



# Key financial indicators

## Macroeconomic factors

For the first time in the last 10 years, the growth rate of the economy crossed the 5% threshold and amounted to 5.1% by the end of 2023. The main driver was the government's expansionary fiscal policy with a significant share of government spending financed by transfers from the National Fund. This increase investment in fixed assets was also a record since 2013.

Inflation at the end of 2023 amounted to 9.8%, which was halved compared to the beginning of the year (source: [halyk-finance.kz](https://halyk-finance.kz), macroeconomic report for Q4 2023).

To prevent price increases, the National Bank of the Republic of Kazakhstan maintained the prime rate at 16.75% in 2023, the highest rate in the last six years. Tightening of monetary policy in Kazakhstan occurred against the background of tightening of monetary policy by global central banks. However, in August, October and November 2023, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan made decisions to reduce the prime rate. Thus, the prime rate at the end of 2023 amounted to 15.75% per annum (source: [www.nationalbank.kz](https://www.nationalbank.kz), the schedule of decisions on the prime rate).

In 2023, the national currency strengthened by 18.2% against the Russian ruble and appreciated by 1.4% against the U.S. dollar. Volume of trades on KASE increased by 57%, on the secondary market of shares increased by 78%, volumes of trades on the secondary market of GS increased by 49%, and the number of deals on the exchange market increased by 53% (source: [www.kase.kz](https://www.kase.kz), performance review for 2023).

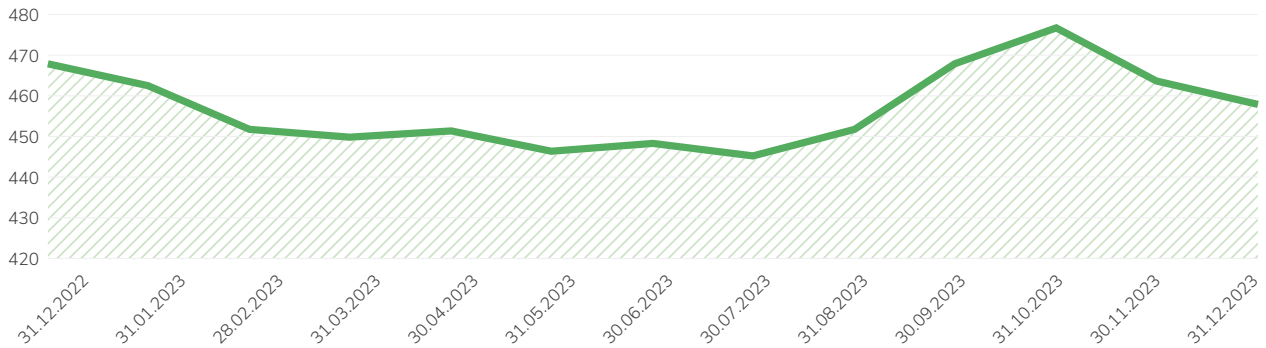
According to the data of the National Bank of Kazakhstan for 2023, the exchange rate of tenge fluctuated in the range of KZT 431.08-482.77 per U.S. dollar. At the end of December 2023, the exchange rate of tenge to US dollar was 454.56 tenge per US dollar (source: [www.nationalbank.kz](https://www.nationalbank.kz), exchange rates).



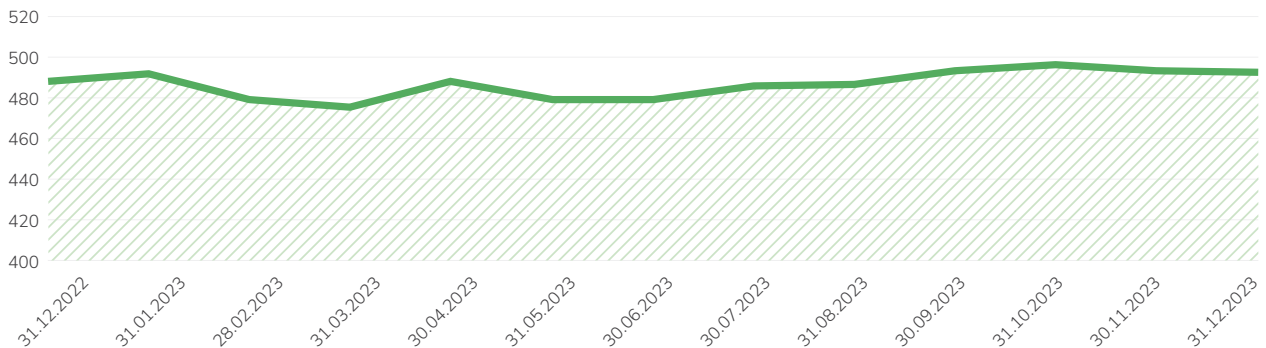
## Dynamics of exchange rates

|         | 31.12.2022 | 31.12.2023 | %    |
|---------|------------|------------|------|
| KZT/USD | 462.65     | 454.56     | 101% |
| KZT/EUR | 492.86     | 502.24     | 104% |
| KZT/RUB | 6.43       | 5.06       | 79%  |

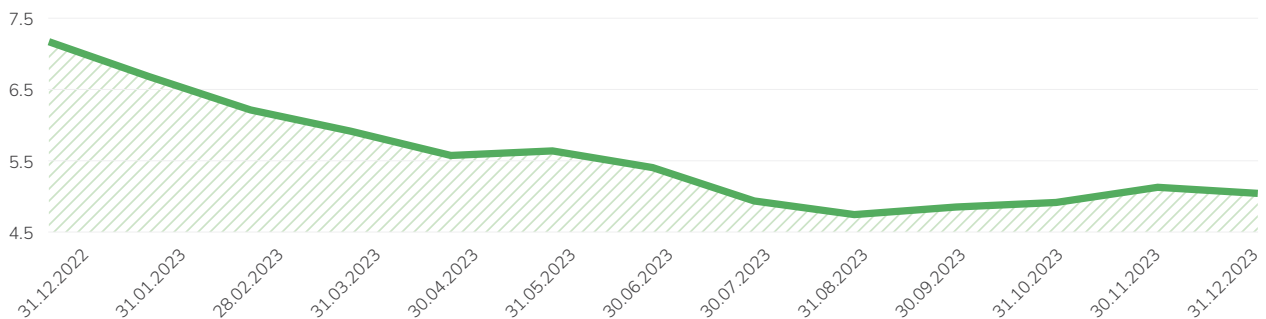
### KZT/USD



### KZT/EUR



### KZT/RUB



The economy of the Republic of Kazakhstan continues to display certain characteristics of an emerging market. These characteristics also include, but are not limited to, a national currency that is not freely convertible outside of the country and a low level of liquidity in the securities market.

As of the date of this report, the official exchange rate of the National Bank of the Republic of Kazakhstan was KZT 451.03 to USD 1 compared to KZT 454.56 to USD 1 on December 31, 2023 (December 31, 2022: KZT 462.65 to USD 1).



The inflation rate was 9.8% in December 2023 after peaking at 21.3% in February 2023. The economy grew by 4.8% in 2023, and analysts forecast the national economy to grow at an average annual rate of just under 4% over the next three years.

The economic environment has a significant impact on the activities and financial position of the Group of companies of Samruk-Energy JSC. The management takes necessary measures to ensure the sustainable activity of the Group of companies of Samruk-Energy JSC. However, future consequences of the current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual results.

In addition, the electricity sector in the Republic of Kazakhstan remains subject to political, legislative, fiscal and regulatory developments in the Republic of Kazakhstan. The prospects for economic stability in the Republic of Kazakhstan are largely dependent upon

the effectiveness of economic measures undertaken by the Government, together with legal, regulatory, and political developments, which are circumstances beyond the control of Samruk-Energy JSC Group of Companies.

The management of the Group of Companies Samruk-Energy JSC monitors current changes in the economic and political situation and takes measures it considers necessary to maintain the stability and business development of the Group of Companies Samruk-Energy JSC in the near future.

To estimate expected credit losses, the Group of Companies Samruk-Energy JSC uses confirmed forecast information, including forecasts of macroeconomic indicators. However, as in any economic forecasts, assumptions and the probability of their realization are inevitably associated with a high level of uncertainty, and, therefore, actual results may significantly differ from the forecasted ones.

## Financial and economic indicators

### Key financial and economic indicators, million tenge

| Indicator <sup>15</sup>  |         |         | Fact    | Forecast |         |
|--|---------|---------|---------|----------|---------|
|  | 2021    | 2022    | 2023    | 2024     | 2025    |
| Income from sales of products and services   | 332,537 | 381,465 | 444,960 | 638,112  | 695,621 |
| Cost of sales and services rendered  | 254,847 | 288,929 | 329,676 | 483,534  | 531,598 |
| Gross profit   | 77,690  | 92,536  | 115,284 | 154,578  | 164,023 |
| Operating profit   | 53,868  | 64,574  | 92,828  | 124,928  | 132,885 |
| Earnings before interest, depreciation, amortization and CIT (EBITDA)                        | 123,447 | 129,303 | 160,117 | 225,392  | 227,720 |
| Profit (loss) before income tax  | 23,723  | 47,152  | 63,082  | 103,362  | 115,409 |
| Total income (loss) before minority interest   | 15,347  | 30,306  | 43,730  | 80,232   | 92,584  |
| Total profit attributable to the Shareholders of the Group of companies of Samruk-Energy JSC | 15,046  | 30,132  | 43,080  | 79,330   | 92,081  |

### Income from sales of products and services

Income from sales of products and rendering of services by Samruk-Energy Group of Companies in 2023

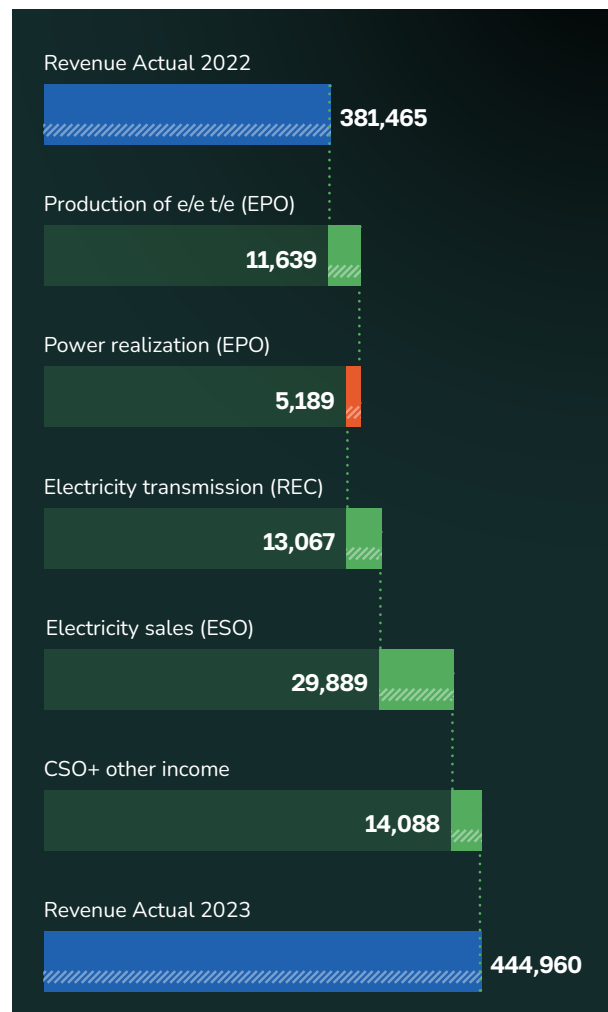
**444,960**  
million tenge

The increase in consolidated revenues was mainly due to an increase in sales of electricity by 239 million kWh (3%) and an increase in the electricity sales tariff of AlmatyErgoSbyt LLP from 20.09 KZT/kWh to 23.64 KZT/kWh.

The increase in revenue from electricity transmission was due to an increase in electricity transmission volumes by 533 million kWh (7%) and the electricity transmission tariff of Alatau Zharyk Company JSC from 6.58 KZT/kWh to 7.68 KZT/kWh.

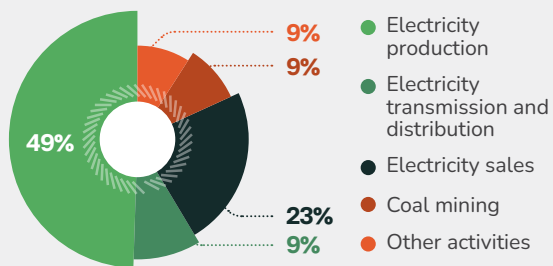
In the segment of electricity generation due to an increase in the marginal tariffs of EPO from June 1, 2023, while there was a decrease in the volume of capacity sales based on the results of the conducted trades for 2023.

There was also an increase in the heat generation segment due to higher sales volumes (resulting from lower temperature conditions in the region) and an increase in the tariff for heat generation.



<sup>15</sup> The breakdown of revenues and cost of sales is presented by type of activity (not by segment) and is stated without elimination.

### Structure of 2023 revenues by main types of activities, %



### Forecast for the future period:

In the forecast for 2024, revenue from sales is planned to be in the amount of KZT 638,112 million, which is higher than in 2023 by KZT 193,152 million or 43%. The increase is due to the growth of tariffs on production and sales of electric power, volumes and tariff for capacity (from 590 thousand tenge/MW\*month to 1,065 thousand tenge/MW\*month), as well as inclusion of "AES Ust-Kamenogorsk HPP" LLP and "AES Shulbinsk HPP" LLP into the perimeter of income consolidation.

In the forecast for 2025 there is an increase in income compared to the forecast for 2024 due to the growth of income from electricity generation mainly due to the growth of tariffs for production, transmission and sales of electricity, and capacity tariff from KZT 1,065 thousand/MW\*months to KZT 1,215 thousand/MW\*months. There is also an increase due to growth of sales, transmission and sales volumes of electricity, and capacity volumes.



### Income from sales of products and services by producers, million KZT

| Indicator   | Fact            |                 |                | Forecast       |                |
|---|-----------------|-----------------|----------------|----------------|----------------|
|   | 2021            | 2022            | 2023           | 2024           | 2025           |
| <b>Income from sales of products and services</b> | <b>332,537</b>  | <b>381,465</b>  | <b>480,476</b> | <b>638,112</b> | <b>695,621</b> |
| Ekibastuz TPP-1 LLP                               | 166,366         | 189,266         | 186,939        | 205,940        | 233,720        |
| Almatyenergosbyt LLP                              | 125,685         | 137,578         | 168,309        | 225,179        | 252,137        |
| Almaty Power Stations JSC                         | 78,654          | 86,220          | 96,660         | 104,980        | 115,247        |
| Alatau Zharyk Company JSC                         | 46,594          | 53,842          | 67,712         | 82,159         | 100,928        |
| Moynak HPP JSC                                    | 19,003          | 22,804          | 21,720         | 20,991         | 21,011         |
| Shardara HPP JSC                                  | 7,183           | 8,680           | 8,991          | 7,447          | 8,022          |
| AES Ust-Kamenogorsk HPP" LLP                      | -               | -               | -              | 9,143          | 10,537         |
| AES Shulbinsk HPP LLP                             | -               | -               | -              | 13,222         | 14,994         |
| FWPP LLP  | 4,881           | 4,987           | 6,170          | 7,705          | 8,090          |
| Bukhtarminskaya HPP JSC                           | 3,927           | 4,181           | 21,837         | 29,644         | 16,100         |
| Energy Solution Center LLP                        | 1,128           | 1,515           | 1,595          | 1,836          | 1,935          |
| Samruk-Green Energy LLP                           | 399             | 409             | 500            | 475            | 504            |
| <b>Intragroup turnovers (elimination)</b>         | <b>-121,285</b> | <b>-128,016</b> | <b>-99,959</b> | <b>-70,609</b> | <b>-87,605</b> |

The major share in the Company's operating income is held by EGRES-1 LLP, Almaty Power Plants JSC, Alatau Zharyk Company JSC, AlmatyEnergoSbyt LLP. At the same time, when consolidating revenues, intragroup turnovers are excluded from the total amount, mainly for energy producing and distribution companies.

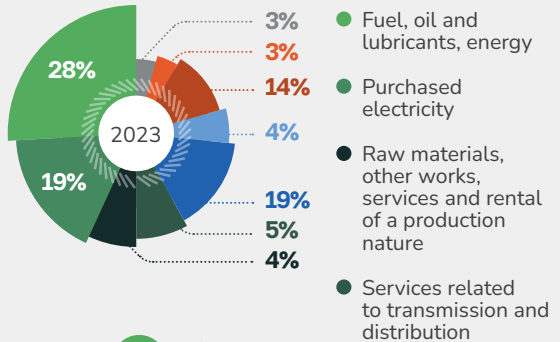


## Cost of sales

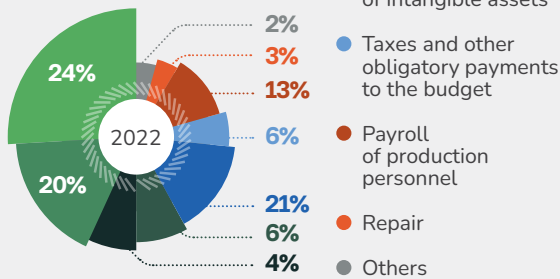
### Cost of products and services, million KZT

| Indicator  |                |                | Fact           | Forecast       |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2021           | 2022           | 2023           | 2024           | 2025           |
| Fuel   | 60,320         | 68,247         | 91,379         | 119,940        | 127,614        |
| Labor remuneration and related expenses                                    | 34,120         | 45,643         | 53,766         | 64,534         | 68,311         |
| Cost of purchased electricity  | 42,426         | 50,991         | 56,404         | 116,754        | 124,014        |
| Services to maintain readiness of electric capacity                        | 8,718          | 8,819          | 8,848          | 15,237         | 17,383         |
| Depreciation of property, plant and equipment and depreciation of property | 55,168         | 59,764         | 62,556         | 71,396         | 92,850         |
| Repairs and maintenance  | 9,901          | 9,950          | 11,377         | 15,216         | 17,650         |
| Electricity transmission services  | 13,239         | 16,847         | 16,922         | 15,390         | 16,032         |
| Materials  | 1,930          | 2,181          | 2,777          | 4,309          | 4,542          |
| Water supply   | 6,329          | 7,106          | 7,582          | 8,631          | 8,771          |
| Grid losses  | 2              | 2              | 2              | 14,986         | 15,193         |
| Taxes other than income tax  | 4,923          | 4,642          | 4,633          | 6,176          | 6,964          |
| Payment for emissions into the environment                                 | 7,802          | 7,664          | 4,435          | 11,930         | 13,209         |
| Services of third-party organizations                                      | 5,649          | 3,385          | 3,350          | 12,823         | 12,712         |
| Other  | 4,320          | 3,688          | 5,645          | 6,213          | 6,353          |
| <b>TOTAL</b>   | <b>254,847</b> | <b>288,929</b> | <b>329,676</b> | <b>483,534</b> | <b>531,598</b> |

### Cost structure by main types of activity, %



**14%** ↑ 40,747 KZT million



The cost of sales for 2023 amounted to KZT 329,676 million, a 14% increase compared to 2022. This rise in costs is attributed to higher variable production costs (such as coal, gas, and KEGOC services) due to increased prices for goods and services, costs associated with BEM, labor costs for production personnel as part of social support for employees of subsidiaries and affiliates, taxes and other mandatory budget payments, and the indexation of prices for raw materials and production materials.

Amortization for 2023 amounted to KZT 62,556 million, an increase of KZT 2,793 million or 5% compared to the same period last year. The primary increase for Almaty Power Stations JSC is due to the accrual of a reserve for the liquidation fund in fixed assets.

### Forecast for 2024-2025

In the forecast for 2024 and 2025, the cost of production increases due to the growth of prices for goods and services, expenses for purchase of balancing electricity at BEM, increase in labor costs of production personnel, inclusion of expenses of AES Ust-Kamenogorsk HPP LLP and AES Shulbinsk HPP LLP into the consolidation perimeter of the Group of companies of Samruk-Energy JSC, as well as due to the increase in production volumes.



## Profit and expenses

### Profit and expenses, million KZT

| Indicator   |         |         | Fact    | Forecast |         |
|---|---------|---------|---------|----------|---------|
|   | 2021    | 2022    | 2023    | 2024     | 2025    |
| Gross profit  | 77,690  | 92,536  | 115,284 | 154,578  | 164,023 |
| Operating profit  | 53,868  | 64,574  | 92,828  | 124,928  | 132,885 |
| Earnings before amortization, interest and CIT (EBITDA)                                   | 123,447 | 129,303 | 160,117 | 225,392  | 227,720 |
| Profit (loss) before income tax   | 23,723  | 47,152  | 63,082  | 103,362  | 115,409 |
| Total income (loss) before minority interest  | 15,347  | 30,306  | 43,730  | 80,232   | 92,584  |
| Total profit attributable to the Shareholders of the Group of companies Samruk-Energy JSC | 15,046  | 30,132  | 43,080  | 79,330   | 92,081  |

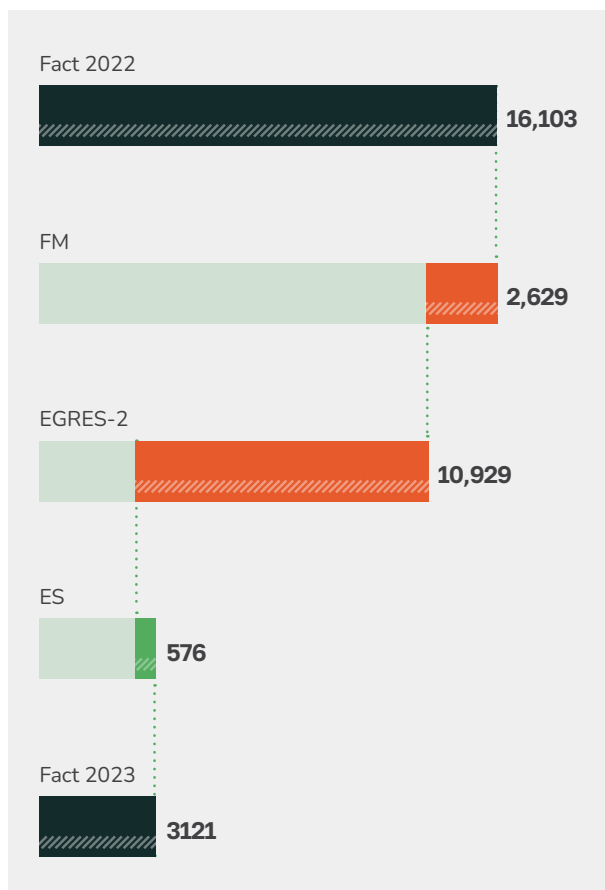
In 2023, profit from equity companies amounted to KZT 3,121 million, a decrease of KZT (12,982) million or (81%) compared to the same period, mainly due to an additional provision and a reduction in the average electricity tariff at EGRES-2 JSC, as well as Forum Muider B. V. due to recording of provision for illiquid inventories and doubtful accounts receivable, as well as with decrease in expenses on sales of products related to decrease in export volumes due to decrease in demand.

### Share of profit of joint ventures and associates

| Indicator  |        |        | Fact  | Forecast |        |
|--|--------|--------|-------|----------|--------|
|  | 2021   | 2022   | 2023  | 2024     | 2025   |
| Share in profit of joint ventures and associates | 13,455 | 16,103 | 3,121 | 10,691   | 21,870 |





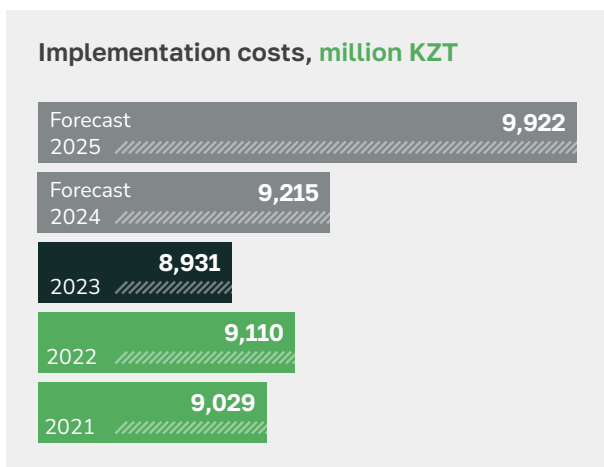


### Forecast for 2023-2024

Profit growth of equity companies is planned due to increase in profit of EGRES-2 JSC, capitalization of finance costs and other expenses due to resumption of the project on power unit No.3, as well as increase in tariff for electricity generation and capacity.

### Implementation costs, million KZT

Sales expenses at the end of 2023 decreased by KZT 179 million (2%) compared to 2022 and amounted to KZT 8,931 million. This decrease is attributed to lower costs for KEGOC's services related to the balancing of electricity production and consumption due to a reduced tariff.

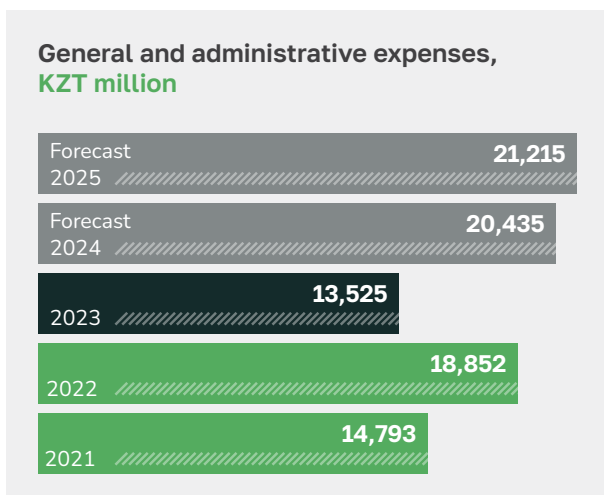


### Forecast for 2024-2025

In the forecast for 2024, distribution costs are planned at KZT 9,215 million, which is KZT 284 million or 3% higher than in 2023. The increase in selling expenses is attributed to a rise in the volume of electricity output from the turbines of EGRES-1 LLP and an increase in KEGOC's service prices. For 2025, the increase compared to 2024 is expected due to further growth in electricity supply from EGRES-1 LLP turbines and an additional rise in KEGOC's service prices.

### Administrative expenses

For 2023, administrative expenses amounted to KZT 20,435 million, a decrease of KZT 5,327 million or 28% compared to 2022, mainly due to EGRES-1 LLP recognising in the prior period a penalty on the additional CIT return relating to the cancellation of the tax incentive at OSH-500 for 2016-2020.



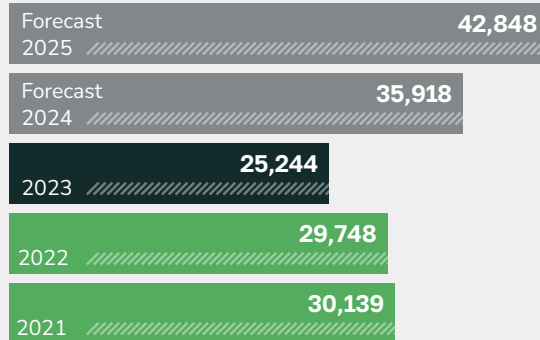
## Forecast for 2024-2025

In the forecast for 2024, administrative expenses are expected to amount to KZT 20,435 million, higher than in 2023. This increase is mainly due to the indexation of salaries as part of social support for employees of subsidiaries and affiliates, growth in expenses for consulting, audit, and legal services (with some consulting expenses from 2023 reallocated to 2024), and the inclusion of AES Ust-Kamenogorsk LLP and AES Shulbinsk LLP into the Company's consolidation perimeter. For 2025, the rise in administrative expenses is primarily attributed to cost indexation.

## Financial expenses

Financial expenses for 2023 totaled KZT 25,244 million, which is KZT 4,504 million lower than in 2022. This decrease is mainly due to a reduction in expenses for EGRES-1 LLP as a result of capitalization of remuneration costs during the reporting period and a decrease for the Corporate Center due to debt reduction from early and scheduled repayment of loans.

### Financial expenses, KZT million



## Forecast for 2024-2025

The forecast for 2024 shows finance costs of KZT 35,918 million. The increase is mainly due to the reflection of borrowing costs at EGRES-1 LLP (Unit 1) in current costs from the second half of 2024, as well as an increase in the debt portfolio. Increase in the 2025 forecast, compared to 2024, due to reflection of EGRES-1 LLP (Unit 1) borrowing costs in current expenses from the beginning of 2025.



## Liquidity and financial stability indicators

Samruk-Energy JSC achieved the target indicators of financial stability ratios stipulated by the shareholder.

### Execution of covenants from external creditors

| Covenant                         | Normative   | 2021 actual | 2022 actual | 2023 actual | Note     |
|----------------------------------|-------------|-------------|-------------|-------------|----------|
| Debt /EBITDA (ADB)               | no more 3,5 | 2.70        | 2.14        | 1.74        | observed |
| EBITDA/ per cents (ADB)          | no more 3,0 | 5.00        | 5.92        | 10.8        | observed |
| Debt /shareholders' equity (DBK) | no more 2,0 | 0.59        | 0.50        | 0.43        | observed |

| Наименование         | 2019 actual | 2020 actual | 2021 actual | 2022 actual | 2023 actual |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Debt /EBITDA         | 3.31        | 2.96        | 2.41        | 1.90        | 1.71        |
| Debt /equity capital | 0.56        | 0.54        | 0.59        | 0.50        | 0.43        |
| Current liquidity    | 0.70        | 0.75        | 0.53        | 0.57        | 1.04        |

Based on the results of 2023, Samruk-Energy JSC complied with financial and non-financial covenants of creditors, which are fixed on a semi-annual basis.

### Loan covenants

The Group of companies of Samruk-Energy JSC has certain covenants on all bank loans and obligations under bonds, bank guarantees of Samruk-Energy JSC, as well as the loan of Samruk-Energy JSC from Samruk-Kazyna JSC (Note 16). Non-compliance with these covenants may result in negative consequences for the Group of companies of Samruk-Energy JSC, including increase of borrowing costs and declaration of default. As of December 31, 2023, the Group of companies of Samruk-Energy JSC complied with its covenants.

Based on the results of 2023 and 2022, the Group of companies of Samruk-Energy JSC fulfilled normative values of covenants on loans, as well as received waivers to reduce thresholds, in cases where a breach event was predicted to occur.

### Debt load

Based on the results of 2023, the consolidated nominal debt of the Group of companies of Samruk-Energy JSC amounted to KZT 271.7 billion, the reduction of nominal debt for the reporting period compared to the results of 2022 (KZT 314.6 billion) amounted to KZT 42.9 billion.

Decrease in nominal debt in 2023 is due to full early repayment by the Group of companies of Samruk-Energy JSC of the EBRD loan, foreign currency loan of Moynak HPP JSC to DBK and loan of EGRES-1 LLP to Halyk Bank of Kazakhstan JSC.

### Currency and inflation risks

In order to level the currency risk in in September 2023, works on full early repayment of the currency loan of 'Development Bank of Kazakhstan' JSC in the amount of \$6.41 million with the rate of 1.15\*6M LIBOR+1.15% (5.96%) in 'Moynak HPP JSC were carried out.

### Reserve for liquidation of ash dumps

In accordance with the Environmental Code, the Group of companies of Samruk-Energy JSC also has a legal obligation to liquidate the site of ash dumps, which are landfills for disposal of wastes from the operating activities of the Group of companies of Samruk-Energy JSC.

As of December 31, 2023, the carrying amount of ash dump liquidation reserve was KZT 3,143,439 thousand (December 31, 2022: KZT 2,481,989 thousand). Estimation of the existing reserve for ash dumps liquidation is based on the interpretation by the Group of companies of Samruk-Energy JSC of the current environmental legislation of the Republic of Kazakhstan, supported by feasibility study and engineering research in accordance with current standards and methods of restoration and reclamation works.



This estimate is subject to change upon completion of subsequent environmental studies and revision of existing reclamation and restoration programs.

#### Optimization of interest expense

Reduction of interest expenses due to planned — KZT 56.6 billion and early debt repayments — KZT 76.8 billion, carrying out works to reduce interest rates due to changes in financing terms and refinancing of existing loans of the Group of companies of Samruk-Energy JSC from new alternative sources of financing.

#### Credit rating (Fitch Ratings)

On October 20, 2023, the international rating agency Fitch Ratings affirmed long-term credit ratings of Samruk-Energy JSC in foreign and local currency at the level of 'BB+', outlook 'Stable', as well as revised the assessment of state support to the company from 'strong' to 'very strong'.

#### Capital commitments

As of December 31, 2023, the share of the Group of companies of Samruk-Energy JSC in long-term contractual obligations of Forum Muider and EGRES-2 JSC amounted to KZT 3,495,602 thousand and KZT 3,137,124 thousand, respectively (December 31, 2022: KZT 3,997,304 thousand and KZT 11,812,824 thousand, respectively).

## Comparative analysis (benchmarking)

Benchmarking is one of the important elements of management of Samruk-Energy JSC. The purpose of benchmarking is to compare operational and financial indicators with foreign peer companies to determine weaknesses and strengths of Samruk-Energy JSC.

When benchmarking Samruk-Energy JSC, the following indicators are used:

- EBITDA margin;
- Debt/EBITDA;
- Leverage ratio (debt/equity);
- Return on invested capital (ROIC).

The data of the following peer companies were used for benchmarking:

- 'Unipro' PJSC (Russia);
- CEZ Group (Czech Republic);
- RWE (Germany).

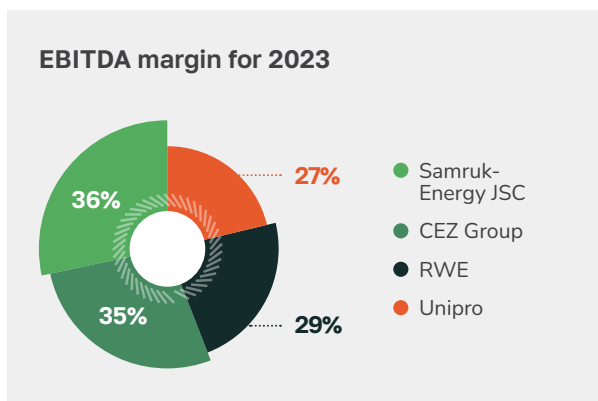


### Benchmarking results

| Criteria      | Measure     | Status | Min                      | Benchmarking                          | Max |
|---------------|-------------|--------|--------------------------|---------------------------------------|-----|
| EBITDA margin | %           | ●      |                          | Unipro (27) RWE (29) CEZ (35) SE (36) |     |
| ROIC          | %           | ●      | CEZ (5.9)                | SE (6.1) RWE (7.6) Unipro (14.4)      |     |
| Debt/Margin   | Coefficient | ●      | Unipro (0.02) CEZ (1.41) | SE (1.71) RWE (2.05)                  |     |
| Debt/SK       | Coefficient | ●      | Unipro (0.01)            | SE (0.43) RWE (0.54) CEZ (0.69)       |     |



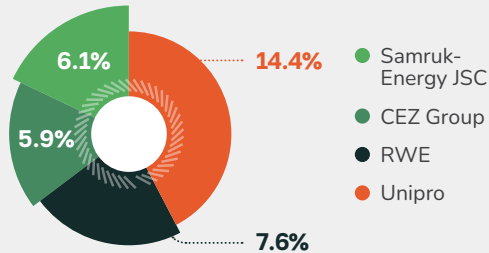
At present, Samruk-Energy JSC is inferior to foreign peer companies by some indicators.



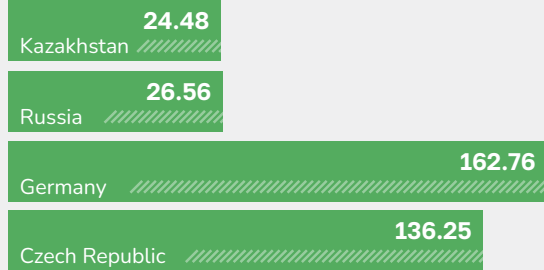
EBITDA margin is a key indicator of the efficiency of the company's operations, reflecting its ability to generate earnings before interest, taxes, depreciation, and amortization. Compared to other companies such as Unipro, RWE, and CEZ Group, Samruk-Energy JSC shows high operational efficiency with an EBITDA margin ratio of 36%.

In terms of Debt/EBITDA and Debt/SK, Samruk-Energy JSC is on the average level compared to CEZ Group and RWE, but significantly lags behind Unipro in terms of financial stability.

### Return on long-term invested capital (ROIC) for 2023



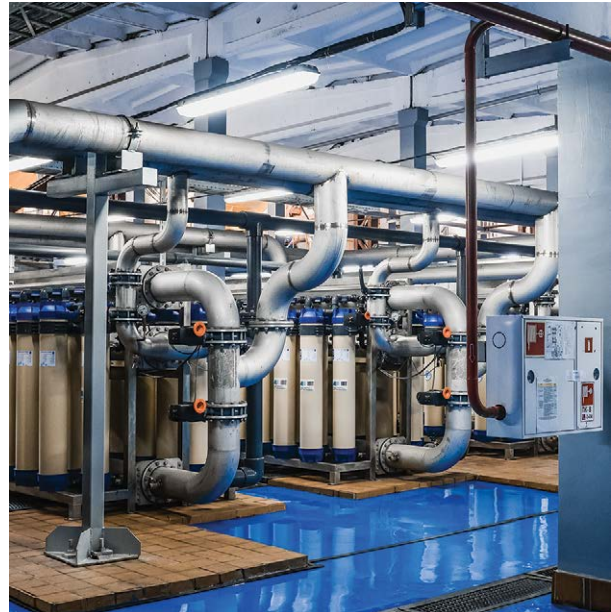
### Average electricity tariff for 2023, KZT/kWh



In terms of ROIC (return on long-term invested capital), Samruk-Energy JSC is below its European peers, while 0.2% higher than CEZ Group.

At the same time, it should be noted that, unlike public peer companies, Samruk-Energy JSC is owned by the Government of the Republic of Kazakhstan. Consequently, the Company serves as an instrument of state policy in the electric power industry. Additionally, due to the high degree of wear and tear in the energy sector, socially significant investment projects (aimed at ensuring the reliability and uninterrupted operation of the energy system of the Republic of Kazakhstan) have been implemented since 2009. These projects have led to a significant increase in invested capital and, consequently, a reduction in ROI.

An additional factor affecting ROI is the low level of electricity tariffs in the Republic of Kazakhstan compared to peer countries.



### Difference in electricity tariffs in peer countries

| Country        | Average tariff per kWh | In KZT/kWh     | Average rate for 2023 |
|----------------|------------------------|----------------|-----------------------|
| Kazakhstan     | KZT 24.48              | 24.48 KZT/kWh  |                       |
| Russia         | RUB 4.91               | 26.56 KZT/kWh  | 5.41 KZT/RUB          |
| Germany        | EUR 0.33               | 162.76 KZT/kWh | 493.22 KZT/EUR        |
| Czech Republic | CZK 6.63               | 136.25 KZT/kWh | 20.55 KZT/CZK         |

Source: Eurostat, Rosstat