

“Samruk-Energy” JSC management report on operating results for 2021

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1. Group review

To develop and implement a long-term state policy for retrofit of existing and commissioning of new generating facilities, “Samruk-Energy” joint-stock company (hereinafter - the Company) was established on April 18, 2007 by the resolution of the general meeting of founders. At the time of its establishment the Founders of the Company were "Kazakhstan Holding for Management of State Assets" Samruk" JSC and “KazTransGas" JSC. The company was registered on May 10, 2007 in Almaty city.

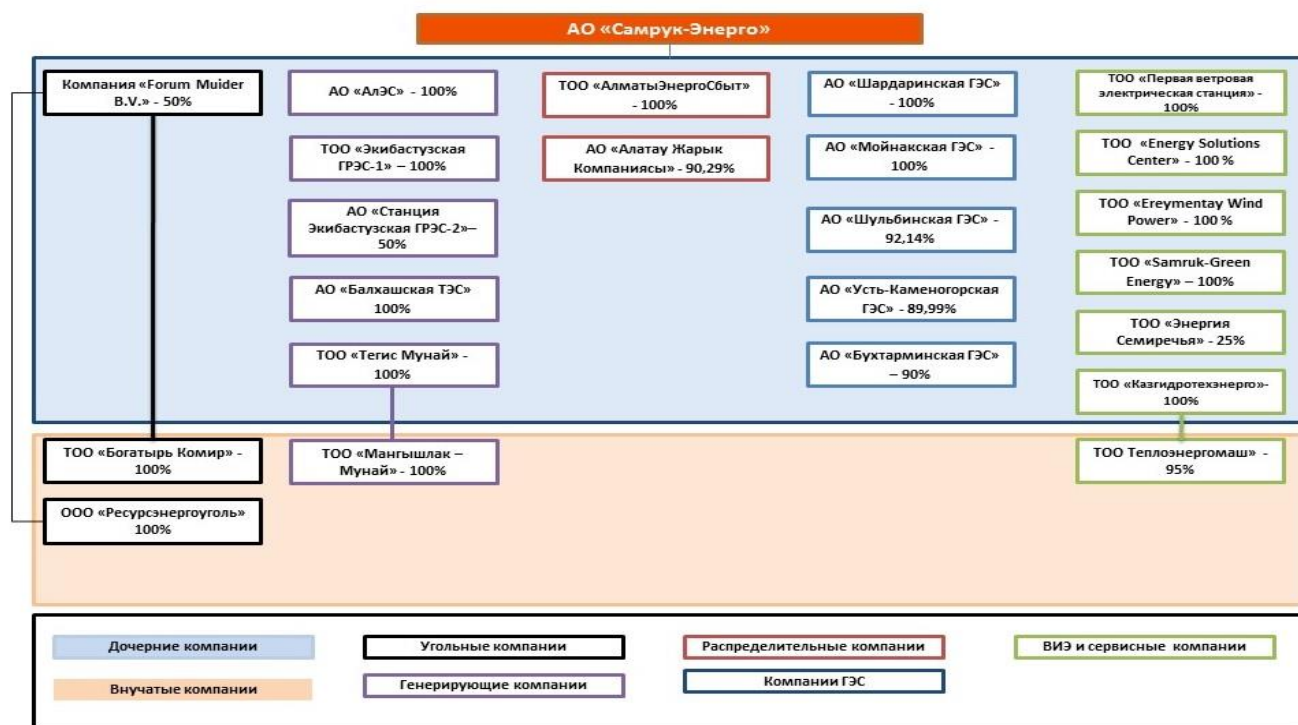
On November 3, 2008, because of the reorganization carried out through the merger of Kazakhstan Holding for Management of State Assets “Samruk” JSC and “Sustainable Development Fund “Kazyna” JSC, the Company’s shareholder became “Sovereign Wealth Fund “Samruk-Kazyna” JSC, which is the successor of “Kazakhstan Holding for Management of State Assets "Samruk".

At present, the Company is the largest diversified energy holding company successfully integrated into the international energy mix, that creates an effective energy supply system, ensures sustainable development of all sectors of Kazakhstan.

The main activities of the Group are the production of electricity, heat and hot water based on coal, hydrocarbons and water resources and sale to the population and industrial enterprises, transmission of electricity and technical distribution of electricity in the grid, construction of hydropower plants and thermal power plants, construction and operation of renewable energy sources, coal mining, as well as the lease of property complexes of hydroelectric power plants.

The assets of the Company include the largest generating companies, including stations of national importance, such as Ekibastuz SDPP-1 and SDPP-2, as well as a station producing electricity and heat of regional importance in the Almaty region; there are main hydropower plants of the Republic, included in the Irtysh cascade of HPPs, as well as HPPs of the southern regions of the country (Shardara HPP and Moynak HPP). In addition, the Company's assets comprise regional distribution grids and a sales company of the Almaty region and the largest coal mining enterprise in Kazakhstan “Bogatyr-Komir” LLP. The Company supplies coal to generating facilities of the Group and third parties located both in Kazakhstan and in the Russian Federation.

“Samruk-Energy” JSC current structure



2. Macroeconomic factors

The past 2021 is described by the improvement of the economic situation across the globe amid implications of COVID-19 virus spread, including in the Republic of Kazakhstan. Despite repeated outbreaks of the coronavirus, businesses throughout the world continue to recover, however, the industry is growing at a slower pace than services. As before, disruptions in supply chains, soaring energy prices, and shortages of materials and workforce constrain industrial production, which combined with the imbalance between supply and demand in global markets, amplify the global inflationary background, resulting in an increase in the actual inflation in 2021 against target values in the EU, USA, China, and other states.

According to the Bureau of National Statistics under the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, inflation was 0,6% in December 2021 (0,9% in December of 2020). Annual inflation was 8,4% (in December 2020 – 7,5%). As the inflation structure shows, groceries prices increased by 9,9% yoy, non-food products - by 8,5%, paid services - by 6,5%. According to the results of a population survey, in December 2021, the quantitative estimate of inflation expected in a year, was 10,3%.

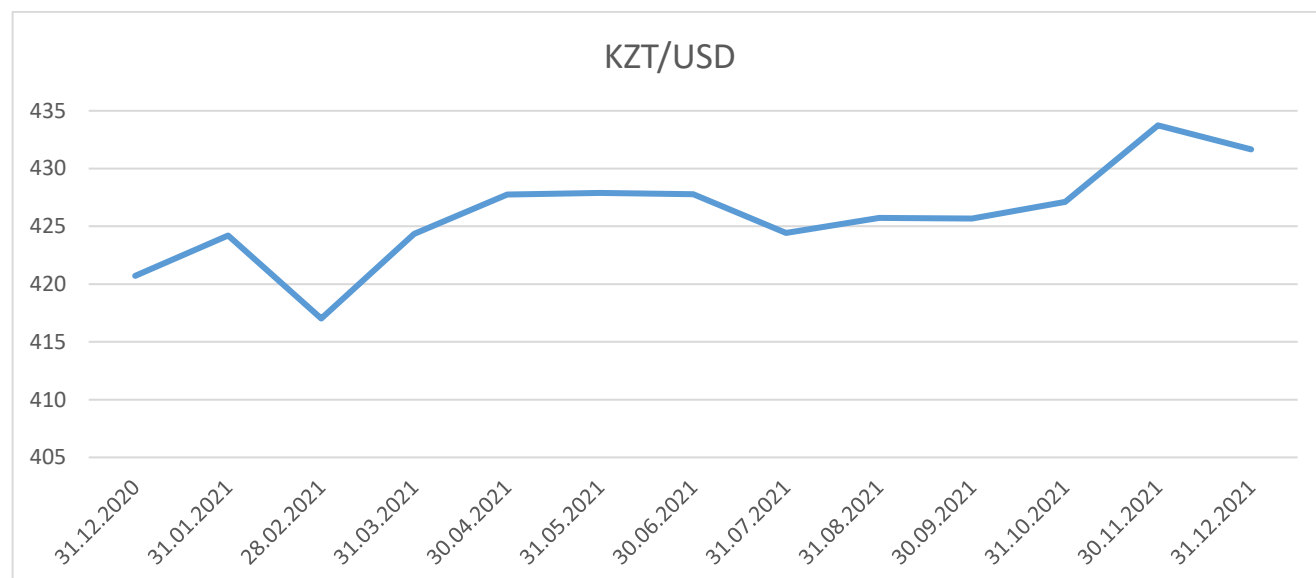
As regards the monetary policy, on October 25, 2021, the National Bank decided to raise the base rate from 9,5% to 9,75%. Continuing inflationary pressure, which created the inflation that was even higher than that forecasted by the National Bank, rise in the

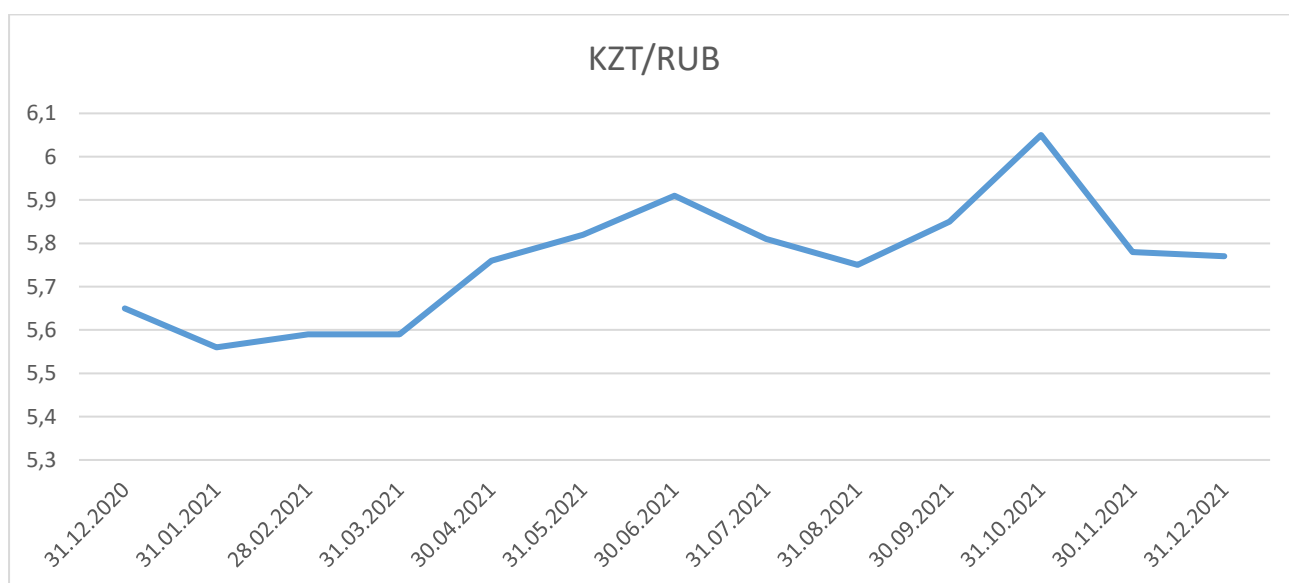
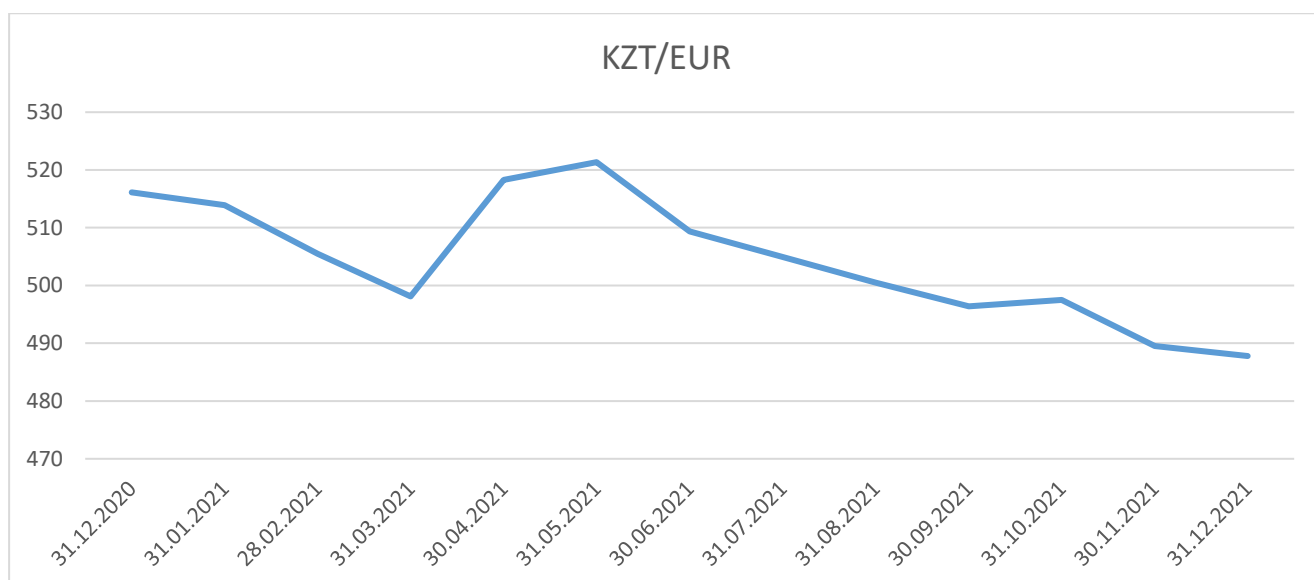
prices in global commodity markets, accelerating inflation in countries-trade partners and high level of inflation expectations were major contributors to a such decision. On December 6, 2021, the National Bank decided to keep the base rate at 9,75% per annum. The decision on the base rate was made in the light of the ongoing inflationary processes in the economy.

In December 2021, the tenge exchange rate fluctuated in the range of 431,20 – 436,36 tenge per US dollar. At the end of December 2021, the exchange rate of the tenge against the US dollar was 431,80 tenge per US dollar, having strengthened by 0,6% over the month.

Dynamics of exchange rates:

| | 31.12.2020 | 31.12.2021 | % |
|----------------|---------------|---------------|-------------|
| KZT/USD | 420,71 | 431,67 | 103% |
| KZT/EUR | 516,13 | 487,79 | 95% |
| KZT/RUB | 5,65 | 5,77 | 102% |

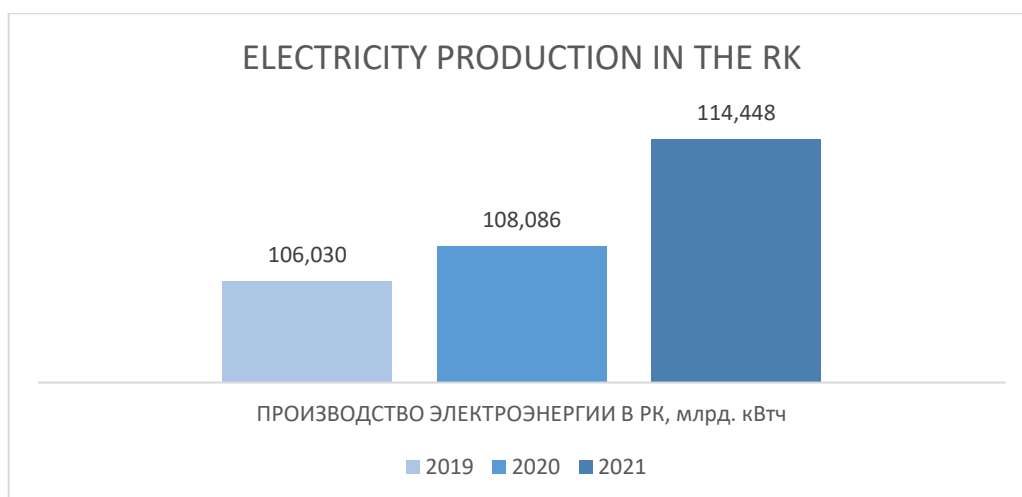




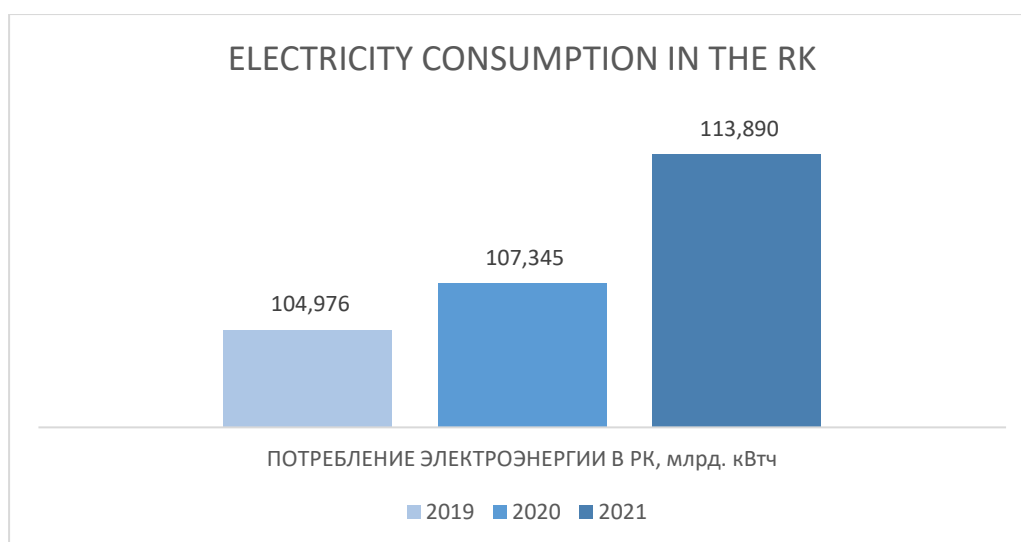
According to the System Operator, power plants of the Republic of Kazakhstan produced 114 447,9 mln.kWh of electricity in 2021, which is 5,8% more than the same period in 2020. All zones of the UES of Kazakhstan had an increase in generation.

In January-December 2021, compared to the same period in 2020, electricity generation increased considerably (an increase of 15% or more) in Akmola, Zhambyl, Kyzylorda and Turkestan regions. At the same time, electricity generation decreased in Aktobe, Almaty, East Kazakhstan, Karaganda, Kostanay, North Kazakhstan regions.

Electricity generation at HPPs of Kazakhstan decreased by 365,9 mln. kWh (14.19%). The operating mode of the stations was determined by the water management balance and the hydrological situation.



According to the System Operator, in January-December 2021, there was an increase in the dynamics of electricity consumption in the republic compared to January-December 2020 by 6%. So, in the northern zone of the republic, consumption increased by 5%, in the southern zone by 9% and in the western zone by 7%.



3. Tariff policy

Operations of the Group's subsidiaries and its joint ventures, which are natural monopoly entities, entities of competitive and socially important markets, are regulated by the RK law "On power industry", "On natural monopolies" and the RK Entrepreneur Code.

Tariff regulation, depending on the type of activity of energy companies, falls within the competence of the Committee for the Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan (hereinafter - the Committee) or line ministry - the Ministry of Energy (hereinafter - the ME).

Electricity tariffs for energy producing organizations (hereinafter - EPO) between 2016 and 2018 were set at the level of ceiling tariffs for plants which were approved in 2015.

Based on the Concept for the Development of Fuel and Power Sector of Kazakhstan until 2030, which was adopted in 2014, the Capacity Market has been introduced since 2019 as an effective mechanism for providing the industry with a sufficient level of investment, which will have a favorable influence on the market in the long term.

In the context of control over prices and tariffs in power industry, the Ministry of Energy is entrusted with the functions of approval of ceiling tariffs for electricity, ceiling tariffs for balancing electricity, and ceiling tariffs for the service of maintaining the availability of electrical capacity. The Ministry of Energy also establishes individual tariffs for the service of maintaining the availability of electric capacity for existing and newly commissioned generating plants.

Starting from 2019 considering the introduction of the capacity market for energy-producing organizations, the following were established:

- ceiling tariffs for capacity, including the costs of investment projects and repayment of the principal debt (on credit funds attracted for the implementation of investment projects);
- ceiling tariffs for electricity, including the cost of electricity production and the rate of return. The Order No. 205 dated May 22, 2020, on the approval of the “Methodology for establishing the rate of return considered when approving ceiling tariffs for electricity, as well as a fixed profit for balancing taken into account when approving ceiling tariffs for balancing electricity” was amended by the Order No. 76 of the Republic of Kazakhstan Minister of Energy dated March 11, 2021.

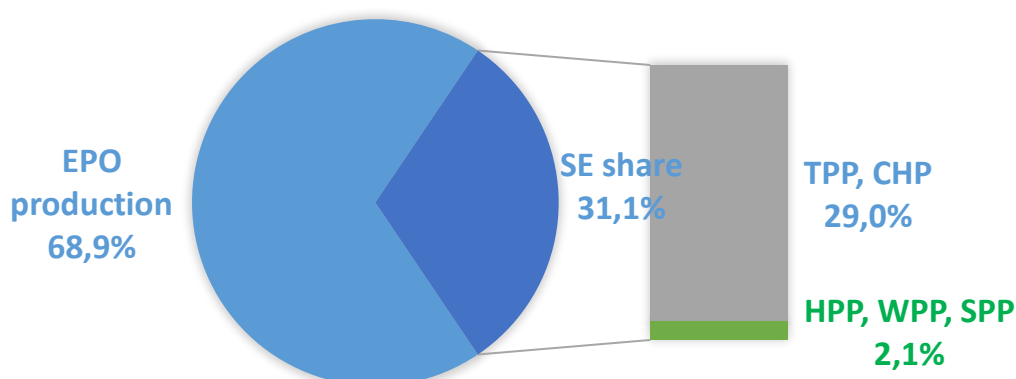
The mechanism of a pass-through charge included in EPO electricity sales tariff has been introduced since July 1, 2021 in accordance with the Republic of Kazakhstan Law “On Supporting the Use of RES”, in order to reimburse the costs of purchased EPO electricity. The pass-through charge is calculated by “SFC for RES Support” LLP based on expenditures for supporting RES in the Republic of Kazakhstan and the volumes of electricity supply by EPO, which are conditional consumers. Considering the introduction of RES pass-through charge, the tariffs for electricity of the country's energy-producing organizations were revised.

Tariffs for the transmission and distribution of electricity for power transmission companies, to produce heat and tariffs for energy supply (ESO) are regulated by the Committee for the Regulation of Natural Monopolies and Protection of Competition under the Ministry of Economy. Regulation and control by the Committee is performed in strict accordance with the laws and regulations.

Tariff decisions are heavily influenced by social and political issues. Economic, social, and other policies of the Government of the Republic of Kazakhstan may have a significant impact on the Group's operations.

4. Performance figures

**"SAMRUK-ENERGY" JSC SHARE IN THE TOTAL ELECTRICITY
PRODUCTION ACROSS THE RK IN 2021**



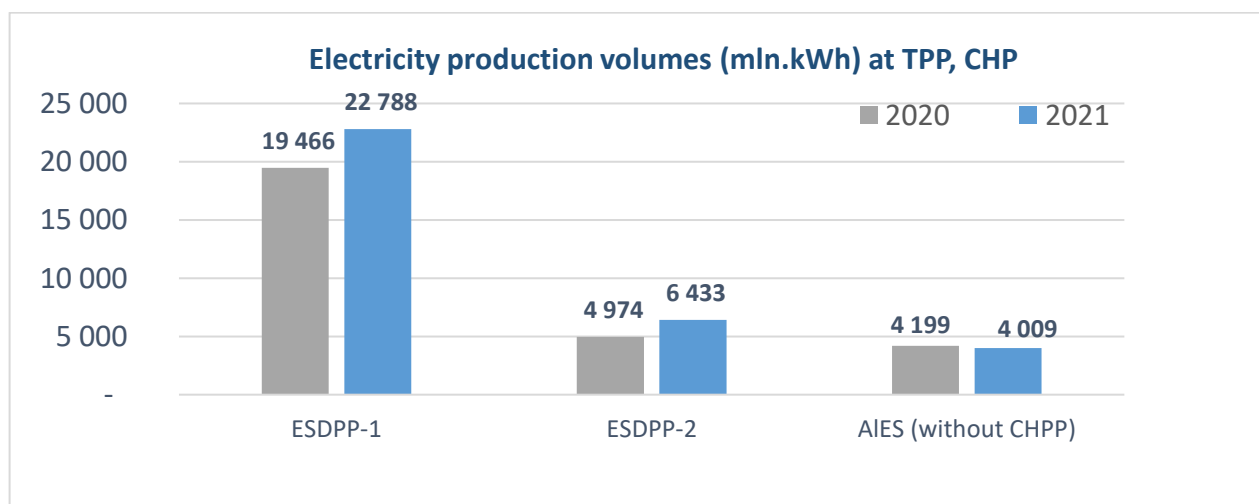
“Samruk-Energy” JSC share in total electricity generation in the Republic of Kazakhstan in 2021 amounted to 31.1%, compared to 2020, the share increased by 2.1%.

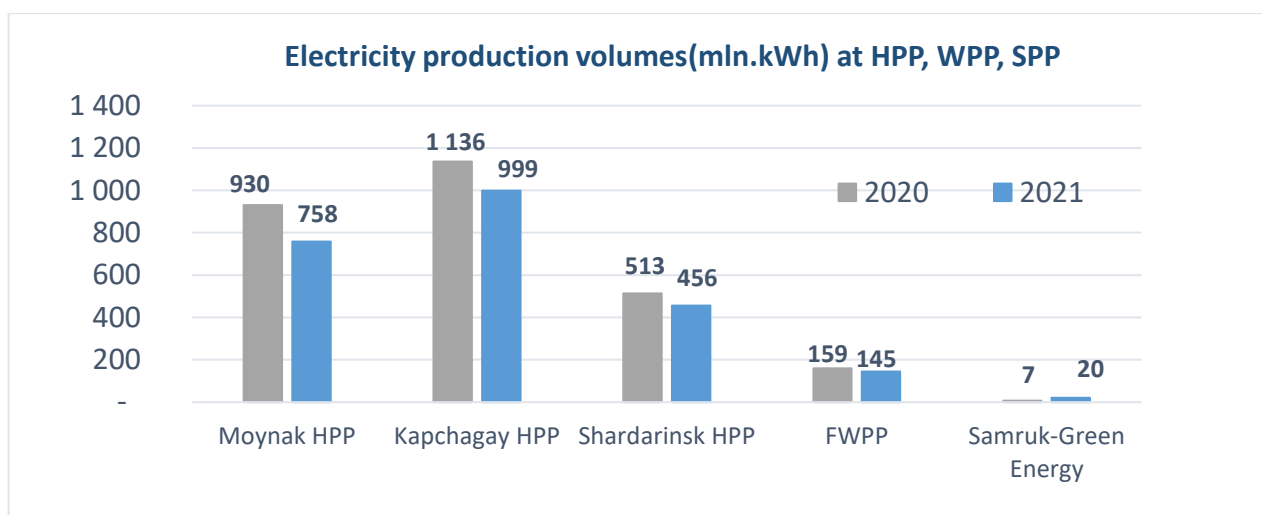
Operational KPI (broken down by producers)

| Subsidiary and affiliate name | 2019 | 2020 | 2021 | Deviation of 2021 vs. 2020 | 2022 (forecast) | 2023 (forecast) |
|---|-----------------|-----------------|-----------------|----------------------------|-----------------|-----------------|
| Electricity production volume, mln.kWh | | | | | | |
| “Almaty Power Plants” JSC | 5 397,4 | 5 335,1 | 5 008,4 | 94% | 5 165,9 | 5 165,9 |
| “Ekibastuz SDPP-1” LLP | 18 301,5 | 19 466,4 | 22 788,4 | 117% | 20 787,3 | 20 927,1 |
| “Ekibastuz SDPP-2 Plant” JSC | 4 928,5 | 4 974,2 | 6 433,4 | 129% | 6 002,0 | 6 001,3 |
| “Shardara HPP” JSC | 464,8 | 513,5 | 455,8 | 89% | 500,0 | 537,0 |
| “Moynak HPP” JSC | 951,5 | 929,5 | 758,3 | 82% | 814,0 | 906,0 |
| “Samruk-Green Energy” LLP | 3,3 | 7,4 | 20,5 | 278% | 20,7 | 20,7 |
| “First Wind Power Plant” LLP | 153,3 | 159,4 | 144,6 | 91% | 159,0 | 175,3 |
| “Ereymenau Wind Power”, LLP | | | | | 18,0 | 193,5 |
| “Energiya Semirechiya”, LLP | | | | | 61,0 | 243,8 |
| Total | 30 200,3 | 31 385,4 | 35 609,3 | 113% | 33 527,9 | 34 170,7 |
| Electricity sales volume, mln.kW | | | | | | |
| “Almaty Power Plants” JSC | 4 725,4 | 4 689,1 | 4 425,0 | 94% | 4 682,1 | 4 764,0 |
| “Ekibastuz SDPP-1” LLP | 17 642,5 | 19 001,0 | 22 496,1 | 118% | 20 983,8 | 21 557,4 |
| incl. export | 966,6 | 859,2 | 400,3 | | | |
| “Ekibastuz SDPP-2 Plant” JSC | 4 689,5 | 4 809,3 | 6 336,4 | 132% | 6 016,4 | 6 121,5 |
| Incl.export | | | 191,8 | | | |
| “Shardara HPP” JSC | 466,2 | 521,3 | 468,0 | 90% | 521,4 | 570,6 |
| “Moynak HPP” JSC | 952,3 | 943,7 | 780,9 | 83% | 858,6 | 967,3 |
| “Samruk-Green Energy” LLP | 3,2 | 7,2 | 20,2 | 280% | 19,9 | 19,9 |

| | | | | | | |
|--|----------|----------|----------|------|----------|----------|
| “FWPP” LLP | 152,9 | 159,1 | 144,3 | 91% | 156,8 | 174,7 |
| “Ereymentau Wind Power”, LLP | | | 0,0 | | 17,8 | 191,6 |
| “Energiya Semirechiya”, LLP | | | 0,0 | | 54,4 | 217,7 |
| Total | 28 632,1 | 30 130,6 | 34 670,9 | 115% | 33 311,3 | 34 584,6 |
| Capacity sales volume, MW | | | | | | |
| “Almaty Power Plants” JSC | 817,4 | 872,1 | 806,1 | 92% | 850,0 | 850,0 |
| “Ekibastuz SDPP-1” LLP | 501,9 | 1 556,4 | 1 565,1 | 101% | 1 827,0 | 2 187,3 |
| “Ekibastuz SDPP-2 Plant” JSC | 846,8 | 743,3 | 524,7 | 71% | 870,0 | 870,0 |
| “Shardara HPP” JSC | 41,6 | 47,6 | 61,0 | 128% | 61,0 | 61,0 |
| “Moynak HPP” JSC | 280,9 | 285,7 | 291,5 | 102% | 298,0 | 298,0 |
| Total | 2 488,6 | 3 505,2 | 3 248,4 | 93% | 3 906,0 | 4 266,3 |
| Electricity transmission volumes, mln.kWh | | | | | | |
| “Alatau Zharyk Company” JSC | 6 961,3 | 6 837,8 | 7 649,7 | 112% | 7 638,4 | 7 868,6 |
| Total | 6 961,3 | 6 837,8 | 7 649,7 | 112% | 7 638,4 | 7 868,6 |
| Electricity sales volumes, mln.kWh | | | | | | |
| “AlmatyEnergoSbyt” LLP | 6 218,2 | 6 055,5 | 6 723,9 | 111% | 6 878,0 | 7 084,3 |
| Total | 6 218,2 | 6 055,5 | 6 723,9 | 111% | 6 878,0 | 7 084,3 |
| Heat production volumes, thous.Gcal | | | | | | |
| “Almaty Power Plants” JSC | 5 024,5 | 5 596,4 | 5 553,8 | 99% | 5 313,4 | 5 313,4 |
| “Ekibastuz SDPP-2 Plant” JSC | 82,8 | 66,9 | 76,2 | 114% | 76,0 | 76,0 |
| “Ekibastuz SDPP-1” LLP | 132,3 | 155,4 | 136,0 | 88% | 155,4 | 155,4 |
| Total | 5 239,6 | 5 818,7 | 5 766,0 | 99% | 5 544,8 | 5 544,8 |
| Coal sales volumes, mln.tons | 44,7 | 43,4 | 44,7 | 103% | 44,0 | 46,3 |

The volume of electricity production in 2021 amounted to 35 609,3 mln. kWh, 13% higher or 4 223,9 mln. kWh compared to the same period of last year. Growth was mainly at “Ekibastuz SDPP-1” LLP (an increase of 3 322,0 mln. kWh or by 17%) because of demand growth in the domestic market, and “Ekibastuz SDPP-2 (an increase of 1 459, 1 mln.kWh or by 29%) due to downtime of power unit No. 2 for repair purposes in the 1st quarter of 2020.

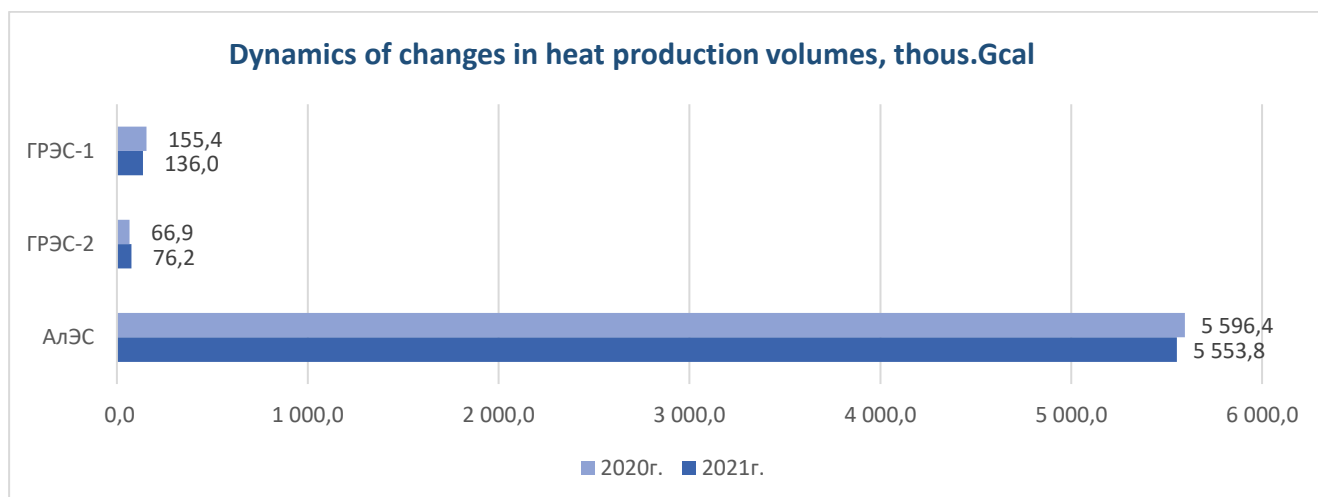




Forecast for the future period:

The volumes of electricity production in the forecast for 2022 are expected to reduce gradually in relation to the 2021 actual. Electricity output reduction in 2022 by 2 081,4 mln.kWh is mainly because of the decrease in electricity generation by “Ekibastuz SDPP-1” LLP.

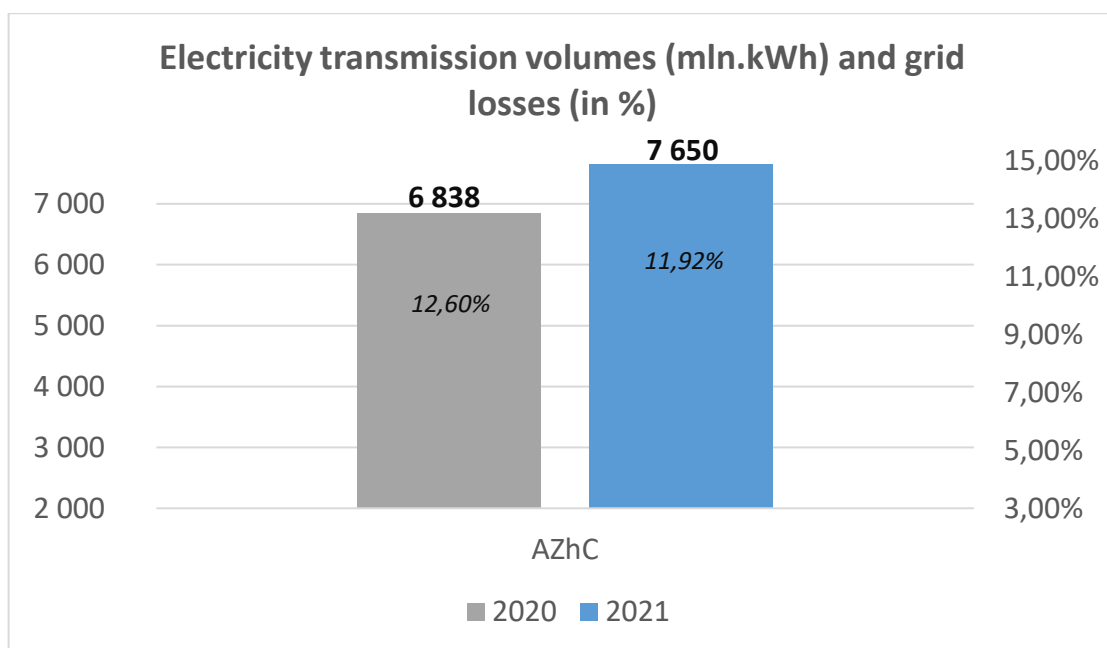
The volume of heat production amounted to 5 766,0 thous.Gcal. Compared to the same period last year, the decrease is (1)% as a result of the higher average monthly temperature during the heating period in the reporting period.



Forecast for the future:

The volumes of heat production in the plan for 2022 are forecasted to decline by 4% compared to the 2021 actual, mainly due to the decrease in the volume of heat production by “Almaty Power Plants” JSC.

The volume of electricity transmission through “AZhC” JSC grids in 2021 amounted to 7 650 mln. kWh, which is 12% or 812 mln. kWh higher than in 2020.



Forecast for the future:

As regards transmission and distribution of electricity in 2022, the decrease of 0.15% is expected compared to the 2021 actual.

The total volume of electricity sales at power supply organizations for the reporting period amounted to 6 723,9 mln. kWh, which is more than the same period in 2020 by 11%, due to an increase in the volume of electricity consumption in the Partnership's service area.

| <u>Description</u> | <u>2020 actual</u> | <u>2021 actual</u> | <u>Deviation</u> | <u>%</u> |
|--|-----------------------|-----------------------|----------------------|-------------------|
| <u>AlmatyEnergoSbyt</u> | | | | |
| <u>Number of consumers, incl.</u> | <u>869 680</u> | <u>899 134</u> | <u>29 454</u> | <u>3%</u> |
| <i><u>Population</u></i> | <i><u>835 509</u></i> | <i><u>862 980</u></i> | <i><u>27 471</u></i> | <i><u>3%</u></i> |
| <i><u>Corporate entities</u></i> | <i><u>34 171</u></i> | <i><u>36 154</u></i> | <i><u>1 983</u></i> | <i><u>6%</u></i> |
| <u>Sales volume, mln.kWh</u> | <u>6 055,5</u> | <u>6 723,9</u> | <u>668,4</u> | <u>11%</u> |

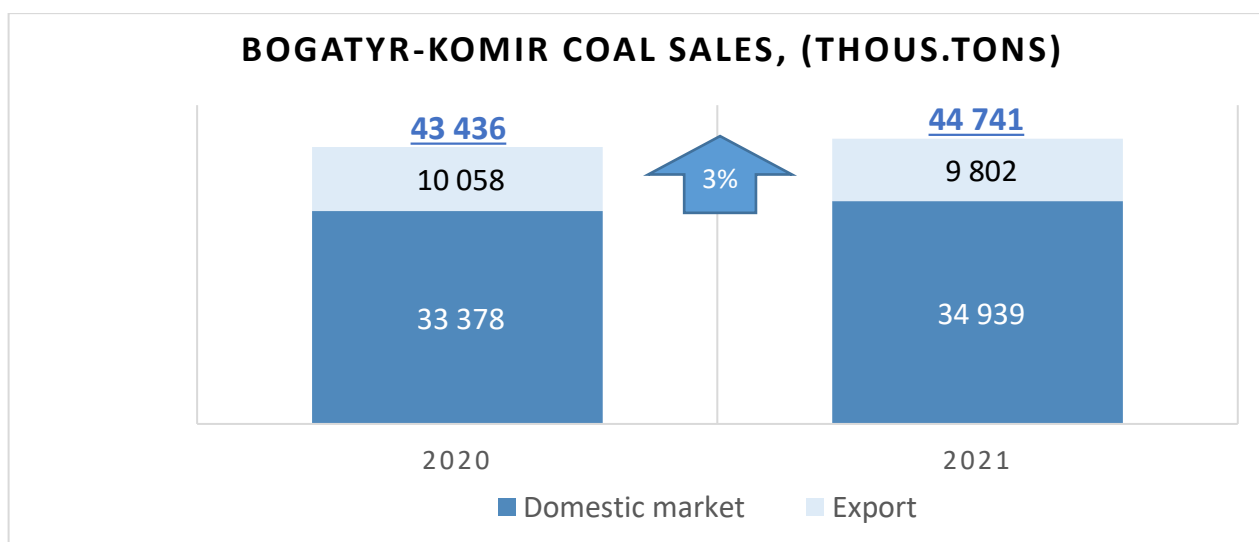
Forecast for the future period:

The volume of electricity sales in the forecast for 2022 increases by 2% from the actual rate in 2021.

At the end of 2021, **the volume of coal sales** amounted to 44 741 thous. tons, which is 3% or 1 305 thous. tons more than the same period.

Increase in coal sales volumes in the domestic market by 1 560 thousand tons or 5% is because of an increased demand. At the same time, the decrease in the volume of coal sales in the foreign market by 256 thous. tons or 3% is due to the lack of an agreement on coal price.

The stripping rate for 2021 was 0,73 m³/t with 0,84 m³/t in the same period.



Forecast for the future period:

The volume of coal sales in the forecast for 2022 will decrease by 741,2 thous. tons, or by 2% compared to the 2021 actual.

5. Key events in the reporting period

| Date | Event |
|---------------------|---|
| 2021 | The past 2021 is described by the improvement of the economic situation across the globe amid implications of COVID-19 virus spread, including in the Republic of Kazakhstan. Despite repeated outbreaks of the coronavirus, businesses throughout the world continue to recover, however, the industry is growing at a slower pace than services. As before, disruptions in supply chains, soaring energy prices, and shortages of materials and workforce constrain industrial production, which combined with the imbalance between supply and demand in global markets, amplify the global inflationary background, resulting in an increase in the actual inflation in 2021 against target values in the EU, USA, China, and other states. |
| During January 2021 | In order to reduce interest payments, “SDPP-1” LLP early repaid the principal debt of 17.6 bn.tenge to “Halyk Bank of Kazakhstan” JSC |
| February 12, 2021 | “SamrukGreenEnergy” LLP commissioned 1 MW solar power plant in Almaty city |
| February 28, 2021 | “ESDPP-1” LLP signed an investment agreement for retrofit, reconstruction, expansion, and renovation of power unit No. 1 (with installation of new electrostatic precipitators) with the RK Ministry of Energy on 28.02.2021, tariffs in the amount of 1 199 thous. tenge / MW * month for 2025-2031 for the volume of services - 476,6 MW. |

| | |
|-------------------|---|
| March 30, 2021 | Ceiling tariffs for electricity of EPO from 01.04.2021 were approved by the Order of the RK ME No. 108 dated 30.03.2021 |
| During March 2021 | To reduce interest payments, SDPP-1 early repaid its principal debt of 1 bn. tenge to “Halyk Bank of Kazakhstan” JSC, so did “APP” JSC, it extinguished the principal of 4,2 bn.tenge to HBK. |
| April 8, 2021 | The international rating agency Fitch Ratings revised the outlook on Samruk-Energy's rating, raising it from "Stable" to "Positive", and confirmed the long-term credit ratings of the Company in foreign and national currency at the "BB" level. |
| April 24, 2021 | As part of securing financing for the Project “Modernization and reconstruction of Ekibastuz SDPP-1. Restoration of Unit No. 1” , 1st loan limit at “Halyk Bank of Kazakhstan” JSC in the amount of 18 bn. tenge was opened. |
| May 17, 2021 | The ceiling tariff from 2021 to 2025 was approved on 17.05.2021 by the order of DCRNM for Almaty city and Almaty region; the tariff will enter into force from June 1, 2021. The approved tariff for 2021 is 6,09 tenge/kWh. |
| May 31, 2021 | The RK Government headed by Mamin A.U., the Prime Minister, approved the proposal for construction of a 600 MW combined cycle gas turbine unit (hereinafter - CCGT) at Almaty CHP-2 site. |
| June 11, 2021 | As part of securing financing for the Project “Modernization and reconstruction of Ekibastuz SDPP-1. Restoration of Unit No. 1” , 2nd loan limit at “Halyk Bank of Kazakhstan” JSC in the amount of 12,8 bn. tenge was opened. |
| June 15, 2021 | “AES” LLP sent a new application for increasing the ceiling price with entry into force on July 20, 2021, the draft price was 20,89 tenge/kWh, a 14,5% increase to the current price of 18,25 tenge/kWh. As of 01.08.2021, DCRNM did not approved tariffs for AES due to the growth. |
| June 24, 2021 | Ceiling tariffs for power generating stations considering changes in law on pass- through charge of RES were approved by the order No. 211 dated 24.06.2021 of the RK Ministry of Energy. Tariffs are effective from July 1, 2021. |
| From July 1, 2021 | In compliance with subparagraphs 4-5) of paragraph 3 of Article 7-1 of the Law "On Supporting the Use of Renewable Energy Sources", a markup for supporting the use of renewable energy sources is determined and applied for conventional power plants. Thus, the selling price of conventional plants is divided into two components (ceiling tariff established by the authorized body and markup for supporting the use of renewable energy sources determined by the SFC for the calendar year). |
| August 23, 2021 | As part of securing financing for the Project “Modernization and reconstruction of Ekibastuz SDPP-1. Restoration of Unit No. 1” ,3rd loan |

| | |
|-------------------|---|
| | limit at “Halyk Bank of Kazakhstan” JSC in the amount of 12 bn. tenge was opened. |
| October 8, 2021 | “Halyk Bank of Kazakhstan” JSC has reduced “AES” LLP investment loans’ interest rates from 10,75% to 10,5% per annum. |
| October 20, 2021 | “Halyk Bank of Kazakhstan” JSC has reduced “AZhC” JSC investment loans’ interest rates from 12,1% -12,0% to 11,5% per annum. |
| October 29, 2021 | “Samruk-Energy” JSC Development Strategy for 2022-2031 was approved by the resolution of the Board of Directors. |
| November 2021 | The concepts of small and large HPPs were defined by the RK Government Decree No. 792 ““On Amendments to the RK Government Decree No. 271 dated March 27, 2014 “On Approval of the Rules for setting fixed tariffs and cap auction prices” |
| November 16, 2021 | Centralized trading of electric capacity for 2022 was held on the trading platform of “KEPMO” JSC . As a result of trading, “Samruk-Energy” JSC sold 3447,1 MW, incl. APP - 523 MW, ESDPP-2 - 900 MW, ESDPP-1 – 2024,1 MW. |
| November 18,2021. | As part of securing financing for the Project “Modernization and reconstruction of Ekibastuz SDPP-1. Restoration of Unit No. 1” , 4th loan limit at “Halyk Bank of Kazakhstan” JSC in the amount of 60,3 bn. tenge was opened. (the total final limit for the Project amounted to 103 bn. tenge) |
| November 25, 2021 | The debut placement of "Green bonds" was made on the Astana International Exchange in the amount of 18,4 bn.tenge with a coupon rate of 11,4% per annum and a maturity of 6,5 years. This is the first issue of "green" bonds at the Fund's group, and it contributes to the development of infrastructure for future issues of ESG financing |
| November 26, 2021 | To eliminate the inflation risk in terms of interest expenses generation, reduction of interest payments, as well as optimization of the covenant package, the loan of “Shardarinsk HPP” JSC to the European Bank for Reconstruction and Development was refinanced by issuing bonds with a fixed interest rate. |
| December 15, 2021 | To reduce interest payments, “APP” JSC refinanced investment loans from “Halyk Bank of Kazakhstan” JSC in the amount of 12,4 bn. tenge at a rate of 11,4% by raising loans from “First Heartland Jusan Bank” JSC at a rate of 11,3 %. |
| December 29, 2021 | Biddings for construction of newly commissioned generating facilities with a maneuverable generation mode were held. “APP” JSC was recognized as the winner with the project “Reconstruction of Almaty CHP-3 based on a CCGT unit with an installed capacity of up to 450 MW” (28.01.22, a letter was received from the RK ME regarding the cancellation of biddings results with the withdrawal of sent draft agreement on the purchase of services) |

6. Main directions for the company’s development

The power industry is the basic infrastructure sector of the economy, on which the efficiency of the production complex, the service sector, as well as the quality of life of the Republic of Kazakhstan population depend. The Company has the task of creating a balanced development model, including the optimal ratio of energy supply to domestic consumers and exports, while combining high economic efficiency, innovative improvement, and advanced standards of social responsibility. The strategic mission of the Company is created bearing in mind this task.

Mission: Create value for shareholders, meet growing demand through reliable energy supplies, high-tech development, environmental friendliness, guided by the principles of sustainable development.

Vision: An efficient high-tech operating energy company with high social and environmental responsibility - the leader in Kazakhstan's energy sector.

Implementation of below three key priorities will secure the accomplishment of mission and vision of the company:

- Ensuring reliable competitive supplies of energy resources in the markets where the group operates

- Increasing the cost of equity capital.

- Sustainable development.

Initiatives and tasks have been formed on the basis of strategic goals.

The results of implementation of key strategic tasks

- ***Increasing sales of electricity and coal in the domestic and foreign markets.***

The company supplied 29,6 bn. kWh electricity, 592 mln. kWh exported to the Republic of Uzbekistan.

- 34.9 mln. tons of coal were sold in Kazakhstani market, 9,8 millions tons of coal was exported to Russia.

6.1. Performance improvement

For this task, several activities were implemented which are aimed at reducing operating costs, efficient operation and repair of equipment, innovative development and effective implementation of investment programs, including:

- As part of activities aiming to reduce electricity loss rate, the ASCAPC and SKADA project is implemented.

- **Innovative development.** As part of implementation of the project "Technologies of furnace devices of boiler units for firing high-ash coal of Ekibastuz field (R&D)", experimental studies on the combustion of high-ash Ekibastuz coal and its by-products at a fluidized bed and circulating fluidized bed plant were carried out. The data confirming the possibility of efficient combustion were obtained. Technical proposals for the concept of industrial and power boilers were developed.

— **Digitization. "Digital power plant" project implementation** – ALFC systems have been successfully implemented at "ESDPP-1" LLP and "MHPP" JSC, and the **"Digital Mine" project** - the system has been put into operation. The automated

dispatch control system (hereinafter - ADCS) on the mining and transport equipment involved in automotive technology has been 100% mounted. Loading and transporting of rock mass (coal, overburden) by mining dump trucks is done through ADCS, and all reports are generated using ADCS data.

— **Improvement of financial stability.** All financial covenants of the Company's lenders are met. The international agency Fitch Ratings revised the outlook on the Company's rating, increasing it from "Stable" to "Positive", and confirmed the long-term credit ratings of the Company at "BB".

Transformation program. At year-end 2021, the actual costs of Transformation Program amounted to 635 mln.tenge. Execution is 44%. The main deviations occurred in connection with the transfer of the project “Implementation of a fuel-free start-up of boiler units (Plasmatron)” into operations (according to the decision of “Samruk-Energy” JSC Board of Directors No. 06/21 dated May 31, 2021). At the same time, according to the results of 2021, benefits in the amount of 4,952 mln.tenge were obtained under the Transformation Program.

6.2. Effective implementation of the investment program. The Company is committed to the effective implementation of the investment program and strives to comply with the required level of return on equity. The most important projects currently implemented with medium-term implementation horizons are "Expansion and reconstruction of Ekibastuz SDPP-2 with the installation of power unit No. 3", "Expansion and reconstruction of Ekibastuz SDPP-1 facilities (Restoration of unit No. 1)", “Construction of 50 MW Ereymentau city in the vicinity of Yerementau city”, "Construction of 60 MW WPP in Shelek corridor including a possible increase in capacity up to 300 MW", Implementation of the project for the transition to a cyclic-and-continuous method for extraction, transportation, blending and loading of coal at the Bogatyr open-pit mine (CCM).

6.3. Effective stakeholder engagement. The Integrated Annual Report on “Samruk-Energy” JSC operating results for 2020 has been published. A lot of work is done with the media.

6.4. Increasing the efficiency of corporate governance. Corporate governance improvement plan is successfully implemented.

6.5. Human capital development. The activities that are implemented as of today: Leadership development; Corporate culture development; HR competences development.

7. Accounting policy principles

The Company's operations in power and coal industries in 2021 was performed in accordance with the approved plans.

For a unified approach, when compiling a report on the results of financial and economic activities, “Samruk-Energy” JSC group uses the equity method in consolidation. Furthermore, in accordance with the current accounting policy, the fixed and intangible assets are recognized at their original cost, that is, without revaluation. Subsidiaries are included in the consolidated financial statements using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities acquired in a

business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

Based on the above-mentioned, when using the equity method, the turnovers of such large companies as “Ekibastuz SDPP-2 Plant” JSC, ForumMuider B.V. are excluded in the consolidated balance sheet, and “Samruk-Energy” JSC ownership share is 50%.

When forming the consolidated financial result of “Samruk-Energy” JSC, the share of profit from these companies is recognized in the item “share of profit / loss of organizations accounted for by the equity method and impairment of investments”.

8. Financial and economic performance overview:

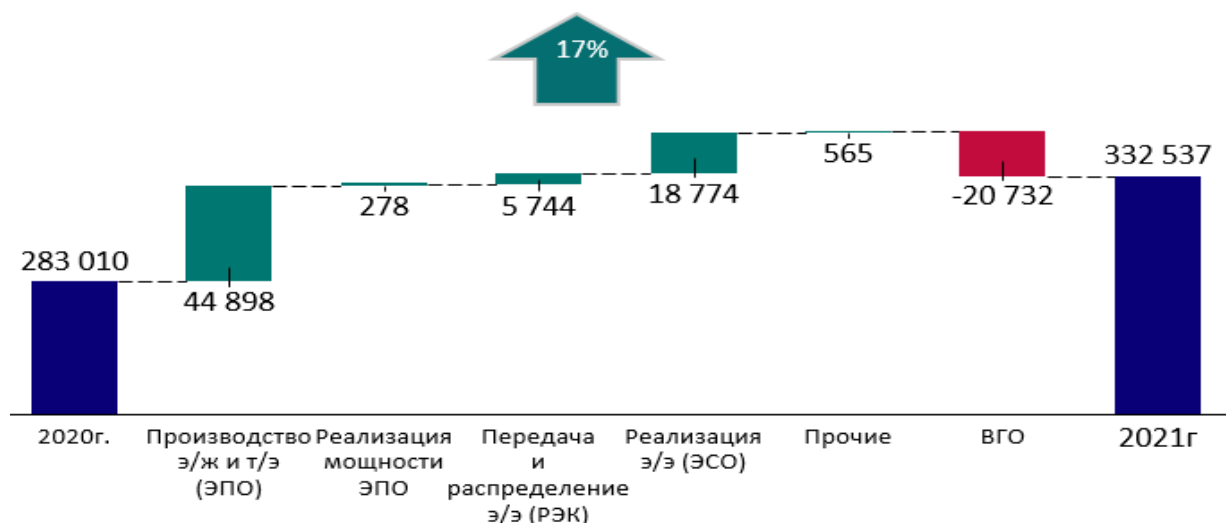
| No | Indicator, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|------|---|------------------|------------------|------------------|--------------------|--------------------|
| 1 | Income from sales of goods and services delivered | 243 722 | 283 010 | 332 537 | 378 964 | 423 928 |
| 1.1. | Electricity production | 169 369 | 207 917 | 253 593 | 275 737 | 310 351 |
| 1.2. | Sale of electricity by energy supplying organizations | 100 171 | 106 911 | 125 685 | 146 617 | 161 635 |
| 1.3. | Heat production | 16 781 | 19 202 | 18 703 | 19 244 | 19 628 |
| 1.4. | Transmission and distribution of electricity | 38 028 | 40 685 | 46 428 | 50 413 | 57 040 |
| 1.5. | Sale of chemically purified water | 1 515 | 1 626 | 1 781 | 1 787 | 1 791 |
| 1.6. | Lease | 3 925 | 4 041 | 3 930 | 8 005 | 10 627 |
| 1.7. | other | 2 555 | 3 181 | 3 702 | 5 089 | 5 351 |
| 2 | Cost of goods sold | (195 891) | (225 185) | (254 847) | (292 079) | (326 183) |
| 2.1. | Cost of electricity production | (130 934) | (156 182) | (183 478) | (204 488) | (232 865) |
| 2.2. | Cost of electricity sales by energy supplying organizations | (101 280) | (111 195) | (128 428) | (146 118) | (161 127) |
| 2.3. | Cost of heat production | (16 338) | (18 804) | (19 306) | (20 027) | (21 191) |
| 2.4. | Cost of electricity transmission | (32 543) | (54 365) | (39 358) | (44 976) | (49 008) |
| 2.5. | Cost of sale of chemically purified water | (1 356) | (1 679) | (1 848) | (1 789) | (1 868) |
| 2.6. | Cost of other types of core business | (832) | (946) | (767) | (1 233) | (1 222) |
| | Amortization of fixed and intangible assets | (54 223) | (57 331) | (55 168) | (58 030) | (66 344) |
| 3 | Gross profit | 47 832 | 57 826 | 77 690 | 86 885 | 97 745 |
| 4 | Financing income (1) | 2 377 | 2 916 | 2 616 | 633 | 709 |
| 5 | Other income (1) (2) | 5 376 | 4 637 | 7 278 | 982 | 1 034 |
| 6 | Expenses for sale of products and services | (7 999) | (10 202) | (9 029) | (8 235) | (8 584) |
| 7 | General administrative expenses | (12 710) | (15 826) | (14 793) | (15 051) | (14 840) |

| № | Indictor, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|----|--|------------------|------------------|------------------|--------------------|--------------------|
| 8 | Operating profit | 27 123 | 31 798 | 53 868 | 63 599 | 74 320 |
| 9 | Earnings before amortization, interest and CIT (EBITDA) | 82 487 | 99 728 | 123 447 | 130 173 | 168 907 |
| 10 | Finance costs | (32 319) | (31 025) | (30 139) | (23 799) | (21 300) |
| 11 | Other expenses from non-core operations (3) (4) (5) (6) | (1 920) | (4 061) | (23 354) | (137) | (141) |
| 12 | Share of profit / loss of organizations accounted for using the equity method and investments impairment | 11 191 | 9 474 | 13 455 | 7 619 | 27 416 |
| 13 | Profit (loss) from discontinued operations | 0 | 0 | 0 | 0 | 0 |
| | Profit (loss) from disposal of subsidiaries | 0 | 0 | 0 | 0 | 0 |
| 14 | Profit (loss) before tax | 11 829 | 13 739 | 23 723 | 48 897 | 82 039 |
| 15 | Corporate income tax expenses | (4 717) | (5 655) | (8 377) | (13 118) | (15 140) |
| 16 | Total profit before minority interest | 7 111 | 8 083 | 15 347 | 35 778 | 66 899 |
| 17 | Minority interest | 276 | 76 | 300 | 641 | 858 |
| 18 | Total profit attributable to the Group's Shareholders | 6 835 | 8 008 | 15 046 | 35 138 | 66 041 |

in FS forex gains for 2019 were reported in "finance income" section
in FS forex loss for 2020 was reported in "other income" section
in FS forex gain for 2020 was reported in "financial costs" section
in FS forex gain for 2021 was reported in "other costs" section
in FS forex loss for 2021 was reported in "finance costs" section
in FS impairment loss (NET) was recognized in "Impairment loss/income from recovery of non-financial assets(net)" item

Note: interpretation of income and cogs was presented with a breakdown by types of activities (not by segments) and was mentioned without elimination.

Revenues from sales of products and services provided across "Samruk-Energy" JSC group of Companies in 2021 amounted to 323 537 mln.tenge.

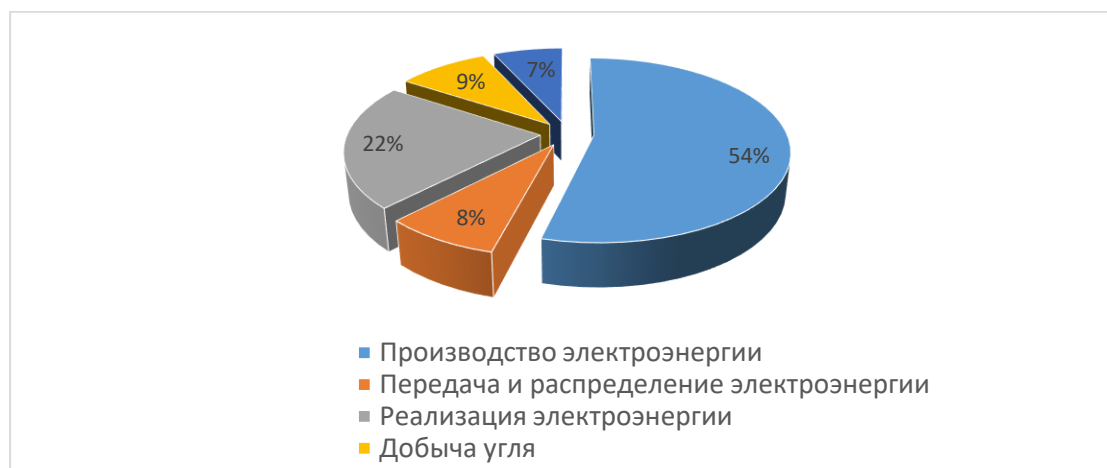


Consolidated revenue increased in the electricity generation segment because of the growth of electricity tariffs and sales volumes. The main growth is observed at “Ekibastuzs SDPP-1” LLP due to an increase in the volume of electricity sales in the domestic market by 18% which resulted from an increase in demand for electricity in the domestic market, as well as an increase in the selling tariff.

An increase in electricity transmission revenue is because of an increase in electricity transmission volumes by 812 mln. kWh (12%) and the electricity transmission tariff of “Alatau Zharyk Company” JSC from 5,95 tenge/kWh to 6,07 tenge/kWh.

In the sales (sales) segment, the growth in revenue is associated with an increase in the volume of electricity sales by 668 million kWh (11%) and the tariff for the sale of electricity by “AlmatyEnergoSbyt” LLP from 17,66 tenge/kWh to 18,69 tenge/kWh.

Structure of income in 2021 broken down by core businesses:



Forecast for the future period: in the forecast for 2022, sales revenue is planned in the amount of 378 964 mln. tenge, which is higher than 2021 actual by 46 427 mln. tenge or 14%. An increase is connected with the growth of tariffs for electricity generation and transmission.

In the forecast for 2023, there is an increase in income compared to the forecast for 2022 because of an increase in income from electricity generation, mainly due to an increase in sales, transmission and sales of electricity, as well as due to an increase in tariffs for generation, transmission and sales of electricity.

Revenues from sales of products and services rendered detailed per producer

| Indicator, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|----------------------|------------------|------------------|------------------|--------------------|--------------------|
|----------------------|------------------|------------------|------------------|--------------------|--------------------|

| | | | | | |
|---|---------|----------|----------|----------|----------|
| Income from sales of products and services rendered | 243 722 | 283 010 | 332 537 | 378 964 | 423 928 |
| “ESDPP-1” LLP | 108 017 | 123 478 | 166 366 | 174 846 | 195 733 |
| “AlmatyEnergoSbyt” LLP | 100 171 | 106 911 | 125 685 | 146 617 | 161 635 |
| “Almaty Power Plants” JSC | 64 047 | 74 481 | 78 654 | 88 385 | 95 002 |
| “Alatau Zharyk Company” JSC | 38 167 | 40 819 | 46 594 | 50 585 | 57 414 |
| “Moynak HPP” JSC | 9 883 | 20 520 | 19 003 | 21 642 | 23 870 |
| “FWPP” LLP ⁰ | 2 279 | 6 761 | 7 183 | 8 721 | 9 282 |
| “Shardarinsk HPP” JSC | 4 592 | 5 031 | 4 881 | 5 570 | 6 350 |
| “Bukhtarminsk HPP” JSC | 3 924 | 4 040 | 3 927 | 8 005 | 10 627 |
| "Ereymentau Wind Power" LLP | | | | 403 | 4 345 |
| Energy Solution center | 1 105 | 1 287 | 1 128 | 1 645 | 1 672 |
| “Samruk Green Energy” LLP | 158 | 236 | 399 | 475 | 493 |
| Intercompany turnover (elimination) | -88 621 | -100 554 | -121 285 | -127 929 | -142 496 |

The main share in the Company’s operating income is occupied by “Ekibastuz SDPP-1” LLP , “Almaty Power Plants” JSC, “Alatau Zharyk Company” JSC, “AlmatyEnergoSbyt” LLP. At the same time, when consolidating income, intra-group turnovers are excluded from the total amount, mainly for power generation and distribution companies.

Cost of goods sold and services delivered

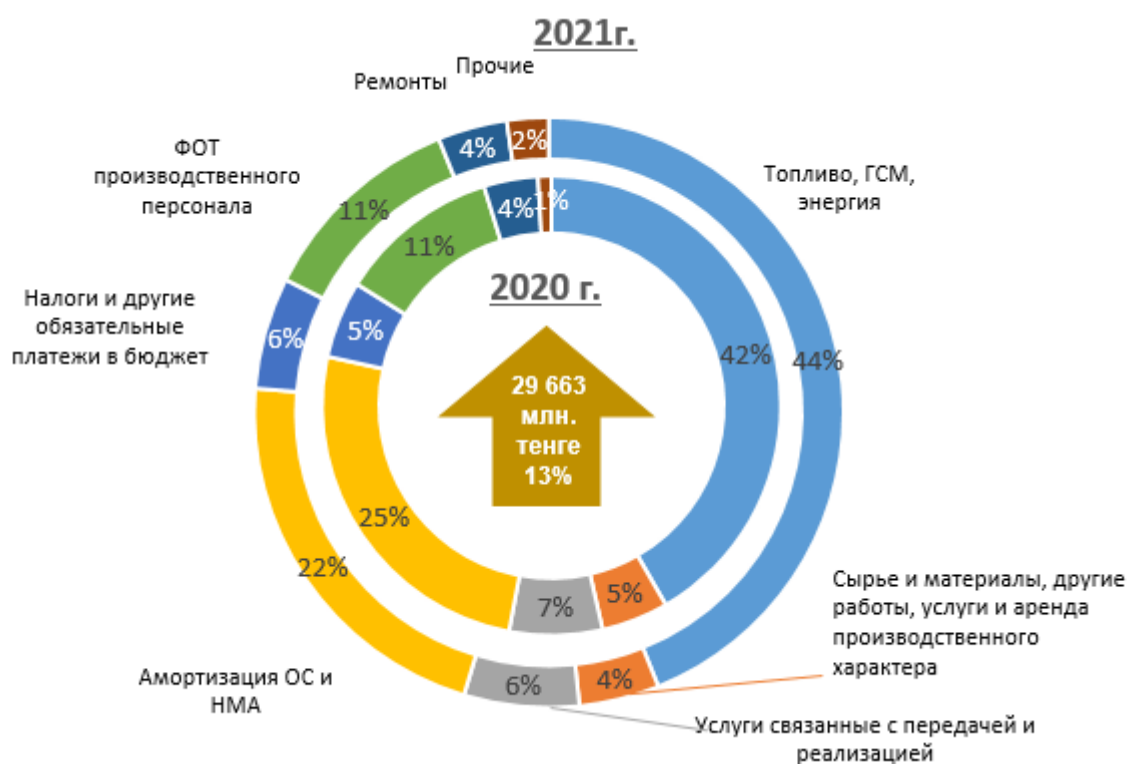
| Indicator, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Fuel | 52 340 | 59 109 | 60 320 | 69 214 | 71 508 |
| Remuneration of labor and related expenses | 26 775 | 29 394 | 34 120 | 36 524 | 38 187 |
| Cost of purchased electricity | 13 673 | 22 865 | 42 426 | 53 388 | 69 791 |
| Maintaining the availability of electric capacity | 7 692 | 10 094 | 8 718 | 10 006 | 9 924 |
| Depreciation of property, plant and equipment and amortization of intangible assets | 54 227 | 57 331 | 55 168 | 58 030 | 66 344 |
| Maintenance & repair | 6 879 | 8 520 | 9 901 | 12 694 | 13 281 |
| Services for electricity transmission and other services | 10 331 | 11 494 | 13 239 | 13 103 | 13 909 |
| Materials | 1 844 | 1 713 | 1 930 | 2 343 | 2 360 |
| Water supply | 3 962 | 4 847 | 6 329 | 6 697 | 7 121 |

| Indicator, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|-----------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Grid losses | 193 | 2 | 2 | 5 | 5 |
| Taxes other than income tax | 4 586 | 4 704 | 4 923 | 5 976 | 7 194 |
| Emission charges | 4 338 | 4 616 | 7 802 | 9 220 | 10 189 |
| Outsourced services | 5 383 | 6 003 | 5 649 | 11 439 | 12 770 |
| Other | 3 668 | 4 492 | 4 320 | 3 440 | 3 600 |
| TOTAL | 195 891 | 225 185 | 254 847 | 292 079 | 326 183 |

in FS emission charges for 2018-2020 were recorded “Taxes other than income tax” item

According to results of 2021, **cost of goods sold** amounted to 254 847 mln.tenge, which is 13% higher than 2020 actual figure. An increase in costs is mainly due to an increase in coal costs (because of an increase in electricity production volumes) and the cost of purchased electricity from “SFC RES” LLP (increase in purchase volumes). There is also an increase in expenses due to the growth in prices for goods and services, and an increase in depreciation mainly at “Ekibastuz SDPP-1” LLP as a result of fixed asset revaluation performed on 31.12.2020.

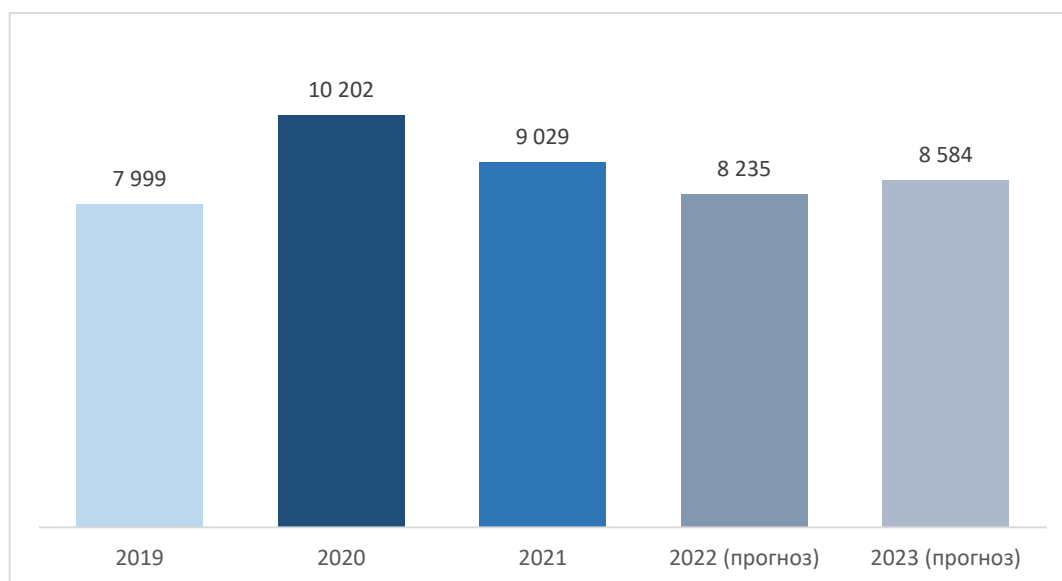
The structure of cost of goods sold by main types of activity



Forecast for the future period: in the forecast for 2022 and 2023, cost of goods sold increases due to an increase in prices for goods and services.

Distribution costs, mln.tenge

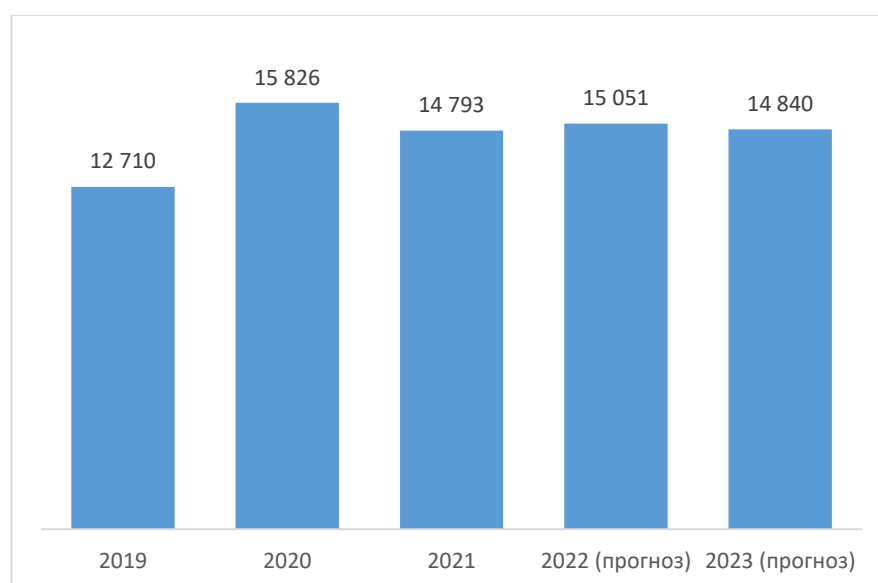
Distribution costs for 2021 decreased by 1 173 mln. tenge (by 11%) compared to 2020 and amounted to 9 029 mln. tenge. This deviation is caused by a 53% decrease in exports compared to 2020, as well as due to reduced prices for KEGOC services in 2021.



Forecast for the future period: In the forecast for 2022, **distribution costs** are planned in the amount of 8 235 mln. tenge, which is lower than the 2021 actual by 794 mln. tenge or 9%. The decrease is due to the exclusion of export volumes.

Administrative expenses, million tenge

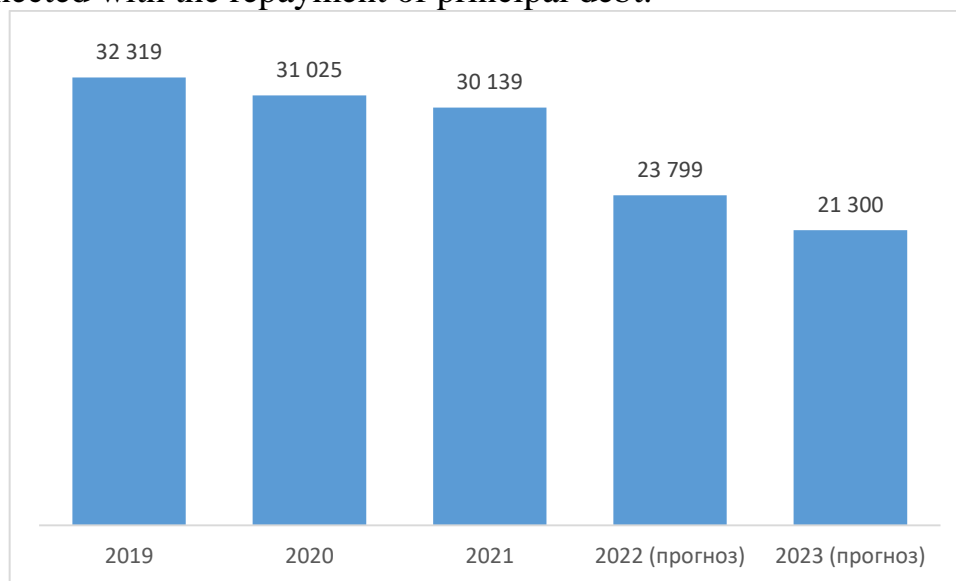
At the end of 2021, administrative expenses amounted to 14 793 mln. tenge, which is 1 033 mln. tenge less or 7% compared to the same period in 2020. The decrease was mainly for “Bukhtarminsk HPP” JSC due to additional VAT taxes and accrual pennies in 2020.



Forecast for the future: In the forecast for 2022, administrative expenses are higher than in 2021 and amount to 15 051 mln. tenge. An increase is because of indexation of staff salaries.

Finance costs, mln. tenge

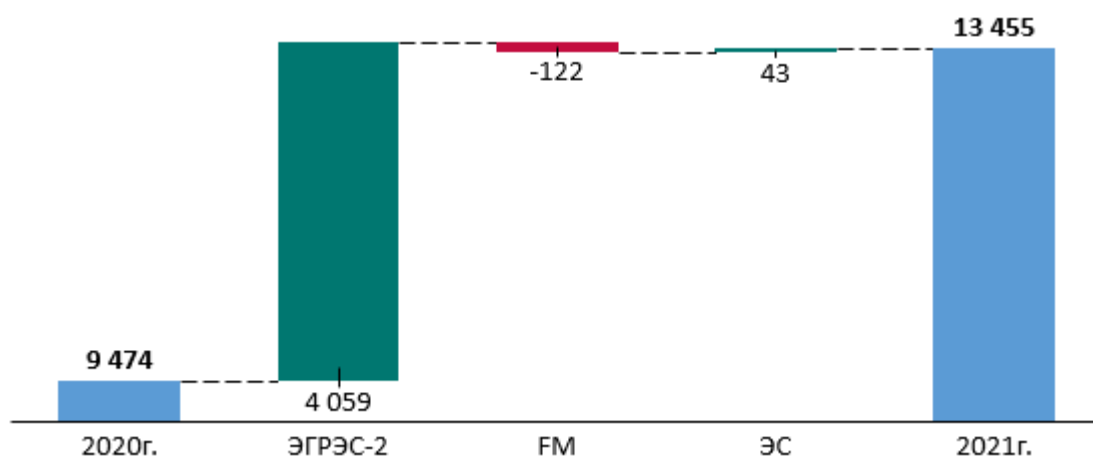
Financial expenses at the end of 2021 amounted to 30 139 mln. tenge, which is lower than the 2020 actual value by 886 mln. tenge. The main decrease at "Ekibastuz SDPP-1" LLP is connected with the repayment of principal debt.



Forecast for the future period: Forecast for 2022, financing costs amount to 23 799 mln. tenge. The deviation is mainly caused by HO due to the planned early repayment of the borrowed loan from ADB, as well as the decrease in expenses at “Ekibastuz SDPP-1” LLP and “Ereymenau Wind Power” LLP because of the change in raising borrowed funds.

Share of profits of joint ventures and associates and impairment of investments

| Indicator, mln.tenge | 2019 (actual) | 2020 (actual) | 2021 (actual) | 2022 (forecast) | 2023 (forecast) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Share of profits of joint ventures and associates | 11 191 | 9 474 | 13 455 | 7 619 | 27 416 |



Share profit for 2021 amounted to 13 455 mln. tenge, an increase compared to the same period by 3 981 mln. tenge or 42%.

The main changes occurred in the following assets:

ESDPP-2 (50%) - profit for 2021 amounted to 2 206 mln.tenge, with a loss for 2020 (1 853) mln.tenge, an increase in profit by 4 059 mln tenge compared to the same period of last year is mainly because of growth of operating profit by 4 054 mln.tenge as a result of growth in income from core activities (growth in sales volumes and electricity tariffs).

Forum Muider (50%) – profit for 2021 amounted to 11 383 mln. tenge, profit for 2020 amounted to 11 504 mln. tenge, (122) mln.tenge decrease was mainly due to the reduction of operating profit as a result of an increase in cost of goods sold and G&A.

9. Economic value generated and distributed

The economic performance of the Company's is shown in the table – economic value generated and distributed.

Generated economic value shows the main sources of the Company's income, namely the income from the production, transmission, and sale of electricity, as well as from the sale of coal and the remuneration received.

The generated value is distributed among suppliers and contractors, employees of the Company, shareholders and creditors, the state, as well as local communities.

| Distributed economic value | |
|---------------------------------------|--|
| Payments to suppliers and contractors | Operating costs - cash payments to counterparties for payment for materials, product components, equipment and services, rent payments, etc. |
| Payments to employees | Payroll, social taxes and contributions, pension and insurance payments, medical expenses for employees and other employee support |
| Payments to capital providers | Dividends to all categories of shareholders and interest paid to creditors |
| Payments to the state | Tax deductions |
| Investments in local communities | Donations to charity and non-governmental organizations and research institutions, expenses for maintaining public infrastructure, as well as direct funding of social programs, cultural and educational events |

At year-end 2021, economic value generated was 466 bn. tenge and economic value distributed amounted to 364 bn. tenge, as a result, retained economic value amounted to 102 bn. tenge. According to the approved Development Plan for 2022-2026, in 2022 and 2023, it is planned to increase economic value generated and distributed.

| Indicator* | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | Actual | Actual | Forecast | Forecast |
| Generated economic value | 382 199 | 465 806 | 523 007 | 587 748 |
| Sales proceeds | 380 990 | 463 690 | 522 624 | 587 256 |
| Remuneration received (interest) | 1 209 | 2 116 | 383 | 492 |
| Distributed economic value | 312 894 | 363 943 | 426 618 | 454 795 |
| Operating costs | 194 386 | 228 733 | 287 730 | 321 986 |
| Salary and social contributions | 43 700 | 50 327 | 51 677 | 54 445 |
| Payments to capital providers | 32 571 | 32 702 | 28 448 | 22 036 |
| Payments to the state | 42 152 | 52 149 | 58 703 | 56 269 |
| Retained economic value | 69 305 | 101 862 | 96 389 | 132 953 |

* - indicators used to be calculated on an accrual basis. To exclude non-monetary transactions, including depreciation, current figures are calculated using the data of the cash flow statement.

The figures are taken taking into account the equity stakes in joint ventures.

10. Tariff state regulation of the company's types of activities

Average weighted tariffs for electricity generation

| Description | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
|--|----------------|----------------|----------------|------------------|------------------|
| «Ekibastuz SDPP-1» LLP | | | | | |
| Average weighed tariffs, tenge kWh | 6,07 | 6,44 | 7,31 | 8,22 | 8,97 |
| export tariff, tenge/kWh. | 9,64 | 10,22 | 10,31 | | |
| RK tariff, tenge/kWh | 5,87 | 5,86 | 6,82 | 7,60 | 8,25 |
| Incl. electricity tariff, tenge kWh | 5,65 | 5,65 | 6,76 | 7,60 | 8,25 |
| Incl. capacity tariff, thousand tenge/MW*month | 590 | 590 | 590 | 590 | 590 |
| “Ekibastuz SDPP-2 Plant” JSC , average weighted tariffs, tenge kWh | 8,70 | 9,64 | 10,38 | 11,46 | 12,09 |
| electricity tariff, tenge/kWh. | 7,42 | 8,55 | 9,79 | 10,44 | 11,08 |
| capacity tariff, thous. tenge/MW*month | 590 | 590 | 590 | 590 | 590 |
| “Almaty Power Plants” JSC , average weighted tariffs, tenge kWh | 9,66 | 11,41 | 13,12 | 14,36 | 15,42 |
| electricity tariff, tenge kWh | 8,43 | 9,45 | 11,16 | 12,62 | 13,71 |

| Description | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
|--|----------------|----------------|-------------|------------------|------------------|
| average weighted tariffs for capacity, thous. tenge/MW*month | 590 | 875 | 899 | 798 | 798 |
| capacity tariff, thous. tenge/MW*month | 590 | 590 | 590 | 590 | 590 |
| Individual capacity tariff, thous. tenge/MW*month | | 4 169 | 4 169 | 3 139 | 3 139 |
| “Shardarinsk HPP” JSC, average weighted tariffs, tenge kWh | 4,86 | 12,95 | 15,32 | 16,70 | 16,25 |
| electricity tariff, tenge kWh | 4,23 | 8,49 | 9,27 | 11,27 | 11,28 |
| capacity tariff, thous. tenge/MW*month | 590 | 4 069 | 3 868 | 3 868 | 3 868 |
| “Moynak HPP” JSC, average weighted tariffs, tenge kWh | 10,02 | 21,33 | 23,74 | 24,38 | 23,92 |
| electricity tariff, tenge kWh | 7,93 | 12,02 | 12,26 | 13,70 | 14,44 |
| capacity tariff, thous. tenge/MW*month | 590 | 2 564 | 2 564 | 2 564 | 2 564 |
| "Samruk-Green Energy" LLP, tenge kWh | 48,54 | 32,73 | 19,74 | 23,80 | 24,77 |
| “First Wind Power Plant” LLP, tenge, kWh | 30,03 | 31,62 | 33,83 | 35,52 | 36,36 |
| «Ereymentau Wind Power» LLP | | | | 22,68 | 22,68 |
| “Energiya Semirechya” LLP | | | | 22,68 | 22,68 |

Capacity market has commenced operation in the Republic of Kazakhstan from January 1, 2019. The income received by electricity producers is divided into two components - income from the sale of electricity (used to cover current expenses) and income from the provision of services to maintain the availability of capacity (used for repayment of the principal debt and investments). A single cap tariff for the service of maintaining the availability of capacity for all EPOs was approved in the amount of 590 thousand tenge/MW*month. Electricity tariffs were approved for 2020-2025. However, the approved tariffs do not provide for indexation by years. At the same time, in accordance with paragraph 2 of Article 12-1 of the Law of the Republic of Kazakhstan "On Electricity", if necessary, electricity tariffs are adjusted annually.

With the introduction of the capacity market, the average weighted electricity tariffs in 2020 for stations increased, considering adjusted ceiling tariffs introduced from July 1, 2020 and the introduction of individual capacity tariffs.

In connection with the approval of deficit tariffs for stations by the Ministry of Energy of the Republic of Kazakhstan, in accordance with the Regulations, EPO submitted applications for adjusting the ceiling tariffs for electricity to the Ministry of Energy of the Republic of Kazakhstan. As a result, from July 1, 2020, the Ministry of Energy of the Republic of Kazakhstan approved the ceiling tariffs for electricity, which were valid until March 31, 2021.

Considering the approval of the Methodology for determining the rate of return (Order of the Minister of Energy No. 205 dated May 22, 2020, as amended in accordance with Order No. 76 dated March 11, 2021) - the rate of return was included in the ceiling

tariffs of EPO from April 1, 2021 in accordance with the Order of the Minister of Energy of the Republic of Kazakhstan dated 30.03.2021.

In accordance with the Republic of Kazakhstan Law "On supporting the use of renewable energy", EPO's electricity sales tariff has included the markup for supporting the use of RES from 01.07.2021 at the level of 1,57 tenge/kWh, calculated by “SFC for RES Support” LLP based on the costs of supporting RES in the Republic of Kazakhstan and the volume of electricity supply by EPO, which are conditional consumers. Considering the introduction of RES pass-through charge, EPO's new ceiling electricity tariffs were approved by the Order of the Minister of Energy of the Republic of Kazakhstan No. 211 dated 24.06.2021.

Thus, the following ceiling electricity tariffs were in effect during 2021:

| EPO name | Approved tariff 01.01.2021- 31.03.2021 | Approved tariff 01.04.2021- 30.06.2021 | ME tariffs approved without surcharge from 01.07.2021 | RES mark- up | Tenge/kWh | |
|---------------|--|--|--|--------------------|--|--|
| | | | | | Tariffs with RES mark-up from 01.07.2021 | % of growth vs. approve d tariff from 01.01.20 21 |
| “SDPP-1” LLP | 5,80 | 7,25 | 5,90 | 1,57 | 7,47 | 28,7% |
| “SDPP-2” JSC | 9,13 | 9,69 | 8,59 | 1,57 | 10,16 | 11,3% |
| “APP” JSC | 10,30 | 11,01 | 10,23 | 1,57 | 11,80 | 14,5% |
| “MHPP” JSC | 12,02 | 12,03 | 10,90 | 1,57 | 12,47 | 3,7% |
| “SharHPP” JSC | 8,10 | 9,74 | 8,77 | 1,57 | 10,34 | 27,6% |

From the beginning of 2021 a significant increase in the tariff occurred “ESDPP-1” LLP and “SharHPP” JSC by 28.7% and 27.6%, respectively, at “SDPP-2” JSC and “APP” JSC by 11,3% and 14,5% respectively. For “MHPP” JSC, the tariff increased slightly from 12,02 tenge/kWh to 12,47 tenge/kWh, or by 3,7%.

The work with the Ministry of Energy of the Republic of Kazakhstan has been carried out starting from 2020 regarding the approval of investment tariffs for stations implementing large-scale investment projects – “MHPP” JSC, “SharHPP” JSC, “APP” JSC and “SDPP-1” LLP.

On 28.02.2021, “SDPP-1” LLP concluded an investment agreement with the Ministry of Energy of the Republic of Kazakhstan for modernization, reconstruction, expansion, and renewal of the Project for the restoration of power unit No. 1 with the establishment of a tariff in the amount of 1 199 thousand tenge / MW * month for 2025-2031 for volume of services amounting to 476,6

The data of the concluded investment agreements are given below.

thous.tenge /MW*month

| EPO name | Volume | Individual tariff | Period |
|---------------|---------|-------------------|-----------|
| “APP” JSC | 69,5 MW | 4 168,60 | 2020-2024 |
| “MHPP” JSC | 298 MW | 2 563,67 | 2020-2026 |
| “SharHPP” JSC | 61 MW | 4 069,3 | 2020-2028 |
| “SDPP-1” LLP | 476,6 | 1 199 | 2025-2031 |

ESDPP filed an application to the Market Council (KEA) on 26.01.2021 for approval of an individual tariff for the implementation of the project "Expansion and reconstruction of ESDPP-2 with the installation of power unit No. 3". After receiving a positive recommendation from the Market Council on March 29, 2021, the application was submitted to the Ministry of Energy of the Republic of Kazakhstan.

From 2022 onwards, electricity and capacity tariffs are forecasted with indexation.

Heat production tariffs

| Name | tenge/Gcal | | | | |
|------------------------------|----------------|----------------|----------------|------------------|------------------|
| | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
| “Almaty Power Plants” JSC | 3 354 | 3 441 | 3 392 | 3 621 | 3 694 |
| “Ekibastuz SDPP-2 Plant” JSC | 809 | 697 | 772 | 867 | 938 |
| “Ekibastuz SDPP-1” LLP | 572 | 367 | 233 | 367 | 367 |

As for a natural monopoly entity, the legislation provides for the approval of long-term (5+ years) ceiling tariff levels for organizations producing heat, with the inclusion of an investment component and annual indexation of costs. The ceiling tariffs are approved by the Committee for Regulation of Natural Monopolies and Protection of Competition. However, an increase in tariffs is made no more than once a year and there are risks of maintaining tariffs without an increase in cases of an increase in station costs for objective reasons.

Tariffs for regulated services on production of heat for 2022-2026 with entry into force from 01.01.2022, were approved for “APP” JSC by a joint order of the Departments of the Committee for the Regulation of Natural Monopolies (hereinafter DCRNM) under the RK Ministry of National Economy for Almaty city No. 141-OD and for Almaty region No. 267-OD dated November 29, 2021, where for 2022 an increase to the current tariff was 8,6%.

Tariffs for electricity transmission services

| Name | tenge/kWh | | | | |
|-----------------------------|----------------|----------------|----------------|------------------|------------------|
| | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
| “Alatau Zharyk Company” JSC | 5,46 | 5,95 | 6,07 | 6,60 | 7,25 |

The ceiling tariff for 2021-2025 with its entry into force from 01.06.2021 was approved for “Alatau Zharyk Company” JSC, which is also a natural monopoly entity, by the Decree of the DCRNM dated May 17, 2021. The approved tariff for 2021 is 6.09 tenge/kWh with an increase of 0.8% to the current tariff.

An increase (adjustment) of tariffs is made no more than once a year, in cases of an increase in the costs of RES for objective reasons (in accordance with Article 22 of the Law of the Republic of Kazakhstan “On Natural Monopolies”, the grounds for changing the tariff approved by the authorized body are changes in the cost of strategic goods (purchased electricity).

ESO tariffs for electricity sale

| tenge/kWh | | | | | |
|------------------------|----------------|----------------|----------------|------------------|------------------|
| Name | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
| “AlmatyEnergoSbyt” LLP | 16,11 | 17,66 | 18,69 | 21,32 | 22,82 |

The power supply company “AlmatyEnergoSbyt” LLP is a socially significant market entity and is also subject to regulation by the authorized body. The tariff calculation includes operational, financial and investment components. There are risks of artificial containment of tariff growth by the Regulator to maintain the social stability of the population in the regions. For individuals, differentiation in terms of consumption rates has been maintained, for legal entities, electricity is supplied at average selling tariffs.

On February 1, 2021 in connection with the reduction of “KEGOC” JSC tariff, tariffs for “AES” LLP were reduced to 18,25 tenge/kWh (by 1,2% compared to the previous one), including differentiated tariffs for consumer groups.

Considering an increase in tariffs for energy sources from 01.07.2021, DCRNM sent a Motivated Opinion dated 23.08.2021 on the price increase from 01.09.2021 up to 19,74 tenge/kWh or by 14,5% to the current level.

Coal sales price

| tenge/ton | | | | | |
|---------------------|----------------|----------------|----------------|------------------|------------------|
| Name | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
| “Bogatyr-Komir” LLP | 2 120 | 2 311 | 2 292 | 2 553 | 2 945 |

“Bogatyr- Komir” LLP coal sales price is approved independently by the price list for consumers of the Republic of Kazakhstan for 3 groups of consumers (energy sector at the KTZh junction station, energy sector at the coal collection station, utility needs). Regulation is performed in line with the Entrepreneurial Code of CRNM and PC under MNE.

11.Achievement of strategic KPI

| No. | Description | 2019 actual | 2020 actual | 2021 actual | 2022 forecast | 2023 forecast |
|-----|------------------------|----------------|----------------|----------------|------------------|------------------|
| 1 | Net benefit, mln.tenge | 6 835 | 8 008 | 15 046 | 35 138 | 66 041 |
| 2 | Debt/EBITDA (ratio) | 3,31 | 2,67 | 2,41 | 3,52 | 3,70 |

| | | | | | | |
|---|----------------------------------|---------|---------|---------|---------|---------|
| 3 | ROACE, % | 3,43% | 3,60% | 4,23% | 5,46% | 6,84% |
| 4 | Net asset value (NAV), mln.tenge | 392 073 | 400 623 | 412 899 | 442 461 | 508 490 |
| 5 | Corporate governance rating | - | | BB | - | - |
| 6 | RK electricity market share | 28% | 29% | 31% | 27% | 28% |
| 7 | LTIFR* | 0,33 | 0,27 | 0,36 | 0,33 | 0,3 |

* is in the list of Strategic KPI since 2019

In general, the Company's Strategic Indicators tend to improve in the period from 2019 to 2023. The main growth factors are an increase in sales of electricity and capacity in the domestic market, obtaining individual tariffs for capacity, reducing the unit consumption of fuel and water for process needs, reducing expenses for fuel and energy resources – energy conservation, as well as decreasing the debt burden.

12. Analysis of capital expenditures according to the spending method

mln.tenge

| No. | SA | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------|--|---------------|---------------|---------------|----------------|----------------|
| | | actual | actual | actual | forecast | forecast |
| | TOTAL | 50 364 | 73 232 | 61 698 | 361 598 | 396 273 |
| 1 | Investment projects, incl.: | 14 985 | 40 718 | 25 206 | 312 280 | 350 919 |
| 1.1 | Rehabilitation of Power unit#1 with installation of new ESP | 4 953 | 1 890 | 10 930 | 26 110 | 105 528 |
| 1.2 | Expansion and reconstruction of Ekibastuz SDPP-2 with installation of power unit No. 3 | 0 | 8 322 | 104 | 6 684 | 47 197 |
| 1.3 | Transition to cyclical-and-continuous method of mining, transportation, blending and loading of coal at the "Bogatyr" open-pit coal mine of Ekibastuz coal deposit | 553 | 25 504 | 9 693 | 11 445 | 0 |
| 1.4 | Construction of SS "Kokozek" | 0 | 20 | 2 000 | 758 | 0 |
| 1.5 | Construction of SS "Turksib" | 0 | 0 | 19 | 0 | 522 |
| 1.6 | Reconstruction of Almaty city cable grids | 0 | 0 | 0 | 6 000 | 9 160 |
| 1.7 | Expansion of Almaty CHP-1 with the construction of 200-250 MW CCGT unit | 0 | 0 | 0 | 45 014 | 43 668 |
| 1.8 | "Modernization of Almaty CHP-2 including reduction of environmental footprint" | 0 | 0 | 314 | 124 832 | 63 400 |
| 1.9 | Reconstruction of Almaty CHP-3 based on CCGT unit with an increase in the plant's capacity up to 450 MW" | 0 | 0 | 0 | 81 025 | 78 602 |
| 1.10 | Construction of a 60 MW wind power plant in Shelek corridor including a possible | 3 917 | 11 | 23 | 3 189 | 0 |

| | | | | | | |
|----------|---|---------------|---------------|---------------|---------------|---------------|
| | increase in capacity to 300 MW (25%) | | | | | |
| 1.11 | Construction of 50MW Ereymentau WPP | 200 | 913 | 2 099 | 6 398 | 25 |
| 1.12 | Construction of a gas turbine power plant based on Pridorozhnoe gas field | 91 | 52 | 13 | 0 | 0 |
| 1.13 | Other projects | 5 270 | 4 006 | 11 | 825 | 2 816 |
| 2 | Maintenance of production assets | 34 596 | 31 787 | 35 198 | 46 818 | 44 994 |
| 2.1 | "Bogatyr Komir" LLP (50%) | 7 658 | 5 547 | 4 243 | 8 288 | 9 133 |
| 2.2 | "Station Ekibastuz SDPP-2" JSC (50%) | 798 | 1 050 | 1 616 | 2 068 | 3 232 |
| 2.3 | "Ekibastuz SDPP-1" LLP | 7 711 | 6 187 | 8 886 | 14 844 | 14 153 |
| 2.4 | "Alatau Zharyk Company" JSC | 11 124 | 12 646 | 10 692 | 9 791 | 12 187 |
| 2.5 | "Almaty Power Plants" JSC | 6 991 | 5 616 | 9 042 | 9 928 | 5 553 |
| 2.6 | "Moynak HPP" JSC | 168 | 307 | 415 | 1 264 | 235 |
| 2.7 | "Shardarinsk HPP" JSC | 38 | 6 | 10 | 54 | 111 |
| 2.8 | "AlmatyEnergoSbyt" LLP | 75 | 94 | 90 | 95 | 81 |
| 2.9 | "Samruk-Green Energy" LLP | 0 | 3 | 24 | 19 | 14 |
| 2.10 | "First Wind Power Plant" LLP | 33 | 332 | 180 | 348 | 295 |
| 2.11 | "Ereymentau Wind Power" LLP | 0 | 0 | 0 | 51 | 0 |
| 2.12 | "Energia Semirechya" LLP (25%) | 0 | 0 | 0 | 0 | 0 |
| 2.13 | "ESC" LLP | 0 | 0 | 0 | 69 | 0 |
| 3 | Maintenance of administrative assets | 592 | 690 | 1 267 | 2 293 | 360 |
| 4 | Other | 191 | 38 | 26 | 207 | 0 |

Projects implemented in 2020

The works under the project "Retrofit of Shardarinsk HPP" were completed. The plant's installed capacity has been increased to 126 MW.

Projects completed in 2021

There are no implemented projects in 2021.

Projects implemented in 2022

In 2022, it is planned to complete the work and put into operation the project "Construction of 110/10kV substation Kokozek with connection to the outdoor switchgear-110kV of the 220kV substation Kaskelen of the Karasai district of Almaty region"

The construction of a flow technology for the delivery of coal by conveyor transport in the Bogatyr open-pit mine is planned to be completed. An increase in production capacity for coal mining will be up to 42 mln. tons / year.

Projects implemented in 2023

In December 2023, it is planned to complete construction and installation works and put into operation the project "Restoration of power unit No. 1 at ESDPP-1 with the installation of new electrostatic precipitators". The project will increase the plant's capacity to the design capacity of 4000 MW, thereby reducing the shortage of electricity in the energy system of the Republic of Kazakhstan.

It is planned to complete the construction of a 50 MW wind power plant near Yereymentau city. The implementation of the project will enable to produce more than 215 million kWh of electricity per year. Also, it is planned to complete the project "Construction of a 60 MW wind farm in Shelek corridor with a possible increase in capacity up to 300 MW."

13. Liquidity and financial stability indicators

Enforcement of covenants from external creditors:

| Covenant | Standard | 2019 actual | 2020 actual | 2021 actual | Note |
|-----------------------------|--------------|-------------|-------------|-------------|--------------------|
| Debt/EBITDA (EBRD, ADB) | не более 3,5 | 3,31 | 2,96 | 2,70 | <i>is complied</i> |
| EBITDA/Interest (EBRD, ADB) | не менее 3,0 | 3,34 | 3,76 | 5,00 | <i>is complied</i> |
| Debt/Equity (KDB) | не более 2,0 | 0,56 | 0,54 | 0,59 | <i>is complied</i> |

| Description | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Actual | 2022 forecast |
|-------------|-------------|-------------|-------------|-------------|---------------|
| Debt/EBITDA | 3,18 | 3,31 | 2,96 | 2,7 | 3,74 |
| Debt/Equity | 0,65 | 0,56 | 0,54 | 0,59 | 0,77 |
| Liquidity | 1,04 | 0,70 | 0,75 | 0,53 | 0,66 |

At the end of 2021, "Samruk-Energy" JSC (the Company) complied with financial and non-financial covenants of creditors, which are fixed on a semi-annual basis. At the end of 2021, "Samruk-Energy" JSC achieved target financial stability ratios set by the shareholder.

Debt load growth

According to the results of 12 months of 2021, the consolidated nominal debt of the Company amounted to 349.9 bn. tenge, the growth of nominal debt for the reporting period compared to the results of 2020 (325.4 billion tenge) amounted to 24.5 bn.tenge.

The growth of nominal debt in 2021 resulted from the implementation of the Project "Restoration of power unit No. 1 with the installation of new electrostatic precipitators at "Ekibastuz SDPP-1" LLP".

As part of mitigating currency and inflation risks, the Company implemented the following activities in 2019-2021:

Refinancing of foreign exchange liabilities in tenge – “Moynak HPP” JSC in the amount of 148 mln. US dollars, “Ekibastuz SDPP-2” in the amount of about 100 bn. tenge. These activities allowed reducing the share of foreign currency liabilities in the loan portfolio from 17% to 1% (incl. SDPP-2, the effect is higher than these indicators).

To reduce inflationary risks, activities aimed at early repayment of EBRD loans in the amount of 21 bn. tenge, of which 18 bn. tenge were repaid by issuing the first green bonds of the Company on the AIX platform.

Reduction of interest expenses

Reduction of interest expenses was possible owing to scheduled (20.8 bn. tenge) and early repayments of debt (36.9 bn. tenge), carrying out of activities aimed at reducing interest rates by changing the terms of financing and refinancing of existing loans of the Group from new alternative sources of financing.

Credit rating (Fitch Ratings)

At the end of 2021, “Samruk-Energy” JSC long-term credit ratings from the international rating agency Fitch Ratings were confirmed at the level of “BB”, the outlook was changed from “Stable” to “Positive”.

14. Contingencies, commitments and operating risks

In general, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. Its economy is particularly sensitive to prices on oil and gas and other commodities, which constitute major part of the country’s export. These characteristics include, but are not limited to, the existence of national currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets. Ongoing political tension in the region, volatility of exchange rate has caused and may continue to cause negative impact on the economy of the Republic of Kazakhstan, including decrease in liquidity and creation of difficulties in attracting of international financing.

On 20 August 2015 the National Bank and the Government of the Republic of Kazakhstan made a decision on discontinuation of supporting the exchange rate of Tenge and implement of new monetary policy, which is based on inflation targeting regime, cancellation of exchange rate trading band and start a free-floating exchange rate. However, the National Bank's exchange rate policy allows it to intervene to prevent dramatic fluctuations of the Tenge exchange rate and to ensure financial stability.

As at the date of this report the official exchange rate of the National Bank of the Republic Kazakhstan was Tenge 428.32 per US Dollar 1 compared to Tenge 431.67 per US Dollar 1 as at 31 December 2020. Therefore, uncertainty remains in relation to the exchange rate of Tenge and future actions of National Bank and the Government of the Republic of Kazakhstan and the impact of these factors on the economy of the Republic of Kazakhstan.

In September 2021 S&P Global Ratings, international rating agency affirmed the sovereign credit rating of Kazakhstan of “BBB-”. The outlook on sovereign credit rating is stable. The stable outlook is supported by the government's strong balance sheet, built on past budgetary surpluses accumulated in the National Fund of the Republic of

Kazakhstan, low government debt, total volume of which will not exceed the external liquid assets of the state within two years, as well as measures implemented by the Government of the Republic of Kazakhstan aimed at controlling the negative consequences of the pandemic on the economy.

Low oil prices, decrease in its production due to the OPEC agreement and the impact of COVID-19 containment measures have adversely affected the economy of Kazakhstan in 2020. However, a recovery in the oil sector amid easing of production restrictions by OPEC+ and expansion of production at the Tengiz field, stable dynamics in the manufacturing sector, increased investment activity, easing of restrictions related to the pandemic, and a recovery in foreign trade will support economic growth in 2022. According to the analysts' forecasts, the growth rate of the national economy in 2021-2024 will amount, on average, to about 3.6%.

The economic environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results.

Additionally, energy sector in the Republic of Kazakhstan is still impacted by political, legislative, fiscal, and regulatory developments. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling, and political developments, which are beyond the Group's control.

For measurement of expected credit losses, the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

In December 2019, news from China about the outbreak of a new virus first appeared. On 11 March 2020, the World Health Organization announced an outbreak of a new type of coronavirus, COVID19, as a pandemic. In response to the pandemic, the Kazakhstani authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. Some of the above measures were subsequently relaxed. The Group's activities for the period of quarantine were not suspended, the work of office employees was organized remotely.

COVID-19 epidemic is spreading globally, having a severe negative effect on the entire world economy. As of the date of the issuance of these financial statements, the situation is still developing; however, the future effect is difficult to predict. Management will continue to monitor the potential effect of the above events and will take all necessary actions to prevent negative consequences for the business, however:

- the consequences of downtime/quarantine due to the COVID-19 pandemic will lead to a slowdown in business activity in general, which may affect the Company's/Group's financial performance in the future;
- the decrease in demand for oil due to possible restrictions due to the pandemic,

and accordingly in oil prices, and further agreements between OPEC members and other major oil-producing countries to stabilize oil prices by reducing production levels could have a negative effect on the economy of Kazakhstan, and indirectly on the Group.

Management is unable to predict the extent or duration of changes in the Kazakhstani economy or evaluate their possible impact on the financial position of the Group in the future. Management believes that it is taking all necessary measures to maintain the sustainability and growth of the Group in current circumstances. In the opinion of the Group's management, this event related to the outbreak of the virus does not have a material effect on the measurement of assets and liabilities in the financial statements as of 31 December 2021.

Tax legislation

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. In some cases, to determine the taxable base, the tax law refers to the provisions of IFRS, and the interpretation of the relevant provisions of IFRS by Kazakhstani tax authorities may differ from the accounting policies, judgments and estimates applied by management in the preparation of these consolidated financial statements, which may lead to additional tax liabilities of the Group. Fiscal periods remain open to review by the authorities in respect of taxes for five years after the end of the fiscal year.

The Group management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements.

From July 2020, the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - "SRC") launched a pilot project to introduce horizontal monitoring, which will last until 31 December 2023. The main goal of horizontal monitoring is to create partnerships between tax authorities and large taxpayers by timely response and prevention of their risky transactions that may lead to violations of tax, currency and other legislation, which is controlled by tax authorities. In order to implement the pilot project of SRC, together with the business community, the rules for its implementation were developed and approved, and the categories of taxpayers were determined.

In 2021, SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the ESDPP-1 for the period from 2016-2020. Based on the results of the analysis, in February 2022, SRC signed a Protocol with recommendations. The main recommendation is related to the discrepancy between fixed assets by belonging to asset groups according to the National Classifier of Fixed Assets. ESDPP-1 expressed its disagreement with this recommendation and continues to work to clarification its position.

Legal proceedings

Maikuben-West LLP

Since 2016, the Group has been involved in legal proceedings with Maikuben-West

Holding (Member of MaikubenWest LLP). The Group filed a lawsuit in the specialized inter-district economic court (“SIEC”) of Pavlodar region for collection of debt of Tenge 333 million tenge from Maikuben-West LLP, as well as a government fee of Tenge 10 million. By the decision of the SIEC of Pavlodar region dated 10 June 2016 the claim has been successful. Part of debt in the amount of Tenge 28 million was recovered from Maikuben-West LLP. As to the remaining debt of Maikuben-West LLP of Tenge 315 million, the following measures were taken: seizure of funds and property of Maikuben-West LLP, recommendations were sent to the SIEC of Pavlodar region to suspend licenses and permits issued by Maikuben LLP -West.

In 2019, the Group filed a claim with the SIEC of Pavlodar region for the recovery of debt from Maikuben-West LLP in the amount of Tenge 1,632,148 thousand, including principal debt of Tenge 1,324,023 thousand, lost profits of Tenge 161,286 thousand, penalty (penalty) of Tenge 99,302 thousand and state duty of Tenge 47,538 thousand. On 11 June 2019, the SIEC of Pavlodar region made a decision to approve the Group's claim in full. On 3 December 2019, enforcement proceedings were initiated to collect debts from Maikuben-West LLP of Tenge 1.6 billion. In the period from 15 July 2019 to 22 February 2020, in connection with the lawsuit filed by Maikuben-West LLP on the application of the rehabilitation procedure, enforcement proceedings were suspended. At the moment, private bailiffs are conducting enforcement proceedings, and enforcement actions are being carried out. A part of the debt in the amount of Tenge 40,375 thousand was recovered from Maikuben-West LLP under both decisions.

In March 2021, an agreement was concluded with Maikuben-West LLP to repay the debt in installments by the end of 2026 and forgive part of the debt according to the schedule until 2026.

Due to ongoing legal proceedings between the parties, the receivables of Maikuben-West LLP as of 31 December 2021 were fully impaired (31 December 2020: fully impaired).

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the world are not yet generally available in the Republic of Kazakhstan. The Group does not have full coverage for its plant facilities, losses caused by business interruptions or third party liabilities in respect of property or environmental damage arising from accidents or the Group's activities. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Environmental matters

The enforcement of environmental regulation in the Republic of Kazakhstan is evolving and the enforcement posture of government authorities of the Republic of Kazakhstan is continually being reconsidered. The Group periodically evaluates its environmental commitments. As obligations are determined, they are recognized immediately in the consolidated financial statements. Potential obligations, which can arise as a result of changes to effective regulations, as a result of a civil action or per

legislation, cannot be estimated but can be material. However, per the current interpretation of the current legislation, management believes that the Group does not have material obligations in addition to the amounts already accrued and recorded in these consolidated financial statements, which would have a material adverse effect on the operating results or the financial position of the Group.

Under the environmental exemption, the Group is legally obligated to acquire additional gas emission allowances. As at 31 December 2021, the carrying amount of the provision for the purchase of additional gas emission allowances Tenge 2,438,179 thousand (December 31, 2020: nil). In accordance with paragraph 1 of Art. 295 of the Environmental Code of the Republic of Kazakhstan, the subject of quotas engages the authorized body in the field of environmental protection to increase the level of the carbon quota in the absence or insufficiency of the main carbon quota in the event of an increase in the capacity of the quota plant during the period of reduction of carbon quotas. Include that production volumes have increased, that consumption of electricity has increased, for emerging risk groups for a shortage of greenhouse gas quotas by the Carbon Emission Project for 2022-2025. On January 2, 2021, the President of the Republic of Kazakhstan signed a new Environmental Code of the Republic of Kazakhstan, which comes into force on July 1, 2021. According to the new Environmental Code, from 2025, the TOP-50 obligations are voluntarily transferred to the Integrated Environmental Permit (hereinafter - "IEC"). The TOP-50 enterprises included "APP" JSC and ESDPP-1. This document requires mastering the best available techniques (hereinafter referred to as "BAT") and complying with the regulatory requirements specific to BAT. Lists of BAT must be appointed by the authorized body in the field of environmental protection before July 1, 2023. The entire process of switching to CEP is voluntary, however, if a decision is made to switch to CEP, then as an incentive measure, he is exempt from payments for payments, and if he refuses, then payments for payments increase by 2 times from 2025, 4 times from 2028 year, 8 times since 2031. "APP" JSC decided to introduce the best available technologies on its energy sources, with a corresponding transition to the KEP at the beginning of the installation. Currently, SDPP-1 is a preliminary plan for the reconstruction of equipment for 2025-2034 for the reconstruction of burnt structures for attractions and the reconstruction of filters for attractions. As at 31 December 2021, the introduction of the new Environmental Code did not have a significant impact on the Group's consolidated financial statements.

Ash dump liquidation provision

In accordance with nature protection legislation, the Group is legally obliged to liquidate ash dump sites representing landfill sites for the Group's operating activities. As of 31 December 2021, the carrying amount of ash dump liquidation provision was Tenge 2,826,592 thousand (31 December 2020: Tenge 3,423,974 thousand). The assessment of the current ash dump liquidation provision is based on the Group's interpretation of the environmental legislation of RK in force, supported by feasibility study and engineering research in accordance with current norms of restoration methods and reclamation works. This assessment may change upon completion of subsequent nature protection research works and review of existing reclamation and restoration programs. Capital expenditure commitments The Group has analyzed its exposure to seasonal and other arising business

risks, but did not determine any risks, which could have impact on financial indicators or position of the Group as of 31 December 2020. The Group has relevant funds and financing sources to implement capital expenditure commitments and maintain working capital. As of 31 December 2021, the Group had contractual commitments on acquisition of property, plant and equipment totaling Tenge 84,376,182 thousand (31 December 2020: Tenge 76,074,066 thousand).

Borrowing covenants

The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default. Upon the results of 2021, the Group was in compliance with covenants on borrowings, and received waivers on reduction of thresholds, when a violation forecasted.

15.Comparative analysis (benchmarking)





Benchmarking serves as one of the essential elements of governance of “Samruk-Energy” JSC. The purpose of the benchmarking is to compare the operating and financial performance with foreign peer companies to identify the strengths and weaknesses of “Samruk-Energy” JSC. The following indicators were used for benchmarking:




- EBITDA margin;
- Debt / EBITDA
- Ratio of the share of borrowed funds (Debt / Equity)
- Return on invested capital (ROIC);

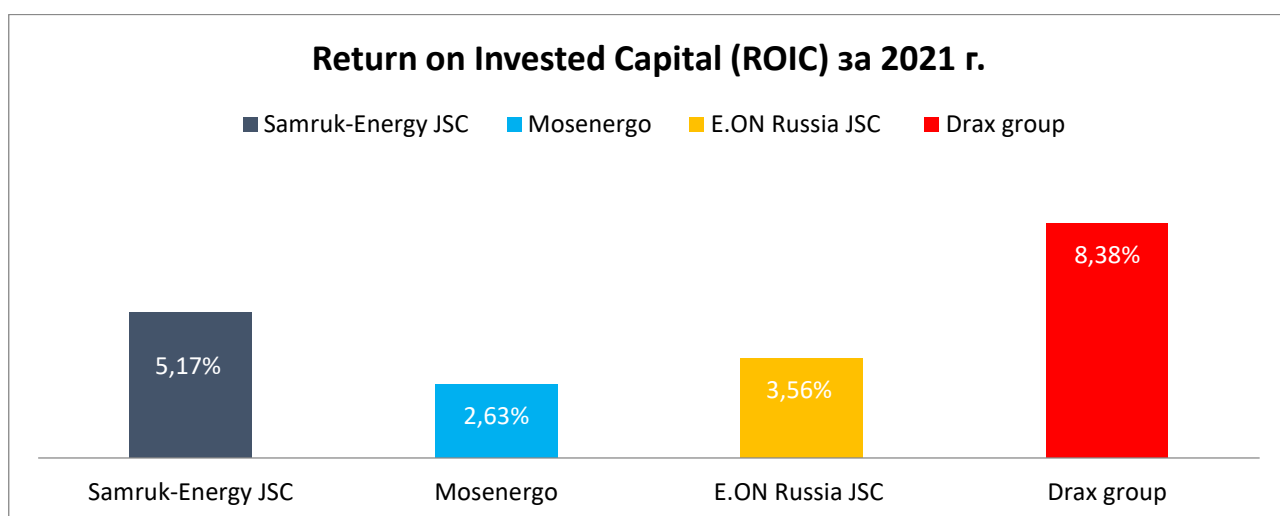
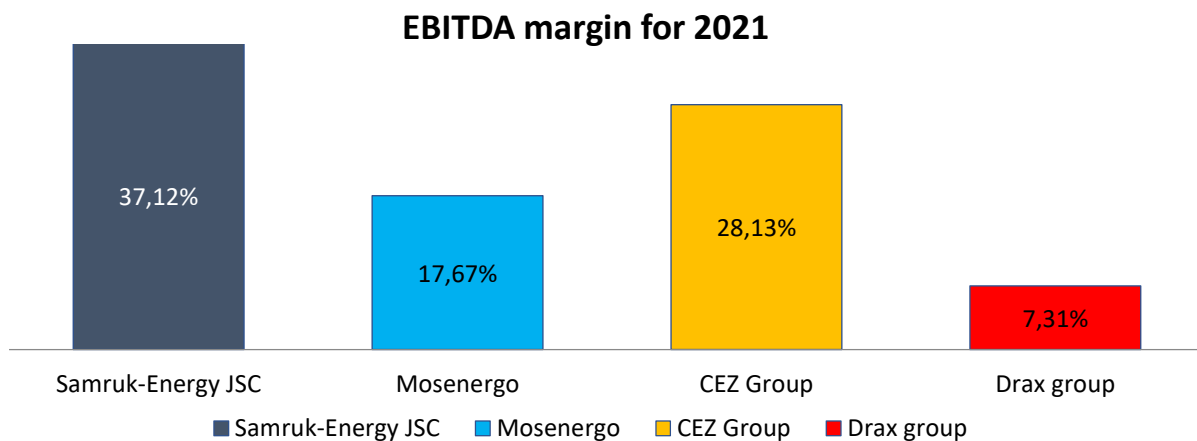
For benchmarking, data from the following peer companies were used:

- Mosenergo JSC (Russia);
- CEZ Group (Czech Republic);
- Drax Group (Great Britain).

Benchmarking results:

| Критерий | Мера | Статус | Min -----Бенчмаркинг-----Max |
|---------------|-------------|---|--|
| EBITDA margin | % |  | <div>Drax Group (7,31)</div> <div>МосЭнерго (17,67)</div> <div>CEZ (28,13)</div> <div>СЭ (37,12)</div> |
| Долг/EBITDA | коэффициент |  | <div>МосЭнерго (0,77)</div> <div>CEZ (1,75)</div> <div>СЭ (2,41)</div> <div>Drax Group (2,76)</div> |
| Долг/СК | коэффициент |  | <div>МосЭнерго (0,10)</div> <div>СЭ (0,59)</div> <div>CEZ (0,68)</div> <div>Drax Group (0,81)</div> |
| ROIC | % |  | <div>МосЭнерго (2,63)</div> <div>CEZ (3,56)</div> <div>СЭ (5,17)</div> <div>Drax Group (8,38)</div> |

 Лучшее среднего показателя по аналогам
  Соответствует среднему показателю по аналогам
  Хуже среднего показателя по аналогам



Source: ru.investing.com

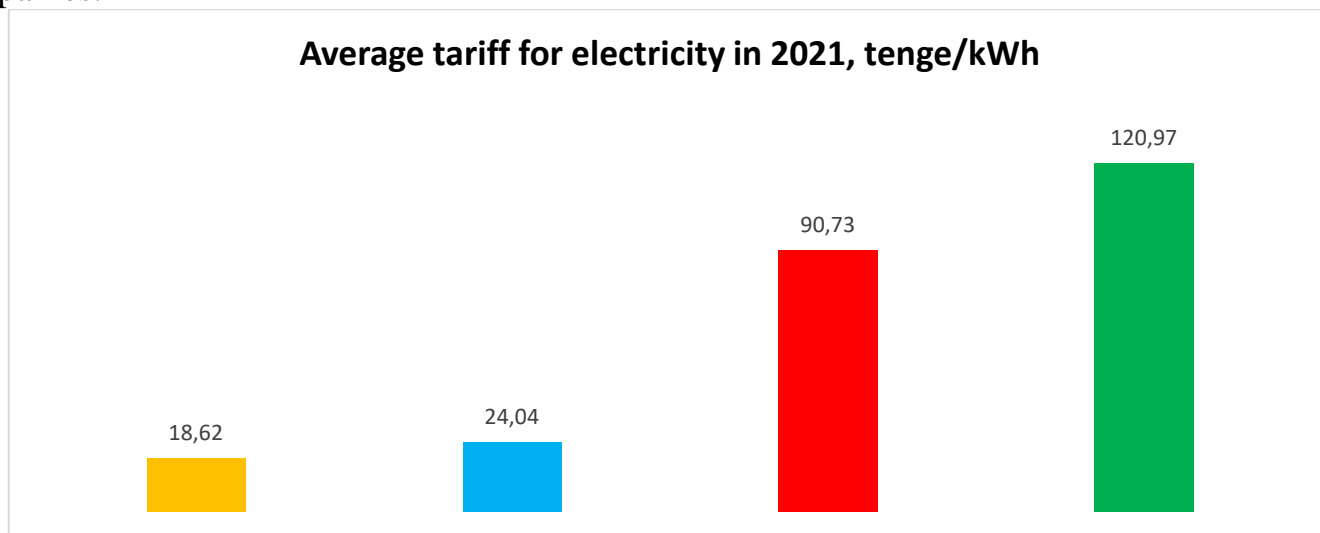
As of today, Samruk-Energy is inferior in some respects compared to foreign peer companies.

Financial strength indicators show that Samruk-Energy uses all available financial leverage.

At the same time, in terms of **EBITDA margin**, Samruk-Energy outperforms its peers. This indicator demonstrates a high profitability of sales. As regards **ROIC** (return on long-term invested capital), Samruk-Energy is at the level of European peers. At the same time, according to this indicator, Samruk-Energy is considerably inferior to the English holding company.

Along with that, it should be noted that, unlike public analogue companies, “Samruk-Energy” JSC belongs to the Government of the Republic of Kazakhstan, and therefore, the Company is an agent of state policy in power industry. In this regard, as well as with a high degree of depreciation of energy sector, socially significant investment projects have been implemented since 2009 (aimed at the reliable and stable operation of the Republic of Kazakhstan energy system), which resulted in a significant increase in invested capital and, accordingly, reduced the rate of return on investment.

An additional factor affecting the profitability of investments is the low level of electricity tariffs in the Republic of Kazakhstan in comparison with the countries of peer companies.



| Country | Average tariff per kWh | In tenge/kWh | Average rate for 2021 |
|----------------|------------------------|-------------------------|-----------------------|
| Kazakhstan | 18,62 tenge | 18,62 tenge/kWh | |
| Russia | 4,16 rouble | 24,04 tenge/kWh | 5,78 tenge/rouble |
| Czech Republic | 0,18 euro | 90,73 tenge/kWh | 504,04 tenge/euro |
| Great Britain | 0,24 euro | 120,97 tenge/kWh | |

Source: Eurostat, Rosstat