

DEVELOPMENT PLAN (STRATEGY)

GRI 2-12, 2-22, 2-23, 2-24

KEGOC JSC plays a strategically important role in the development of the economy of the Republic of Kazakhstan, influencing a wide range of stakeholders. This determines the responsible attitude of the Company to decision-making and the formation of a long-term development strategy. Our focus is on attentive attitude to the interests of society, ensuring the reliable operation of UPS of the Republic of Kazakhstan, the advanced development of NPG of the Republic of Kazakhstan, ensuring decent working conditions and well-being of people, and caring for the environment.

The status of the UPS system operator of the Republic of Kazakhstan determines the functions of KEGOC JSC to ensure parallel operation with the power systems of other countries, maintain balance in the power system, provide system services and purchase ancillary services from wholesale electricity market entities, as well as ensure the transmission of electricity via the NPG of the Republic of Kazakhstan, its technical maintenance and maintenance in operational readiness.

THE DEVELOPMENT PLAN (STRATEGY) OF KEGOC JSC FOR 2023-2032 WAS APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY. WHEN DEVELOPING IT, THE REQUIREMENTS OF THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN, NATIONAL PRIORITIES AND STATE PROGRAMS, INTERNATIONAL OBLIGATIONS, INCLUDING IN THE FIELD OF HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION, AS WELL AS THE EXPECTATIONS AND INTERESTS OF STAKEHOLDERS WERE TAKEN INTO ACCOUNT.



Successful implementation of the strategy is based on a number of key factors:

- ◆ improving the efficiency of the Company's activities and introducing a portfolio approach to asset management and investment projects;
- ◆ taking into account the impact of ongoing changes in the electric power industry that have a significant impact on the development of the electric power industry (energy transition and decarbonization of the economy, the development of RES, digitalization of business, automation of processes and information security, etc.);
- ◆ transformation of people's consciousness.

The results of the latest strategic analysis of the current state of KEGOC JSC and SWOT analysis have shown that the main challenges for the Company affecting the effectiveness of its activities and which should be taken into account when defining strategic goals and objectives in the Development Plan (Strategy) are:

- ◆ insufficient capacity of the NPG of the Republic of Kazakhstan, taking into account the projected increase in workload;
- ◆ shortage of electric energy and capacity in the country in the medium term due to the growing consumer loads;
- ◆ the development of electricity, which has an impact on the reliable functioning of the electric grid;
- ◆ digitalization and automation of energy system management, as well as ensuring cybersecurity;
- ◆ an increase in the degree of deterioration of electrical networks and the associated risks of asset failure;
- ◆ implementation of the updated portfolio of investment projects and attraction of the cheapest borrowed funds for the implementation of large projects;
- ◆ introduction of a balancing market;
- ◆ the need for the Company's active participation in the formation of new approaches in the management of the electric power industry and the market model (design).

IN THIS REGARD, THE COMPANY’S DEVELOPMENT PLAN (STRATEGY) FOR 2023-2032 DEFINES THREE STRATEGIC GOALS:

STRATEGIC GOAL 1

ENSURING RELIABLE OPERATION OF UPS OF THE REPUBLIC OF KAZAKHSTAN IN THE CONDITIONS OF ENERGY TRANSITION (RELIABILITY AND DEVELOPMENT OF NPG).

Tasks

- 1. performing the functions of the UPS system operator of the Republic of Kazakhstan;
- 2. advanced development of the NPG of the Republic of Kazakhstan, effective integration of RES at the level of 19%;
- 3. the introduction of modern innovative and digital technologies, artificial intelligence for the formation of an intelligent energy system (Smart Grid).

Key indicators for achieving goals

GA | AIT



STRATEGIC GOAL 2

ENSURING SUSTAINABLE DEVELOPMENT IN ACCORDANCE WITH THE PRINCIPLES OF ESG (SUSTAINABLE DEVELOPMENT).

Tasks

- 1. Reducing the carbon footprint;
- 2. development of human capital;
- 3. improving corporate governance;
- 4. improvement of the occupational safety system.

Key indicators for achieving goals

LTIFR | ESG-RATING



STRATEGIC GOAL 3

INCREASE IN NET ASSET VALUE (FINANCIAL STABILITY).

Tasks

- 1. strengthening financial stability;
- 2. formation and maintenance of a positive image of the Company;
- 3. development of international cooperation.

Key indicators for achieving goals

TSR | EBITDA MARGIN

