- Services for the confirmation and verification of the greenhouse gas emissions report;
- Inventory of greenhouse gas emissions and ozone-depleting substances;
- Monitoring of wastewater emissions and monitoring of a water body (at the water intake site, above and below the wastewater discharge);
- Monitoring of soil conditions at a place of the ash dump
- Landscaping;
- Construction of ash dump No. 5;
- Use of ash and slag waste;
- Preventive environmental safety – overhaul of ash pipelines;
- Transfer of solid household waste for disposal;
- Recycling of waste rubber products;
- Supervisory audit of the environmental management system
- ISO 14001;
- Observations on the deformation of the earth's surface of ash dump No. 3;
- Environmental studies: environmental control/ monitoring of environmental quality at a place of the ash dump, industrial site;
- Pumping of wells and sampling of groundwater at a place of the ash dump and industrial site;
- Advanced training of specialists on environmental protection.

Company

Ust-Kamenogorsk CHPP LLP

Event

- Replacement of medium pressure boiler emulsifiers swirlers;
 - Maintenance of an automated system for monitoring emissions into the atmosphere;
 - Repair of ash-collecting installations of boilers;
 - Repair of burner devices of boilers;
 - Restoration of brickwork envelope and thermal insulation of boilers;
- When considering projects on construction, reconstruction, modernization of equipment and facilities, companies assess the completeness of all types of environmental impacts and develop measures to reduce them.

Violations of Environmental Legislation

The Company's enterprises, as large nature users, are almost constantly under the control of state environmental protection authorities.

In 2022, there were no inspections at Karaganda Energocenter LLP by the Environment Department.

In 2022, Ust-Kamenogorsk CHPP LLP was inspected by the Environment Department to monitor the implementation

of paragraphs 1,3 of Regulation No. 98 dated January 26, 2022. As the implementation progressed, a response was submitted on the implementation of all points of the regulations on elimination of violations No. 98 dated 26.01.2022.

Thus, at the time of the unscheduled inspection in respect of Ust-Kamenogorsk CHPP LLP on compliance with environmental legislation, no violations were detected.

Atmospheric Air Protection

Karaganda Energocenter LLP (hereinafter referred to as KEC) and Ust-Kamenogorsk CHPP LLP (hereinafter referred to as UKCHPP) are major nature users and have a significant impact on atmospheric air.

In accordance with the environmental legislation of the Republic of Kazakhstan, regulatory documents (MPE, EIA) were developed for power plants and maximum permissible concentrations (MPC) were established.

In order to comply with the environmental legislation of the Republic of Kazakhstan and maintain the design emissions of pollutants at power plants, operational monitoring is carried out, which includes: calculation of environmental emissions from stationary sources, accounting of manufactured products, consumption of raw materials and materials, the number of hours of

operation of each equipment, the quality and composition of burned fuel.

From 2004 to 2016, the ash collecting units at all nine boilers of the station were replaced with emulsifiers of the 2nd generation. Implementing this measure allowed to increase the efficiency of coal ash capture from outgoing flue gases. At the same time, the implementation of this measure made it possible to increase the efficiency of capturing sulfur dioxide without adding special reagents.

From 2009 to 2013, high-pressure boilers (article 11–15) were reconstructed with the introduction of high-concentration dust supply technology in order to reduce emissions of nitrogen oxides into the atmosphere. Implementing this measure allowed reducing the concentration of nitrogen oxides in the outgoing flue gases by up to 20%.



In 2019, the project to reduce nitrogen oxide emissions from the boiler unit No. 15 at UKCHPP was completed. Implementing the design solutions allowed reducing the concentration of nitrogen oxides in the flue gases leaving the boiler by more than 20%.

The company implemented all acceptable best available technologies according to the list approved by the order of the Minister of energy of the Republic of Kazakhstan No. 155 dated November 28, 2014.

The volume of gross emissions from stationary sources in 2022 amounted to:

- Karaganda Energocenter LLP – 35,555 tons at the established standard of 46,310.16 tons/year.
- Ust-Kamenogorsk CHPP LLP – 15,299 tons at the established standard of 17,722 tons/year.

In total: 46,854 tons with a standard of 64,032 tons.

According to the Code of the Republic of Kazakhstan “On Taxes and other Obligatory Payments to the Budget”, emissions from mobile sources are not calculated, the amount of fuel used is the basis for calculations of payments for emissions from mobile sources. Transportation of workers, raw materials, materials used for the Company’s activities and performance of work is carried out over short distances and does not have a significant environmental impact.

In 2022, tax payments for pollutant emissions from stationary sources amounted to:

- KEC – 307.567 million KZT, from mobile sources (transport) – 0.94 million KZT.
- UKCHPP – 282.109 million KZT; from mobile sources (transport) – 0.822 million KZT.

The statistics on the volume of emissions of harmful substances into the atmosphere by the group of companies over the past 3 years are presented below:

Types of emissions (tons/year)	2020	2021	2022
Karaganda CHPP-1			
Total, including:	3,004	2,867	2,700
▪ Ash (inorganic dust SiO ₂ -70-20%)	553	572	562
▪ Nitrogen oxides (NO _x)	525	458	451
▪ Sulfur dioxide (SO ₂)	1,679	1,601	1,457
▪ Carbon oxide (CO)	95	86	78
▪ Other	152	151	152
Karaganda CHPP-3			
Total, including:	35,575	32,324	28,855
▪ Ash (inorganic dust SiO ₂ -70-20%)	4,853	5,136	5,082
▪ Nitrogen oxides (NO _x)	10,381	9,175	8,732
▪ Sulfur dioxide (SO ₂)	19,645	17,189	14,334
▪ Carbon oxide (CO)	387	506	383
▪ Other	309	318	324
Total for KEC	38,579	35,192	31,555
Ust-Kamenogorsk CHPP LLP			
Total, including:	16,052	16,186	15,299
▪ Sulfur dioxide (SO ₂)	8,735	8,724	8,225
▪ Nitrogen oxides (NO _x)	5,012	4,959	4,669
▪ Ash (inorganic dust SiO ₂ -70-20%)	2,096	2,296	2,231
▪ Carbon oxide (CO)	185	183	150
▪ Other	24	24	24
Total for Group of companies:			
Types of emissions (tons/year)	2020	2021	2022
Total, including:	54,631	51,378	46,854
▪ Sulfur dioxide (SO ₂)	30,059	27,514	24,016
▪ Nitrogen oxides (NO _x)	15,918	14,592	13,852
▪ Ash (inorganic dust SiO ₂ -70-20%)	7,502	8,004	7,875
▪ Carbon oxide (CO)	667	775	611
▪ Other	485	493	500

In accordance with the environmental legislation of the Republic of Kazakhstan, companies annually make inventory of greenhouse gas emissions from burnt fuel

(coal, fuel oil). The verified reports were submitted to the authorized bodies on environmental protection within the established time frame.





Below is the dynamics of greenhouse gas emissions in tons of CO₂:

Year	2020	2021	2022
KEC	5,677,555	5,836,680	5,124,373
UKCHPP	2,839,526	2,703,928	2,818,075
Total	8,517,081	8,540,608	7,942,447

Note: the dynamics of emissions depends on the level of heat and electric power production, which affects the amount of fuel used. At the same time, it should be noted that the specific level of emissions

per unit of output is lower than the approved level for “benchmarking” (the average level for coal-fired heat power plants).

Waste Management

In the course of production activities at CHPP-1 and CHPP-3, industrial and household wastes are generated, which are related to green and amber hazard levels. In accordance with the environmental legislation of the Republic

of Kazakhstan for CHPP-1 and CHPP-3, regulatory documents on waste management were developed (LRW, waste management program, hazardous waste passports).

Volume and types of waste generated in 2022:

Non-hazardous waste

- ash and slag waste;
- waste tires;
- solid household waste;
- waste air filters;
- food waste;
- thermal insulation waste;
- construction waste;
- waste from operation of office and electronic equipment;
- waste workwear;
- crop production waste;
- wood waste;
- waste of rubber products;
- waste of electrical insulation material;
- abrasive-metal dust;
- scrap of abrasive products.

Hazardous waste

- waste ion exchange resins;
- waste mercury-containing lamps;
- waste mercury-containing devices (thermometers); waste lead batteries;
- waste from a medical center of class “B”; oiled rags; waste car filters;
- waste oils;
- containers of paint and varnish materials;
- used wooden railway sleepers

In accordance with the environmental legislation of the Republic of Kazakhstan and regulatory documents, the Company records generation, permits, accumulation, storage, alienation of industrial and household waste. In 2022, the industrial sites of the stations conducted:

Waste management, t	KEC	UKCHPP	Total for Group of companies
Generated waste for 2022	1,425,751	242,898	1,668,649
Neutralized, disposed of and reused	30	0	30
Transferred on a contractual basis for disposal to third-party organizations	1,474	1,649	3,123
Placed in storage tanks (ash dumps)	1,424,246	241,249	1,665,495

The ash and slag waste of CHPP-1 is placed on a 24 ha ash dump, which is a hydrotechnical structure. In 2016, the Department of Government Assets and Procurement of Karaganda transferred 40 ha dry storage ash dump to Karaganda EnergoCenter LLP on a contractual basis for trust management. According to the project, the end of operation of these ash dumps is scheduled for 2028.

Ash and slag waste from CHPP-3 is stored in the 3rd section of ash dump No. 2 with an area of 82 ha, commissioned in 2021. The estimated service life is 3.5 years. At the moment, the construction of section No. 1 of the ash dump No. 3 is underway. The service life

of the 1st and 2nd sections of ash dump No. 2 ends in 2021, the sections were recultivated.

Ash and slag waste of UKCHPP is placed in the existing ash dump with an area of 31.6 ha.

In 2019, the reconstruction of the Ash Dump No. 3 for building up the dam was completed, including through the use of accumulated ash and slag waste. In 2022, work continued on the construction of a new ash dump No. 5.

Payments for emissions for the placement of ash and slag waste in 2022 amounted to 80.599 million KZT in the KEC and 24.385 million KZT in the UKCHPP.

Water Resources

In accordance with the technological process at CHPP-1 and CHPP-3, Karaganda EnergoCenter LLP, there is a circulating water supply system. To compensate for losses in the circulating water supply system and household needs, CHPP-1 and CHPP-3 use drinking water. At CHPP-1, water comes from ArcelorMittal Temirtau JSC and Karagandy Su LLP. Water supply to Karaganda CHPP-3 is provided on a contractual basis from the treatment facilities of Karagandy Su LLP.

The source of water supply for Ust-Kamenogorsk CHPP LLP is the Ulba River (its own water in-take), the recycling water supply system, networks of Oskemen-Vodokanal SCE and Atamanovskiy vodozabor JSC of Ulba Metallurgical Plant JSC (UMP).

Technical water from the Ulba river is used for cooling the main and auxiliary equipment; making up the reverse system of wet ashing removal; making up the cooling



tower; transferring water to third-party consumers; making up for losses of steam and condensate in medium-pressure boilers. Drinking water from the Oskemen-Vodokanal is used to feed the city's heat networks (Ust-Kamenogorskiye Teplovye Seti JSC) and for the economic and drinking needs of the CHPP. Artesian water of UMP JSC is used for the technological needs of

thermal power plants (to compensate for steam losses to consumers of UMP JSC, Kazzinc LLP), to feed the city's heat networks (Ust-Kamenogorskiye Teplovye Seti JSC).

In the direct-flow cooling system, water is discharged into the Ulba River after passing the technological cooling cycle of the main and auxiliary equipment.

Water consumption indicators in 2022, thousand tons

Indicator	CHPP-1	CHPP-3	UKCHPP	Total
Water consumption, including	747	17,385	49,784	67,916
▪ Consumption for technological needs	706	17,191	49,641	67,538
▪ Consumption for economic and household needs	41	194	143	378
By water supply sources:	748	17,385	50,227	68,359
▪ Open sources	0	0	39,767	39,767
▪ Third-party organizations	748	17,385	10,460	28,592
Reuse of water:	84,763	510,646	151,779	747,188
▪ Circulation system	82,309	491,652	141,138	715,099
▪ Water circulation of ash dumps	2,454	18,994	10,641	32,089

Household wastewaters of CHPP-1 and CHPP-3 are discharged on a contractual basis to the treatment facilities of Karagandy Su LLP. Discharges to the terrain and water bodies are not carried out.

During the production environmental control at the stations, the quality of incoming water from Karagandy Su LLP and ArcelorMittal Temirtau JSC, as well as the DHW is continuously monitored. According to the results of the monitoring, the incoming and transferred water meets the sanitary and epidemiological requirements.

Every month, the sampling is carried out at the plants of sewage from fecal and storm sewerages, clarified water coming from the ash disposal areas, circulating

water. The quality of these waters meets the operating and maintenance rules.

At the UKCHPP, Standard-clean wastewater is formed during cooling of the main and auxiliary equipment and is partially directed to the circulating system of technical water supply with a cooling tower, partially diverted to the Ulba River through output No. 162. Discharge of effluents to the Ulba river (output No. 162) is carried out through a closed collector.

The volume of discharge of standard-clean wastewater in the Ulba river in 2022 amounted to 37,961 million m³. The amount of discharge of pollutants (petroleum products) in the Ulba river in 2022 amounted to 1,528 tons at the established standard of 1.95 tons.

In accordance with the Water and Environmental Codes of the Republic of Kazakhstan, surface and ground waters are monitored in the ash disposal areas. According to the

Land Resources

The main impact on the recontamination of the soil can be caused by ash and slag waste generated during the combustion of fuel in the boiler furnaces and stored in the ash dumps of companies. To prevent the risk of soil contamination at the plants, the annually measures are taken to prevent dust-ing of ash dumps.

At the end of the heating season, at CHPP-1 to prevent dusting of the ash dump, the ash and slag waste is

results of the monitoring conducted by an independent accredited organization in 2022, no significant impact on groundwater and surface water was detected.

covered with loamy soil (loam layer min 30 cm). At the ash dump of CHPP-3, the water level in the bowl and the alluvium of ash beaches are monitored daily to prevent dusting of ash and slag waste.

According to the results of the monitoring of the soil cover, conducted in 2022 by an independent accredited organization, no significant impact on soil resources was detected.

Environmental Activities and Initiatives

Kazakhstan Utility Systems LLP regularly cooperates with the KAPUR, Kazakhstan Association of Regional Environmental Initiatives ECOJER, Kazakhstan Electricity Association, Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex KAZENERGY, the Chamber of Entrepreneurs to address environmental issues and improve environmental legislation.

In 2022, the group of companies:

- The company has an Initiative Youth Program, where activists from the company's personnel organize various actions to improve occupational safety and environmental protection.

The personnel of the companies in 2022 took part in the following environmental actions:

- in the global international Earth Hour campaign initiated by the international community on March 26, 2022;
- in the international World Clean-up Day campaign, supporting the volunteer movement to clean up urban areas (cleaning of an area adjacent to the enterprise, as well as the coastal zone);
- in periodic clean-up events aimed at cleaning the territory inside the enterprise and the adjacent territory of the city;
- ensured the functioning of the information column "About the CHPP's Work" on the official pages in social networks to inform the public about the work of the UKCHPP, environmental projects and initiatives.



Participation in joint public briefings initiated by the Environment Department of East Kazakhstan Region with the participation of the public and the media on implementation of the Roadmap for Improving the Environment of the city, implementation of environmental measures of the enterprise, on measures to control the level of pollution during adverse weather (AW) and others.

During the year, monthly days of safety and environment are held by the Safety and Labor Protection, Operation Service and the Environmental Protection Department for the personnel of the enterprise in order to update knowledge, train and promote the mindset of compliance with occupational safety and environmental requirements at the workplace, which positively affects the safety of production.

Energy Saving

Resource Consumption – KEC

Type of resource	2019	2020	2021	2022
Coal, ton of oil equivalent	3,547,685	3,453,083	3,582,256	3,304,396
Fuel oil, ton of oil equivalent	5,341	5,963	6,302	5,609
Fuel total, ton of oil equivalent	2,027,600	1,977,960	2,057,656	1,902,105
Electric power, thousand kWh	539,734	526,486	558,668	4,148,529
Heat power, Gcal	4,493	4,676	4,971	3,178,237

Resource consumption – UKCHPP

Type of resource	2019	2020	2021	2022
Coal, ton of oil equivalent	1,559,401	1,565,673	1,551,728	1,462,677
Fuel oil, ton of oil equivalent	1,490	855	1,023	1,341
Fuel total, ton of oil equivalent	1,044,679	1,064,257	1,032,559	979,486
Electricity for own needs, thousand kWh	323,401	326,733	324,761	318,219
Heat energy for household needs, Gcal	4,794	4,827	4,776	4,775

The main task of energy saving and energy efficiency improvement of Kazakhstan Utility Systems LLP is to reduce the volume of energy consumed, including by reducing the energy consumption for own needs, reducing the specific

resource expenditures for the production of power and heat, reducing fuel resources for heat and power, improving the mechanisms for monitoring energy consumption and equipping with power and heat metering devices.

Energy saving measures:

Karaganda Energocenter LLP

In 2022, Karaganda Energocenter LLP implemented a number of organizational and technical measures aimed at the rational use of energy resources:

1. Overhaul of the boiler unit BKZ-420-140-5 st. No. 4, BKZ-420-140-5 st. No. 7 with the replacement of defective screen panels, repair of emulsifier with replacement of drop traps, replacement of burner devices, etc. The activity allowed reducing the annual consumption of coal by 1,574.02 tons and emissions into the atmosphere in the amount of 13.87 tons.
2. Replacement of the raw water conduit. As a result of the operation, defects were identified, and parts of the sites that are in unsatisfactory condition were replaced in the repair of 2022. The repairs carried out will reduce the internal water losses and increase the reliability of the station equipment.
3. Repair of the cooling tower st. No. 2. with the restoration of the cooling tower casing, which allowed to improve the quality of cooling of circulating water, and accordingly increase condensation production in the summer, additional annual electricity generation amounted to 4.465 million kWh (an increase in the electric load of the station by 3 MW)

■ **The overall effect of the activity is a reduction in fuel consumption by 0.146%.**

Ust-Kamenogorsk CHPP LLP

In 2022, Ust-Kamenogorsk CHPP LLP implemented a number of organizational and technical measures aimed at the rational use of energy resources.

1. Major repair of the boiler unit st. No. 10 with replacement of the air heater of the I stage
2. Major repair of the boiler unit st. No. 10 with replacement of the air heater of the II stage
3. Major repair of the main building lighting
4. Repair of mains water heaters with cleaning of pipe systems

■ **The overall effect of the activity is a reduction in fuel consumption by 0.079%.**





Karagandy Zharyk LLP

Information on results of implementation of the action plan for energy saving and energy efficiency improvement for 2022 by Karagandy Zharyk LLP

Activity	Actual investments for the reporting period (including VAT), KZT	Actual saving effect from implementation of activities for the reporting period	
		energy resource	in kind
Disconnection of transformers in low-load modes at substations with two or more transformers.	0	electric power (kWh)	1,735,303
Equalization of phase loads in 0.38 kV electrical networks	0	electric power (kWh)	30,565
Periodic assessment of compliance of the management system with the ISO 9001:2015, ISO 50001:2018 standards.	925,000	-	-
Assessment of compliance of the management system with the ISO 45001:2018.	925,000	-	-
Retraining and advanced training of personnel	5,054,978	-	-

- The overall effect of the activities is a reduction in the total volume of technological losses by 0.67%

Ontustik Zharyk Transit LLP

Information on the results of the implementation of the energy saving action plan for 2022 of Ontustik Zharyk Transit LLP

Activity	Actual investments for the reporting period (including VAT), thousand KZT	Actual saving effect from implementation of activities for the reporting period	
		energy resource	in kind
Replacement of overloaded, installation and commissioning of additional power transformers on existing SS 35-110 kV	1,129,113.31	electric power (kWh)	600,068
Replacement of overloaded, installation and commissioning of additional power transformers on existing TS, PTS 10-6 kV	359,564.23	electric power (kWh)	140,488.00
Replacement of wires on overloaded 0.4 kV HV lines	341,486.90	electric power (kWh)	1,079,496
Replacement of wires on overloaded 0.4 kV HV lines (using self-supporting insulated wires)	1,693,758.10	electric power (kWh)	1,118,532.8

- The overall effect of the activities is a reduction in the total volume of technological losses by 0.446%

Mangistau Regional Electricity Network Company JSC

Information on the results of the implementation of the action plan for energy saving and energy efficiency for 2022 of Mangistau Regional Electricity Network Company JSC

Activity	Actual investments for the reporting period (including VAT), KZT	Actual saving effect from implementation of activities for the reporting period	
		energy resource	in kind
Replacement of existing porcelain insulators with glass ones	62,893,009	electric power (kWh)	increased reliability
Replacing wires on overloaded lines	5,935,685	electric power	62,534
Replacement of branches from the 0.4kV overhead line		electric power	9,100
Load balancing of 0.38 kV transmission line phases		electric power	
Replacing oil switches with vacuum ones	732,431,757	electric power	148,176
Equalization of phase load in 0.4 kV electrical networks		electric power	326,200

- The overall effect of the activities is a reduction in the total volume of technological losses by 0.398%

MARKETING ACTIVITIES

Kazakhstan Utility Systems LLP, which is one of the leaders in its segment of activity in the country, pays special attention to the formation and preservation of its positive image both in the energy market of the country and among its consumers. Considering that power and heat energy is a socially significant product, to which the attention of the public and the media is always

focused, the basic principles of the KUS Group are openness and transparency of all activities. In accordance with the media plan, information about the activities of Kazakhstan Utility Systems LLP is brought to the public by the republican media, publications about the Company's events are placed in industry print media and electronic media.



It should be noted that the information policy of Kazakhstan Utility Systems LLP focuses on working with regional media, since maintaining a positive image of the company's subsidiaries among residents of the regions where the KUS operates is primarily important.

According to the media plan, the production activities (implementation of investment programs, modernization of production, repair campaign of CHPP, construction of new power grids, reconstruction of substations, activities of sales companies and other news information) of subsidiaries of the KUS Group are covered in regional media: TV channel news stories, articles in newspapers and on Internet information portals. At the same time, information on operation of the Company and its subsidiaries is published on the official website of Kazakhstan Utility Systems LLP and the official Facebook page, as well as on corporate media resources of subsidiaries.

Results of the Group's effective information policy are:

- favorable level of consumer loyalty to the Group and its subsidiaries in the regions where it operates;
- dynamic increase of the Group's brand awareness;
- ability of consumers and other audiences to learn about the events of the KUS Group in a timely manner;
- increasing the attractiveness of the Group as an employer and the ability to attract more qualified personnel;
- strengthening corporate cohesion, creating and maintaining a sense of responsibility and commitment

among the Group's employees to the fundamental values and ideology of the KUS Group.

The Group performs large-scale work to improve the quality of providing electric power and heat to its consumers, which arouses high interest from the public. Among the significant events and facts published in the media that aroused the greatest public interest in 2022:

- successful implementation of investment programs of subsidiaries of KUS Group during the year;
- repair campaign of CHPP in preparation for the upcoming heating season 2022-2023;
- modernization of power grid and construction of new energy facilities by energy transmission companies;
- growth in the number of consumers of sales companies;
- use of new technologies at the production facilities of the KUS Group;
- presentation of state and industry awards to the Group's employees;
- participation of KUS Group employees in international and national industry events;
- strict compliance of the Group's enterprises with the environmental legislation of the Republic of Kazakhstan.

The Group's image is focused on the current values of the modern society. Taking into account these fundamental values makes it possible to develop a regulated policy of interaction with all external and internal counterparties: consumers, partners, own employees, society.





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The Company considers it necessary to implement standards of effective business practices to occupy a leading position in the Kazakhstan energy market. We are aware that honesty, decency and maximum realization of our potential are key factors for sustainable long-term development of the Group.

CORPORATE GOVERNANCE

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



PRINCIPLES OF CORPORATE GOVERNANCE

The Group considers the development of corporate governance as an important factor in improving competitiveness and achieving economic efficiency.

The most important principles of corporate governance for the Group are:

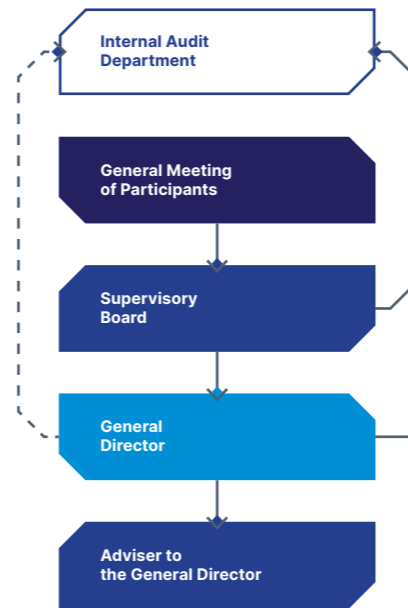
- ensuring a balance between the influence on management decision-making, responsibility for decisions made and interests of the participant in corporate relations;
- setting standards for reasonable and qualified management and proper control;
- optimization of production structure and the most efficient use of the Group's capital;
- ensuring the transparency of the Group's financial and economic activities and the reliability of reporting indicators;
- increasing investor confidence, improving the investment climate and increasing the volume, improving the structure and quality of investments.

MANAGEMENT STRUCTURE

There are three blocks in the Company's management structure: the General Meeting of Participants, the Supervisory Board, and the Executive Body.

General Meeting of Participants is the supreme body of the KUS, which makes decisions on the most

important issues of the Company's activities: amendments to the charter, authorized capital, company name, formation of the executive body, early termination of its powers, election or termination of the Supervisory Board, approval of financial statements, pledge of the Company's/Group's and others property.

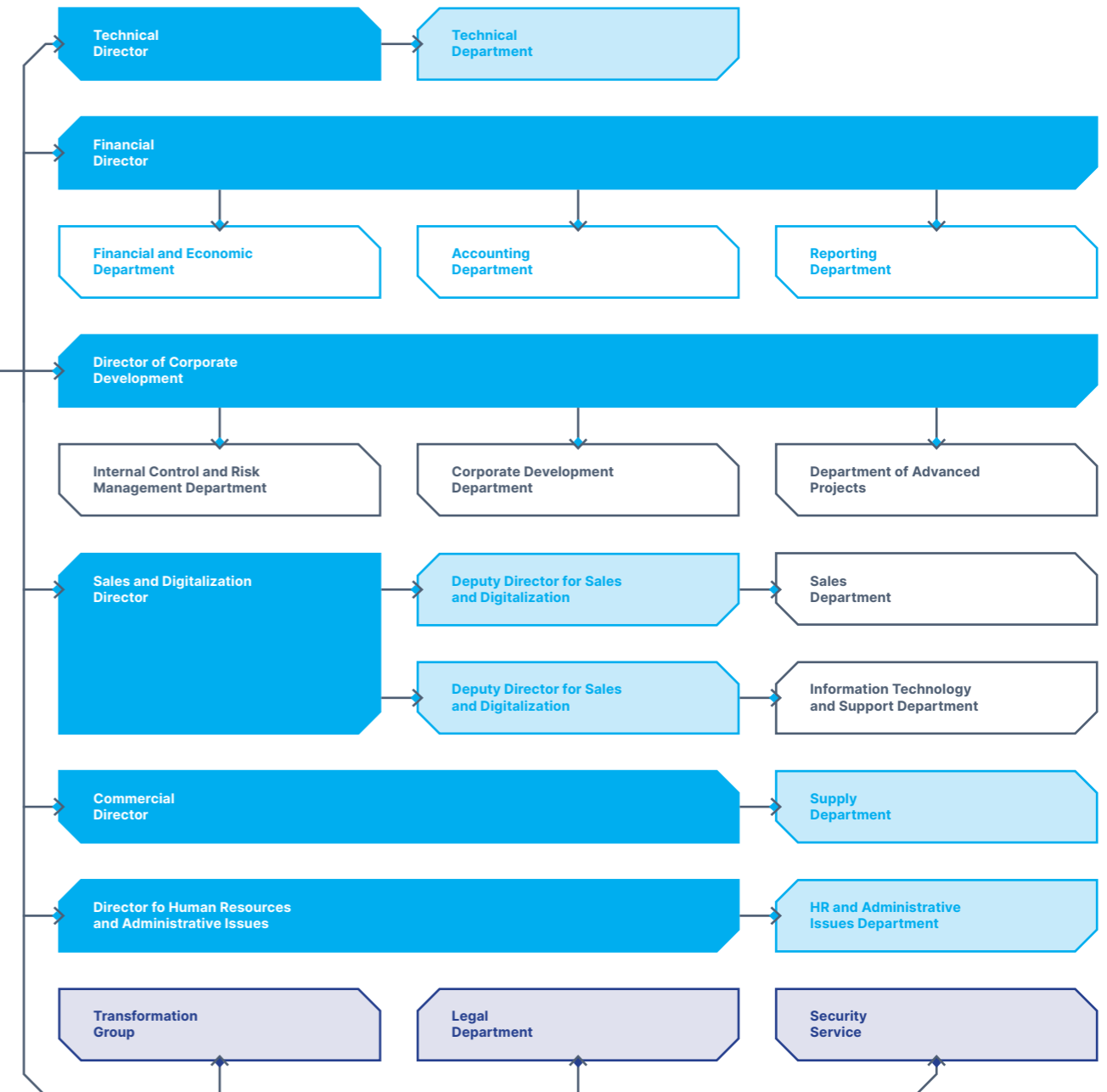


COMPOSITION OF PARTICIPANTS and Capital Structure

Participants of Kazakhstan Utility Systems LLP are:

- Idrissova Magda Kamalovna**, participation interest in the Company – 99%,
- Appaz Zharmukhamed Dinmukhmetuly**, participation interest in the Company – 1%.

CORPORATE GOVERNANCE SYSTEM in the Company





SUPERVISORY BOARD

The Supervisory Board of the Company carries out general management of the Company's activities, control over the activities of the executive body of the Company, control over financial and economic activities. The exclusive competence of the Supervisory Board includes the following issues:

- identification of priority areas of activity and approval of the Company's development strategy, medium-term development plan, as well as monitoring the implementation of the Company's strategy, plans and budgets;
- making a decision on completion of one or several consecutive transactions for acquisition and/or alienation of property by the Company, the total value of which is 25 percent or more of the total book value of all fixed assets owned by the Group;
- determination of the Company's production and financial policy in the form of approval of certain financial and production documents of the Company, financial and production/technical standards and regulations;
- control of quality and independence of the external auditor;
- determining the amount of payment for the services of an external auditor;

- other issues stipulated by the internal rules of the Company.

The purpose of the Supervisory Board is to monitor the activities of the Company's executive body, including ensuring the implementation of the Company's interests and protecting the rights of participants, establishing the principles and norms of the Company's activities, as well as ensuring understanding and compliance with the Company's obligations to participants and other persons.

In 2022, the Supervisory Board held 5 meetings. Key issues on which the Supervisory Board fo-cused its attention:

- Consideration of the draft Work Plan of the Supervisory Board for 2022;
- Approval of the participants of the KUS LLP digitalization program;
- Approval of the internal audit report on the subsidiaries and affiliates of KUS LLP;
- Approval of the analytical report on the performance of REC of KUS LLP;
- Approval of the consolidated report on the actual results of KUS LLP.

Composition of the Supervisory Board



Dinmukhamet Idrisov

Chairman of the Supervisory Board, Chairman of the Strategy Committee

Born on December 29, 1964

- From September 2021 to the present day – Chairman of the Supervisory Board of Ordabasy Group LLP.
- From March 13, 2019 to September 2021 – Chairman of the Management Board of Ordabasy Group LLP.
- From February 6, 2014 to the present day – Chairman of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From April 1, 2010 to March 12, 2019 – Chairman of the Supervisory Board of Ordabasy Group LLP.



Dinmukhamed Baizhanov

Member of the Supervisory Board

Born on November 29, 1985

- From September 2021 to the present day – Chairman of the Management Board of Ordabasy Group LLP.
- From July 2021 to the present day – Member of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From January 2019 to September 2021 – First Deputy Chairman of the Management Board of Ordabasy Group LLP.
- From August 2016 to January 2019 – Managing Director for Development Programs of Ordabasy Group LLP.



Daulet Khan Kilybayev

Member of the Supervisory Board, Chairman of the Finance and Investment Committee

Born on July 9, 1976

- From July 2021 to the present day – Member of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From May 2019 to the present day – Chief Investment Officer of WESTPORT CAPITAL.
- From September 2014 to January 2019 – Chief Investment Officer of Al Falah Capital Partners.



Состав Наблюдательного совета



**Serik
Abdenov**

Member of the Supervisory Board



**Zharmukhamed
Appaz**

Member of the Supervisory Board



**Yergali
Begimbetov**

Member of the Supervisory Board,
Chairman of the Audit Committee

Born on January 15, 1977

- From July 2021 to the present day – Member of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From November 2018 to April 2021 – Deputy Chairman of the Management Board for Corporate Affairs and HR, National Company Kazakhstan Temir Zholy JSC.
- From July 2013 to November 2018 – Adviser to the Chairman of the Management Board, Vice-President for Human Resources Management of National Company KazMunayGas JSC.

Born on September 16, 1994

- From July 2021 to the present day – Member of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From February 2020 to the present day – Sales Director of Kazakhstan Utility Systems LLP.
- From August 2018 to the present day – Vice-Chairman of Dragon Fortune Pte Ltd.
- From October 2017 to December 2018 – Director for Corporate Development of AltynEx Company JSC.
- From May 2017 to August 2017 – Economist of AK Altynalmas JSC.

Born on April 23, 1972

- From July 2021 to the present day – Member of the Supervisory Board of Kazakhstan Utility Systems LLP.
- From May 2020 to the present day – Deputy Chairman of the Management Board of Ordabasy Group LLP.
- From March 2015 to March 2020 – Chairman of the Management Board of Insurance Company Amanat JSC.
- From September 2003 to March 2015 – Chairman of the Management Board of Insurance Company London-Almaty JSC.

Members of the Supervisory Board	Idrissov D.A.	Baizhanov D.O.	Kilybayev D.A.	Abdenov S. S.	Appaz Zh. D.	Begimbetov Ye. N.
Work experience in production in the industry	18/33	4/13	6/26	2/24	3/6	4/28
Key competencies						
Industry knowledge						
Work experience in the industry						+
Deep knowledge of the industry	+	+	+	+	+	+
Technical skills/experience	+	+	+	+	+	+
Specific skills and experience						
Finance	+	+	+	+	+	+
Deep knowledge of marketing	+	+	+	+	+	+
In-depth knowledge of social and environmental issues	+	+	+	+	+	+
Experience in management and law						
Corporate Governance	+	+	+	+	+	+
Strategy development and implementation	+	+	+	+	+	+
International experience	+		+		+	



Selection and Appointment

The participants of KUS LLP have the right to nominate candidates for members of the Supervisory Board.

The Supervisory Board has the right, at its discretion, to include candidates in the list of candidates for the positions of members of the Supervisory Board in the absence of candidates proposed by the Participants. The number of candidates proposed in the proposal for the nomination of candidates for members of the Supervisory Board may not exceed the number of members of the Supervisory Board.

The structure and quantitative composition of the Supervisory Board is determined by the General Meeting of the Participants (GMP). The number of members of the Supervisory Board may not be less than four. The Supervisory Board may include independent members, the number of which is determined by the Company's GMP.

The requirements for candidates for members of the Supervisory Board include:

- work experience, knowledge and qualifications necessary for making decisions related to the competence of the Supervisory Board;
- sufficient time for effective and proper performance of duties in the Supervisory Board and its Committees;
- ability to express an independent opinion and defend it if a member of the Supervisory Board believes that this is in the interests of the Company;
- good business reputation and positive achievements in the business and/or industry environment;
- knowledge of specifics of the Company's business and industry;
- compliance with requirements of independence (in relation to independent members of the Supervisory Board).

Only an individual can act as a member of the Supervisory Board. He/she cannot be a member of the Executive Body at the same time. Members of the Supervisory Board may be elected from among:

- participants – individuals;
- individuals proposed (recommended) for election to the Supervisory Board as representatives of the Participants;
- individuals who are not a Participant and have not been proposed (recommended) for election to the Supervisory Board as a representative of the Participant.

An individual who is a participant, a member of the management body or an employee of a legal entity competing with the Company cannot be elected to the Supervisory Board.

A person who has been found guilty of committing crimes in the field of economic activity or crimes against state power, the interests of public service and service in local self-government bodies, or to who have been charged penalties for offenses in the field of entrepreneurial activity or in the field of finance, taxes, or the securities market, cannot be elected to the Supervisory Board.

All members of the Supervisory Board shall officially take office and regularly improve their professional knowledge and skills.

The determination of quantitative composition of the Committees under the Supervisory Board, the election of their chairmen and members, as well as early termination of their powers falls within the competence of the Supervisory Board. Members of the Supervisory Board and, if necessary, experts with the necessary professional knowledge to work in the Committee are elected to the Committees.

Managing Conflicts of Interest

A member of the Supervisory Board, when exercising his/her rights and performing his/her official duties, shall promptly inform the Supervisory Board of KUS LLP about any conflict of interest in connection with decisions to be taken by the Board.

A member of the Supervisory Board, when exercising his/her rights and performing his/her official duties, shall comply with the following rules and requirements regarding conflicts of interest:

- immediately inform the Chairman of the Supervisory Board in writing about any personal, commercial or other interest (direct or indirect) in transactions, contracts, projects related to KUS LLP (or its subsidiaries);
- not to receive gifts, services or any advantages from individuals or legal entities that represent or can be considered as remuneration for decisions or actions taken or performed by a member of the Supervisory Board within the framework of his/her official powers, except for symbolic advances in accordance with generally accepted rules of politeness or souvenirs during official events;
- not to disclose confidential, insider and other official information that has become known to a member of the Supervisory Board in connection with the performance of relevant duties, to persons who do not have access to such information, as well as not to use it for his/her own interests or the interests of third parties, both during the period of performing the duties of a member of the Supervisory Board, and for 3 (three) years after termination of employment contract with KUS LLP;
- comply with all the rules and procedures provided for by the internal documents of KUS LLP and related to safety measures of confidential information of KUS LLP;

- provide the Supervisory Board with complete and accurate information on activities and financial position of KUS LLP in a timely manner;
- as to independent members of the Supervisory Board – to refrain from actions as a result of which such members will cease to be independent. If, as a result of a change in circumstances, an independent member of the Supervisory Board ceases to be such, he/she shall notify the Supervisory Board in writing within five (5) working days.

Assessment of Performance

Performance of the Supervisory Board and each of its members is assessed in accordance with the criteria developed by the Supervisory Board Committee for Appointments and Remuneration.

Assessment of performance of each member of the Supervisory Board contains the following criteria:

- regularity of attending meetings of the Supervisory Board;
- readiness for meetings;
- level of participation activity;
- independence and objectivity of judgments;
- compliance with ethical standards;
- personal contribution to constructive discussion of issues considered at the meetings of the Supervisory Board, which contributed to the adoption of effective decisions of the Supervisory Board;
- compliance with the principle of loyalty.

Supervisory Board shall annually assess the performance of the activities of the Supervisory Board and each member of the Supervisory Board separately and submit reports to the GMP of KUS LLP for consideration.



Supervisory Board Committees

In order to create a platform for active discussion and detailed analysis of individual issues, 4 (four) committees function under the Supervisory Board of KUS LLP:

1. Audit Committee;
2. Finance and Investment Committee;
3. Strategy Committee;
4. Digitalization Committee.

In 2022, the committees of the Supervisory Board of KUS LLP held 6 meetings. Key issues on which the Supervisory Board Committees focused its attention:

- Identification of suppliers for the projects “Unified Billing”, “Payment System”, “Service Activities”, “Digital Platform”, “Database Updating”;
- Current status of the digitalization program (Unified Billing, Service Activities, Payment System, Digital Platform, Database Updating);
- Consideration of the actual consolidated results of financial and economic activities of Kazakhstan Utility Systems LLP for the first 12 months of 2021 in comparison with the plan for the same period of 2021;
- Consideration of the consolidated report on actual results of financial and economic activities of Kazakhstan Utility Systems LLP for the 1st half of 2022 in comparison with the plan for the same period of 2022, EBITDA loss – 6,005,841 thousand KZT;
- Consideration of the actual consolidated results of financial and economic activities of Kazakhstan Utility Systems LLP for the first 9 months of 2022 in comparison with the plan for the same period of 2022;
- Approval of the amended consolidated budget of income and expenses of Kazakhstan Utility Systems LLP for 2022, taking into account the introduction of a moratorium on raising utility tariffs in the Republic of Kazakhstan, EBITDA 55,920,896 thousand KZT.

The Audit Committee analyzes the process of preparing the Group’s financial statements, analyzes the reliability and effectiveness of internal control and risk management systems, as well as the effectiveness and independence of external and internal audits. The Committee is also responsible for ensuring that the Group complies with the legislation of the Republic of Kazakhstan.

Composition of the Committee:

- Yergali Nurlanovich Begimbetov – Chairman of the Committee;
- Dinmukhamed Orynbasarovich Baizhanov – member of the Committee;
- Bauyrzhan Yedegeyevich Berdikeyev – member of the Committee;
- Zharmukhamed Dinmukhаметuly Appaz – member of the Committee;
- Vladimir Ivanovich Ussenko – member of the Committee.

The Finance and Investment Committee is in charge of attracting financing, establishing an effective assessment of the funds raised, evaluating investment projects, and supervising the financial and economic activities of the Group. This Committee shall meet at least once a quarter.

Composition of the Committee:

- Daulet Khan Azimkhanovich Kilybayev – Chairman of the Committee;
- Zharmukhamed Dinmukhаметuly Appaz – member of the Committee;
- Vladimir Ivanovich Ussenko – member of the Committee.

The Strategy Committee makes recommendations on determining the strategic and priority directions of the

Group’s development, as well as assesses the prospects of investment projects and their impact on increasing the value of the Group. This Committee shall meet at least once every six months.

Composition of the Committee:

- Dinmukhамет Appazovich Idrisov – Chairman of the Committee;
- Dinmukhamed Orynbasarovich Baizhanov – member of the Committee;
- Idrisov Sabyrgali Mukhаметkaliyevich – member of the Committee;
- Daulet Khan Azimkhanovich Kilybayev – member of the Committee;
- Serik Sakbaldiyevich Abdenov – member of the Committee.

The Digitalization Committee makes recommendations on the formation and approval of IT budgets, the acquisition and implementation of software products, telecommunications.

Composition of the Committee:

- Daulet Khan Azimkhanovich Kilybayev – Chairman;
- Zharmukhamed Dinmukhаметuly Appaz – member of the Committee;
- Serik Sakbaldiyevich Abdenov – member of the Committee;
- Idrisov Sabyrgali Mukhаметkaliyevich – member of the Committee;
- Yergali Nurlanovich Begimbetov – member of the Committee.

EXECUTIVE BODY

The Executive body of the Company is the General Director, who is accountable to the participants, acts on behalf of and in the interests of the Company and resolves all current issues of the Company’s activities, except those that fall within the competence of the General Meeting of Participants.

The General Director represents the interests of the Company, disposes of the Company’s property and financial resources, concludes agreements (contracts), including labor ones, issues power of attorney, opens current and other accounts in banks, approves the staffing table, issues orders, gives instructions that are binding on all employees of the Company.



Company Management



Sabyrgali Idrisov

General Director

Born on March 15, 1972

- From September 2012 to November 2014 – Deputy Akim of Karaganda region.
- From December 2014 to July 2017 – General Director of Kazvodkhoz RSE.
- From August 2017 to February 2021 – General Director of Ust-Kamenogorsk CHPP LLP.
- From February 2021 to June 2023 – General Director of Karaganda EnergoCenter LLP.
- From June 2023 to the present – General Director of Kazakhstan Utility Systems LLP.



Vladimir Ussenko

Technical Director

Born on June 7, 1960

- From January 2010 to the present day – Technical Director of Kazakhstan Utility Systems LLP.
- From January 2009 to January 2010 – Head of the Corporate Governance Department of Kazakhstan Utility Systems LLP.
- From June to September 2008 – Head of the Department of Electric Stations of Kazakhstan Utility Systems LLP.
- From September 2003 to March 2008 – Senior dispatcher of the regional dispatch center of KEGOC JSC – Almaty Interregional Electric Networks.



Aiman Shapagatkyzy

Financial Director

Born on September 24, 1984

- From June 2021 to the present day – Financial Director of Kazakhstan Utility Systems LLP.
- From August 2018 to June 2021 – Head of the Financial and Economic Department of Kazakhstan Utility Systems LLP.
- From December 2011 to August 2018 – Leading specialist of the financial and economic department of Kazakhstan Utility Systems LLP.



Alibek Tulekov

Director of Corporate Development

Born on March 31, 1989

- From June 2021 to the present day – Director for Corporate Development of Kazakhstan Utility Systems LLP.
- From June 2017 to June 2021 – Specialist, Chief Specialist, Head of Corporate Development Department of Kazakhstan Utility Systems LLP.
- From August 2015 to June 2017 – The 1st category Manager of Department of Business Planning and Tariff Formation of Intergas Central Asia JSC.



Zharmukhamed Appaz

Sales Director

Born on September 16, 1994

- From February 2020 to the present day – Sales Director of Kazakhstan Utility Systems LLP.
- From August 2018 to the present day – Vice-Chairman of Dragon Fortune Pte Ltd.
- From October 2017 to December 2018 – Director for Corporate Development of AltynEx Company JSC.
- From May 2017 to August 2017 – Economist of AK Altynalmas JSC.



Damir Bekmukhambetov

Commercial Director

Born on August 04, 1993

- From 2022 to the present day – Commercial Director of Kazakhstan Utility Systems LLP.
- From January 2021 to January 2022 – Deputy Commercial Director of Kazakhstan Utility Systems LLP.
- From February 2020 to January 2021 – Risk Manager of Passenger Transportation JSC.
- From November 2018 to February 2020 – Head of the Rolling Stock Department of Kazzinc-TemirTrans LLP.



**Aigul
Mirazova**

Director of Personnel Management and Administrative Affairs

Born on April 15, 1971

- From June 2020 to the present day – Director of Personnel Management and Administrative Affairs of Kazakhstan Utility Systems LLP.
- From April 2010 to June 2020 – Head of the Administrative Department of Kazakhstan Utility Systems LLP.
- From March 2003 to April 2010 – Director of Personnel Management of Arlan Holding Company LLP.
- From September 1993 to March 2003 – Head of the Department of Personnel Training and Social Issues of Kazakhtelecom JSC.

Description of the Executive Body's Work

In 2022, the participants of KUS LLP held 24 meetings.

Key issues on which the KUS LLP focused its attention:

- On amendments and additions to the regulatory documentation of KUS LLP;
- on notification of the authorized body on the change of the legal address of KUS LLP;
- Approval of amendments and additions to the Charter of KUS LLP;
- Opening of credit lines of BCC Bank;
- On purchase of premises in the Centro Business Center;
- On deferral of payment on credit line;
- On liquidation of subsidiaries;
- On purchase of premises for KUS LLP;
- On making a change to clause 1.5. of the Charter in connection with the renaming of Nur-Sultan.

REMUNERATION

By the decision of the General Meeting of the Company's Participants, the members of the Supervisory Board during the performance of their duties are compensated for expenses related to performance of the functions of members of the Supervisory Board and members of the Supervisory Board Committees, and remuneration may also be paid, which amount is determined by the decision of the General Meeting of the Company's Participants.

Principles for determining remuneration to members of the Supervisory Board:

- remuneration shall be a fair compensation to the members of the Supervisory Board for activities carried out, including activities in the Supervisory Board Committees;
- when determining the amount of remuneration, the interests of members of the Supervisory Board shall be correlated with the long-term interests of the Participants;
- remuneration structure shall be simple and clear;
- total amount of remuneration received for the past year by each of members of the Supervisory Board separately, indicating each individual element of remuneration, shall be disclosed by the Company to the Participants annually;
- when determining an amount of remuneration, the results of assessment of performance of the Supervisory Board and the relevant members of the Supervisory Board are taken into account;

- remuneration to the members of the Supervisory Board shall be paid at the same time during the year.

Remuneration of members of the Supervisory Board consists of basic and additional remuneration.

Remuneration of members of the Supervisory Board:

- remuneration for attending meetings of the Supervisory Board;
- remuneration for work in the Supervisory Board Committees;

Remuneration of the Chairman of the Supervisory Board:

- remuneration for attending meetings of the Supervisory Board;
- remuneration for work as Chairman of the Supervisory Board;
- additional remuneration for additional work in the Supervisory Board Committees.

The amount of remuneration of the Executive Body is determined by the General Meeting of Participants on the recommendation of the Supervisory Board. The remuneration of the Executive Body consists of constant and variable parts, the latter depending on key performance indicators of the Executive Body and related to the level of personal qualifications and contribution to the results of the Company's activities.



INTERNAL AUDIT

The Company has an Internal Audit Department (IAD), which carries out an internal audit in the Company and its subsidiaries.

In its activities, IAD is guided by the principles of independence and objectivity, competence and professionalism, as well as by international professional standards of internal audit and the Company's Code of Business Conduct.

The independence and objectivity of IAD is achieved by the corresponding organizational status, which provides for direct functional subordination and accountability of IAD to the Supervisory Board and administrative subordination and accountability to the General Director of the Company. Audit Committee of the Supervisory Board of KUS LLP directly supervises the activities of IAD.

In 2022, IAD carried out the following works:

- verification of compliance of the subsidiaries' activities with the antimonopoly legislation and reconciliation (comparison) of reports submitted to DAREM with the database of the accounting program (primary documents);
- check of expenses, money flow (check of procurement processes, inventory procedure, write-off and other issues);
- verification of sales activities (analysis by consumers, analysis of accounts receivable, and other issues);
- assessment of performance of the corporate risk management system in the Company's management system.

CORPORATE ETHICS

Company considers it necessary to introduce standards of effective business practices allowing it to occupy a leading position in the energy market of Kazakhstan. We understand that honesty, integrity and fulfilment of our potential are key factors for achieving sustainable long-term development of the Group.

The Group's Code of Conduct (the Code) is based on the principles of integrity and describes the standards of behavior expected from employees. The Code is binding on all employees of the Group and applies to interaction both within the Group and with external stakeholders.

Ethical values of the Group:

- honesty and objectivity;
- conscientiousness;
- commitment to development;
- respect and trust;
- responsibility;
- care;
- competence and professionalism;
- patriotism.

For the purpose of implementation of its ethics, the Group is guided by the following principles:

- compliance with the legislation of the RK;
- protection and respect for the rights and interests of participants and investors;
- respect for rights and interests of employees;
- interaction with business partners based on long-term and mutually beneficial cooperation;
- avoiding conflicts of interest;
- maintenance of the confidentiality of information;

- protection and use of the Group's property;
- responsibility for compliance with safety, health and environmental requirements;
- effective organization of work, management and control over the Group's activities;
- optimal use of available resources, as well as risk analysis and management;
- compliance with high standards of planning, control and reporting with principle of transparency and strive to safeguard assets, including business information.

Employees are required to report any violations, including issues and situations that may be considered unsafe, unethical or resulting in conflict of interest. Management of the Group undertakes to ensure careful, objective and competent consideration of the received appeals.

Employees, among other things, may report problems/violations to the Audit Committee of the Supervisory Board of the Company through ethical hotline:

- **Telephone: + 7 (7172) 57 69 67**
- **Email: z.raimbekov@kus.kz**

Auditor of the Internal Audit Department is responsible for processing the information received by the hotline and submitting it to the Audit Committee of the Supervisory Board.

The Supervisory Board shall revise the provisions of the Code once every three years, analyze the extent to which they are implemented in practice, and, if necessary, make proposals to the executive body on making changes and/or additions to the Code.



ANTI-CORRUPTION

Kazakhstan Utility Systems LLP adheres to the policy of absolute intolerance to corruption in any of its manifestations in cooperation with all interested parties, and to conceal corruption offenses. The Company excludes any form of bribery, including offering money or gifts to or from employees. Does not provide and does not accept signs of hospitality or gifts that may entail any further obligations of the parties. Officials and employees involved in corruption shall be dismissed and prosecuted in accordance with the legislation of the Republic of Kazakhstan.

Kazakhstan Utility Systems LLP complies with the anticorruption legislation in its daily activities and takes maximum organizational and practical steps aimed at

uncompromising anti-corruption in all its forms and manifestations.

In particular, within the framework of formation of an anti-corruption culture and intolerance to corruption manifestations, much attention is paid to preventive work aimed at reducing corruption risks.

Thus, anti-corruption clauses are included in business agreements for a Group of Companies (subsidiaries and affiliates).

The Group of Companies has organized a hotline with portfolio companies. During the reporting period, the facts of corruption offenses were not revealed.





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The risk management system of the KUS Group of Companies is based in accordance with the international concept of COSO ERM "Enterprise Risk Management. Integrated Model" and is aimed at managing risks and opportunities that significantly affect the creation and preservation of the value of the Group of Companies.

RISK MANAGEMENT

Kazakhstan Utility Systems LLP is one of the largest players in the country's energy market.



RISK MANAGEMENT SYSTEM

Risk management system of KUS Group of Companies is based in accordance with the international concept of COSO ERM "Enterprise Risk Management. Integrated Model" and is aimed at managing risks and opportunities that significantly affect the creation and preservation of the Group of Companies' value. The main purpose of risk management in the Group of Companies is to achieve the greatest earning yield at admission of the controlled risks' level. Risk management is aimed at identifying, preventing and minimizing events that may have a negative impact on achieving the goals of the Group of Companies.

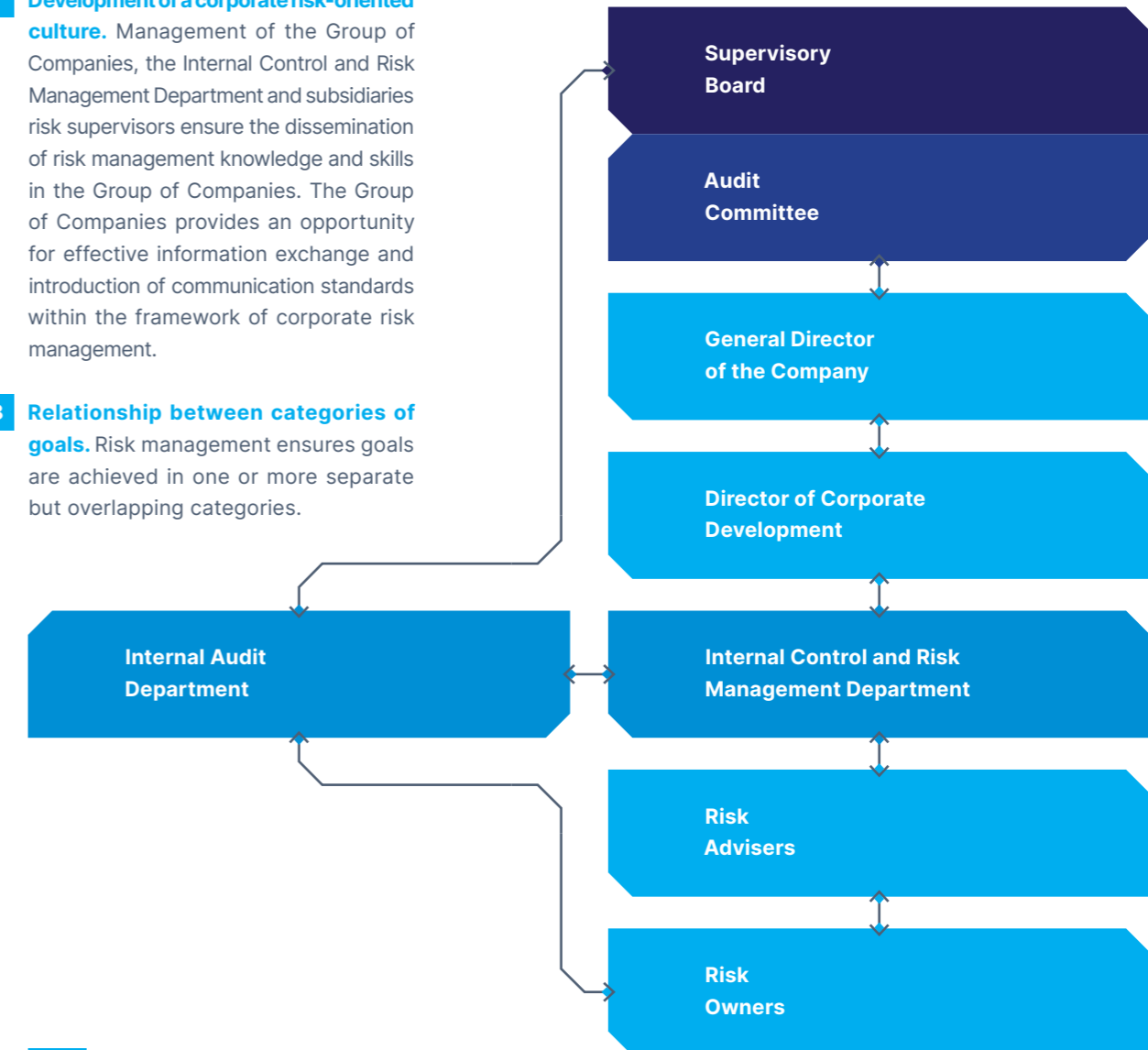
One of the important elements in the risk management system are the structural divisions of subsidiaries represented by each of their employees. Subsidiaries' employees work with risks on a daily basis, manage them and monitor their potential impact in the sphere of their functional duties. Structural divisions are responsible for implementing the risk management action plan, timely identifying and informing about significant risks in their field of activity and providing proposals on risk management for introduction into the action plan.

Principles of Building a Risk Management System

- 1 System approach.** Risk management is an ongoing, dynamic process that is applied in the Group and its companies – at every management level and in every department of the KUS and its subsidiaries.
- 2 Supervisory function of the Supervisory Board.** The Supervisory Board is an active management body of the Company and manages its risks.
- 3 Responsibility for the risk management.** Each employee of the Group and its companies is aware of the goals and objectives of risk management and is aware of his/ her personal responsibility for managing its risks within the framework of his/her authority, competence, and the requirements of the Risk Management Manual.
- 4 Separation of decision-making levels.** Decisions to minimize the risks are made at different levels of management, depending on the significance of the risks.
- 5 Reference to targets.** Risk management is used in development and formation of the strategy of the Group of Companies and is carried out based on the strategic goals and objectives of specific processes and functions.

- 6 Timely reporting.** Movement of risk information for decision-making is carried out from lower levels of management to higher ones. Prompt provision of information is carried out on a regular basis.
- 7 Development of a corporate risk-oriented culture.** Management of the Group of Companies, the Internal Control and Risk Management Department and subsidiaries risk supervisors ensure the dissemination of risk management knowledge and skills in the Group of Companies. The Group of Companies provides an opportunity for effective information exchange and introduction of communication standards within the framework of corporate risk management.
- 8 Relationship between categories of goals.** Risk management ensures goals are achieved in one or more separate but overlapping categories.

Risk Management System Structure in the Company





INTERNAL CONTROL SYSTEM

Internal control system (hereinafter referred to as the ICS) is part of the corporate governance system, covers all levels of management, all processes and operations of the Group of Companies. The ICS participants are the Supervisory Board, the Audit Committee, the

Executive Body, the Internal Audit Department, the owners of business processes, the executors of control procedures, the Internal Control and Risk Management Department. The ICS is integrated into the processes and daily operations of the Group of Companies, includes procedures for immediately informing the appropriate level of management of any significant shortcomings and weaknesses of control, along with details of corrective measures that have been taken or should be taken. As part of the ICS update, the design assessment and testing of the operational effectiveness of control procedures were carried out in the Group of Companies.

RISK CLASSIFICATION

After identifying the sources of risk, risks are identified for each of source, being classified into main 4 categories:

- 1 **strategic risks** – the risks of not achieving the long-term corporate goals of the Group of Companies due to inadequate monitoring of the strategy implementation and insufficient response to changes in external conditions;
- 2 **operational risks** – risks of losses arising as a result of deficiencies or errors in the internal business processes of the Group's companies, in the actions of employees and other persons, in the operation of information systems, or as a result of external influence;
- 3 **financial risks** – risks arising from the management of financial resources of the Group of Companies, such as cash, investments, debt instruments and derivative financial instruments. They include risks related to the capital structure, reduced profitability, fluctuations in foreign exchange rates, interest rates, credit risk, and liquidity risk.
- 4 **legal risks** – risks arising as a result of violation of the legislation of the Republic of Kazakhstan, rules, regulations, prescribed procedures, internal policy, regulations and ethical standards. Legal risks also relate to both compliance goals and reporting goals (reliability and timing).

Key risks affecting the implementation of business strategies

	Name of a risk	Description of a risk	Key risk management activities
	Violation of Labor protection and Occupational Safety Rules	Failure to provide safe and healthy working conditions.	<ol style="list-style-type: none"> 1. Operation of the Labour Protection and Occupational Safety System in accordance with the ISO 45 001:2018. 2. Qualification examination of knowledge of labor protection and industrial safety standards. 3. Work order system. 4. Inspection of work places. 5. Periodical and obligatory medical examination of employees. 6. Compliance with the legislation on industrial safety at hazardous production facilities. 7. Control over conclusion of contracts for compulsory insurance against accidents in performance of labor and official duties; compulsory insurance of the legal liability of employer – annually. 8. Provision of production staff with milk, provision of water and drinking regime, special clothing, special footwear, PPE, detergents and disinfectants, first-aid kits and technical documentation (NTD). 9. On a systematic basis, within the framework of Kaizen, consideration of employee proposals to improve safety and labor protection conditions, increase performance. 10. Work with contractors regarding the safety of their employees.
	Technological violations	Supply problems of heat and electric power due to equipment failures	<ol style="list-style-type: none"> 1. Timely detection of defects as a result of performing inspections of equipment (planned and unscheduled). 2. Testing of equipment. 3. Current, capital and emergency repairs. 4. Implementation of an investment program for the modernization and reconstruction of equipment (reduction of equipment wear). 5. Availability of an emergency reserve of spare parts and materials. 6. Measures to prepare for the autumn-winter period (AWP).
	Currency Risk	Change in the Exchange Rate against KZT.	<ul style="list-style-type: none"> ■ In order to reduce the currency risk, debt burden and costs of servicing loans in foreign currency, the possible refinancing of liabilities denominated in foreign currency in KZT is being considered.

The identified risks are reflected on the Map of risks against their significance:

Red zone – risks are critical for the Group of Companies

Yellow zone – risks with average probability of occurrence for a Group of companies

- Based on the results of risk identification and assessment, 28 risks are included in the Company's Risk Register for 2022. For each risk, measures have been developed to manage them, and risk owners have been identified. They are constantly monitored for their dynamics and the implementation of measures for their management.



ABBREVIATIONS

ACL	aerial cable line
BGS	biogas station
BWHS	boiler and water heating shop
CCTSS	city complete transformer substation
CHPS	combined heat and power station
CL	cable line
CPP	condensing power plant
CSR	corporate social responsibility
CTC	corporate training center
CTS	complex transformer substation
DEN	district electric networks
DHW	domestic hot water
DP	distribution point
EBIT	earnings before interest and taxes
EBITDA	earnings before interest, taxes and depreciation
EC	efficiency coefficient
EIA	environmental impact assessment
EP	environmental protection
EP	Energopotok LLP
EPC	engineering, procurement, construction
EPO	energy-producing organization
ESO	energy sales organization
FL	fuel and lubricants
FS	feasibility study
GC	Grid Code
Gcal	gigacalorie
Gcal/h	gigacalorie per hour
GDP	gross domestic product
GMP	General Meeting of Participants
GS	gas switch
HDT	house distribution transformer
HPP	hydroelectric power station
IDR	Issuer Default Ratings
IEC	industrial environmental control
II	inventory items
Individual	an individual
KASE	Kazakhstan Stock Exchange JSC
KEA	Kazakhstan Electricity Association
KEC	Karaganda EnergoCenter LLP
KEGOC	Kazakhstan Electricity Grid Operating Company JSC
km	kilometer
KPI	Key Performance Indicators
KUS	Kazakhstan Utility Systems LLP
kV	kilovolt

kWh	kilowatt-hour
KZh	Karagandy Zharyk LLP
KZhS	KaragandyZhyluSbyt LLP
LE	legal entity
LLP	limited liability partnership
LP	labor protection
m	meter
MNE RK	Ministry of National Economy of the Republic of Kazakhstan
MPE	maximum permissible emissions
MRENC	Mangistau Regional Electricity Network Company JSC
MVA	megavolt-ampere
MW	megawatt
NEN	national electric network
OD HVEPS	operating department of high voltage electric power systems
OHL	overhead line
OS	occupational safety
OSG	open switchgear
OZh	Ontustik Zharyk LLP
OZhT	Ontustik Zharyk Transit LLP
pcs	pieces
PTL	power transmission line
REC	regional electric grid companies
REM	retail energy market
RES	renewable energy sources
ROA	return on assets
ROCE	return on capital employed
ROE	return on equity
S and SCB	separator and short-circuit breaker
SCHPP	Sogrinsk CHPP LLP
SIP	self-supporting insulated wires
SKR	South Kazakhstan region
SPP	solar power plant
SPZ	sanitary protection zone
SS	subsidiary
SS	substation
SSC	Settlement Service Center LLP
t	ton
TPP	thermal power plant
TR	Turkestan region
TS	transformer substation
UKCHPP	Ust-Kamenogorsk CHPP LLP
UMS	utility metering system
WPP	wind power plant



CONTACT INFORMATION

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APPENDIX 1. ABOUT THE REPORT

This Annual Report has been prepared based on the results of 2022 and contains both information on the operational and financial results and a profile of the Group's activities, as well as information on sustainable development, including aspects of corporate governance, environmental protection, personnel management and corporate social responsibility. To ensure high-quality disclosure of non-financial information, this year for the first time Kazakhstan Utility Systems LLP has prepared a report in accordance with GRI Standards. We plan to continue to follow these standards when disclosing information on sustainable development.

This report has not been externally certified, but we will consider the possibility of verifying the report in the future.

Within the framework of this Annual Report, following the principles of GRI Standards, we have focused disclosures on the most significant topics of sustainable development.

Most Significant Topics of Sustainable Development

Economy	Environment	Society
Procurement practice	Energy	Employment
Anti-Corruption	Water	Labor protection
	Emissions	Trainings
	Wastes	Diversity and equal opportunities

The materiality analysis included three stages presented below.

- 1 Context Analysis.** We have studied the best practices and opinions of experts to understand which aspects of sustainable development are the most important for the energy industry.
- 2 Impact Analysis.** We have analyzed the Group's operating model to see where the impacts on the economy, environment and society take place. And we tried to assess a degree of impact by collecting quantitative indicators. As part of this process, we also took into account the views of stakeholders.
- 3 Prioritizing.** Having ranked all the impacts according to the degree of influence, we drew a cut-off line and identified 10 topics that are the most significant. It was on their basis that the disclosure of information on sustainable development in this annual report was based.

APPENDIX 2. GRI INDEX

Statement of Use			Kazakhstan Utility Systems LLP has prepared a report in accordance with GRI Standards for 2021			
Use of GRI 1			GRI 1: Fundamentals 2021			
Applicable industry standard			Not applicable			
GRI Standard	Disclosure	Chapter	Exception			No. in the industry standard
			Indicator	Reason	Explanation	
General disclosures						
GRI 2 General Disclosures 2021	2-1 Organization profile	Brief Company profile				
	2-2 Organizations included in the report	Profiles of subsidiaries				
	2-3 Reporting period	About the report				
	2-4 Changes in reporting	About the report				
	2-5 External assurance	About the report				
	2-6 Operations, value chain and other relationships	Business model				
	2-7 Employees	Number of staff				
	2-8 Part-time workers	Number of staff				
	2-9 Corporate governance structure and composition	Corporate governance system in the Company				
	2-10 Appointment of higher management bodies	Selection and appointment				
	2-11 Head of the Supreme Governing Body	Composition of the Supervisory Board				
	2-12 Role of higher management bodies in overseeing the impacts of the organization	Corporate social responsibility				
	2-13 Delegation of powers on sustainable development	Corporate social responsibility				
	2-14 Role of higher management bodies in reporting on sustainable development	Corporate social responsibility				
	2-15 Conflict of interests	Conflict of interest settlement				
	2-16 Communications and complaints	Corporate ethics				
	2-17 Development of competencies of higher management bodies on SD	-		Not applicable	The Group is an LLP	
	2-18 Evaluation of the supreme governing bodies	Job evaluation				
	2-19 Remuneration policy	Remuneration				
	2-20 Remuneration determination process	Remuneration				
	2-21 Relative remuneration indicators	Staff motivation and remuneration				



	2-22 Sustainable development strategy statement	Corporate social responsibility				
	2-23 Responsible business practice policy	Corporate ethics				
	2-24 Policy implementation	Corporate ethics				
	2-25 Processes of elimination of negative impacts	Risk management				
	2-26 Mechanisms of consulting and appeals on business practice issues	Corporate ethics				
	2-27 Compliance with laws and regulations	Corporate Social Responsibility				
	2-28 Membership in associations	Brief Company profile				
	2-29 Approach to stakeholder engagement	Interaction with stakeholders				
	2-30 Collective agreements	Interaction with trade union organizations				
Essential topics						
GRI 3 Essential Topics 2021	3-1 Process of identifying essential topics	About the report				
	3-2 List of essential topics	About the report				
Procurement practice						
GRI 3 Essential Topics 2021	3-3 Topics management	Procurement activities				
GRI 204 Procurement Practice 2016	204-1 Share of costs for local suppliers	Procurement activities				
Anti-corruption						
GRI 3 Essential Topics 2021	3-3 Topics management	Anti-corruption				
GRI 205 Anti-corruption	205-3 Confirmed cases of corruption	Anti-corruption				
Energy						
GRI 3 Essential Topics 2021	3-3 Topics management	Energy saving				
GRI 302 Energy 2016	302-1 Consumption of fuel and energy resources within the organization	Energy saving				
	302-4 Reduction of energy consumption	Energy saving				
Water						
GRI 3 Essential Topics 2021	3-3 Topics management	Water resources				
GRI 303 Water and Waste 2018	303-1 Interaction with water resources	Water resources				
	303-2 Management of impacts related to water discharge	Water resources				
	303-3 Water intake	Water resources				
	303-4 Water discharge	Water resources				
Emissions						
GRI 3 Essential Topics 2021	3-3 Topics management	Protection of atmospheric air				
GRI 305 Emissions 2016	305-1 Direct greenhouse gas emissions (Coverage 1)	Protection of atmospheric air				
	305-7 Other significant air emissions	Protection of atmospheric air				

Wastes						
GRI 3 Essential Topics 2021	3-3 Topics management	Waste management				
GRI 306 Waste 2020	306-1 Waste-related impacts	Waste management				
	306-2 Impact management	Waste management				
	306-3 Waste generation	Waste management				
	306-4 Waste not intended for disposal	Waste management				
	306-5 Waste intended for disposal	Waste management				
Employment						
GRI 3 Essential Topics 2021	3-3 Topics management	Personnel management				
GRI 401 Employment 2016	401-1 Hired employees and staff turnover	Number of staff				
	401-3 Parental leave	Social policy				
Labor protection						
GRI 3 Essential Topics 2021	3-3 Topics management	Occupational safety system				
GRI 403 Occupational Safety 2018	403-1 Occupational safety systems	Occupational safety system				
	403-2: Hazard identification, reporting, and incident investigation	Occupational safety system				
	403-3: Labor protection services	Occupational safety system				
	403-4: Employee participation, consultation and exchange of information on occupational health and safety	Occupational safety system				
	403-5: Training of workers in occupational health and safety	Occupational safety system				
	403-6: Employee Health support	Occupational safety system				
	403-7: Prevention and mitigation of health and safety consequences	Occupational safety system				
	403-9: Occupational injuries	Occupational health and safety				
	Training					
GRI 3 Essential Topics 2021	3-3 Topics management	Staff training and development				
GRI 404 Trainings 2016	404-1 Average number of hours of training per employee	Staff training and development				
	404-2 Advanced training programs	Staff training and development				
	404-3 Percentage of employees receiving regular performance evaluation	Staff training and development				
Equal career opportunities						
GRI 3 Essential Topics 2021	3-3 Topics management	Personnel management				
GRI 405 Diversity and Equal Career Opportunities 2016	405-1 Diversity in management bodies and personnel structure	Number of staff				
	405-2 Ratio of women's remuneration to men's remuneration	Staff motivation and remuneration				
Significant topics for the industry, recognized as insignificant for the company			Not applicable			



APPENDIX 3. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 december 2022

	Notes	2022	2021 (restated)*
Revenue	6	189,436,172	175,468,226
Cost of sales	7	(142,416,330)	(127,908,746)
Gross profit		47,019,842	47,559,480
General and administrative expenses	8	(10,512,188)	(8,339,324)
Selling expenses	9	(4,491,898)	(3,768,245)
Finance costs	10	(11,788,489)	(11,664,244)
Finance income	11	6,966,336	6,042,308
Other income, net		681,810	297,772
Foreign exchange loss, net	29	(7,519,321)	(1,551,759)
Profit before income tax		20,356,092	28,575,988
Income tax expenses	13	(6,706,020)	(7,241,796)
Net profit for the year		13,650,072	21,334,192
Other comprehensive income for the year			
Items that will not be subsequently reclassified to profit or loss:			
Foreign exchange differences on translation of foreign operations		(800,582)	178,671
Other comprehensive income for the year		(800,582)	178,671
Total comprehensive income for the year		12,849,490	21,512,863
Profit attributable to:			
Company owners		12,711,322	19,864,918
Non-controlling interests	21	938,750	1,469,274
Total comprehensive income attributable to:		13,650,072	21,334,192
Company owners		11,910,740	20,043,589
Non-controlling interests	21	938,750	1,469,274
		12,849,490	21,512,863

Consolidated statement of financial position as at 31 december 2022

	Notes	31 December 2022	31 December 2021 *
Assets			
Non-current assets:			
Property, plant and equipment	14	264,946,652	246,029,026
Right-of-use assets	15	808,672	1,063,509
Advances paid		398,125	1,237,599
Loans given to related parties	28	75,531,003	70,128,483
Other non-current assets		711,071	767,416
Deferred tax assets	13	271,832	282,825
Total non-current assets		342,667,355	319,508,858
Current assets:			
Trade accounts receivable	16	21,081,166	19,445,596
Inventories	17	5,765,609	3,997,156
Loans given to related parties	28	2,607,352	2,385,059
Advances paid		557,745	1,073,930
Prepaid corporate income tax		682,005	324,405
Other current assets	18	2,189,242	2,753,413
Cash and cash equivalents	19	2,544,372	5,873,166
Total current assets		35,427,491	35,852,725
Total assets		378,094,846	355,361,583
Equity and liabilities			
Equity:			
Charter capital	20	11,636,404	11,636,404
Additional paid-in capital	20	9,239,137	9,239,137
Foreign currency translation reserve		-	800,582
Retained earnings		169,930,356	156,682,000
Equity attributable to owners of the Company		190,805,897	178,358,123
Non-controlling interests	21	16,393,140	15,454,390
Total equity		207,199,037	193,812,513
Non-current liabilities			
Borrowings	22	11,939,352	14,739,104
Deferred tax liabilities	13	35,654,067	33,159,272
Lease liabilities	15	551,718	768,393
Other non-current liabilities	23	3,132,322	3,090,003
Total non-current liabilities		51,277,459	51,756,772
Current liabilities:			
Borrowings	22	73,008,095	76,766,294
Trade accounts payable	24	25,700,437	16,392,948
Lease liabilities	15	349,846	346,631
Other accounts payable and accrued liabilities	25	18,342,839	13,146,164
Other taxes payable	26	1,869,054	2,264,840
Corporate income tax payable		348,079	875,421
Total current liabilities		119,618,350	109,792,298
Total liabilities		170,895,809	161,549,070
Total equity and liabilities		378,094,846	355,361,583



Consolidated statement of changes in equity

for the year ended 31 december 2022

	Charter capital	Additional paid-in capital	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
As at 31 December 2020	11,636,404	9,239,137	621,911	136,817,082	158,314,534	13,985,116	172,299,650
Net profit for the year	-	-	-	19,864,918	19,864,918	1,469,274	21,334,192
Other comprehensive income for the year	-	-	178,671	-	178,671	-	178,671
Total comprehensive income for the year	-	-	178,671	19,864,918	20,043,589	1,469,274	21,512,863
As at 31 December 2021	11,636,404	9,239,137	800,582	156,682,000	178,358,123	15,454,390	193,812,513
Net profit for the year	-	-	-	12,711,322	12,711,322	938,750	13,650,072
Other comprehensive income for the year	-	-	(800,582)	-	(800,582)	-	(800,582)
Total comprehensive income for the year	-	-	(800,582)	12,711,322	11,910,740	938,750	12,849,490
Fair value adjustment on short-term loans received, net of deferred income tax of 134,259 thousand tenge (Note 25)	-	-	-	537,034	537,034	-	537,034
As at 31 December 2022	11,636,404	9,239,137	-	169,930,356	190,805,897	16,393,140	207,199,037

Full financial statements, including notes and the auditor's report, are provided upon written request (in free form).

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Consolidated statement of cash flows

for the year ended 31 december 2022

	Notes	2022	2021
Operating activities:			
Sales of goods and services		210,267,207	193,887,222
Other proceeds		2,108,646	2,403,004
Total cash inflow		212,375,853	196,290,226
Payments to suppliers for goods and services		(121,239,278)	(110,967,491)
Salary payments		(20,031,316)	(16,162,467)
Other payments to the budget		(17,660,431)	(16,579,504)
Charity payments		(685,339)	(3,728)
Other payments		(3,980,141)	(2,764,629)
Total cash outflow		(163,596,505)	(146,477,819)
Cash from operating activities before interest received and paid and corporate income tax paid		48,779,348	49,812,407
Interest received		286,482	245,778
Interest paid on borrowings and lease		(10,254,487)	(10,029,831)
Corporate income tax paid		(5,394,168)	(5,153,454)
Net cash generated from operating activities		33,417,175	34,874,900
Investing activities:			
Sale of property, plant, and equipment		300	42,088
Repayment of financial aid given	28	-	3,481,486
Restricted cash withdrawn	18	1,055,026	-
Total cash inflow		1,055,326	3,523,574
Purchase of property, plant, and equipment and materials for capital repairs, and advances paid for acquisition of non-current assets		(29,979,330)	(23,593,823)
Purchase of intangible assets		(23,645)	(14,977)
Contribution to restricted cash		-	(833,000)
Total cash outflow		(30,002,975)	(24,441,800)
Net cash used in investing activities		(28,947,649)	(20,918,226)
Financing activities:			
Borrowings received	22	12,388,766	31,201,374
Interest-free short-term loans received	22	8,214,000	2,259,940
Other proceeds		46,407	15,360
Total cash inflow		20,649,173	33,476,674
Repayment of borrowings	22	(27,214,962)	(42,087,660)
Repayment of interest-free short-term loans	22	(900,941)	(3,257,000)
Lease payments	15	(213,460)	(135,177)
Dividends payment	20	(8,810)	(5,564)
Total cash outflow		(28,338,173)	(45,485,401)
Net cash used in financing activities		(7,689,000)	(12,008,727)
Net change in cash		(3,219,474)	1,947,947
Cash and cash equivalents, as at the beginning of the year		5,873,166	4,028,566
Effect of a changes in the allowance for expected credit losses on cash and cash equivalents		(34)	(2,852)
Effect of changes in foreign exchange rates on cash balances held in foreign currencies		(109,286)	(100,495)
Cash and cash equivalents, as at the end of the year	19	2,544,372	5,873,166