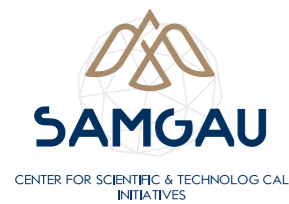


SCIENTIFIC RESEARCH INITIATIVES

"Samgau Center for Scientific and Technological Initiatives"



THE NON-PROFIT ORGANIZATION "CENTER FOR SCIENTIFIC AND TECHNOLOGICAL INITIATIVES", ESTABLISHED WITHIN THE GROUP OF SAMRUK-KAZYNA JSC, IS AIMED AT CONSOLIDATION AND SYSTEMATIZATION OF RESEARCH AND DEVELOPMENT WORKS OF SUBSOIL USERS.

In December 2022, the Center underwent the re-registration procedure on the site of the Astana International Financial Center, transforming into a non-profit organization Fund "Center for Scientific and Technological Initiatives "Samgau" (hereinafter – CSTI).

The goal of CSTI is to support scientific research and innovation activities through the formation of an efficient and transparent ecosystem that promotes the development of a knowledge-intensive economy and improves the well-being of the population.

CSTI aims to create a reliable system for the selection and implementation of research and innovation projects, ensuring transparency and comprehensibility of processes at all stages – from application to project completion. The efficiency of this system is ensured through a thorough examination of projects, and transparency is ensured through access to information on the status of the project at each stage of its implementation.

CSTI develops mechanisms for effective interaction between the scientific and innovation community and industry, and actively works to concentrate the scientific and intellectual potential of the country to solve advanced technological problems aimed at optimizing production processes.

Being a part of the National Innovation and Research System, CSTI builds interaction with government agencies, development institutions, research organizations and universities, industry and financial institutions.

Thus, a unified policy in the field of scientific and technological development of the Fund Group is formed with the aim of achieving long-term economic sustainability and global competitiveness by the companies.

Since December 2023, subsoil users of the Fund have been financing scientific research through CSTI. The new selection and funding mechanism based on the "single window" principle has become a key tool for optimal and transparent allocation of resources within the Fund. This innovative system develops priority areas of science and production, providing effective support for research projects.

In 2023, more than 84 R&D applications were considered. Five promising projects were submitted and approved for consideration by the Scientific and Technical Council of the Fund.

SHARED SERVICE CENTER



SINCE JULY 2020, SAMRUK-KAZYNA BUSINESS SERVICE LLP (HEREINAFTER — THE COMPANY) FUNCTIONS AS A COMMON SERVICE CENTER OF SAMRUK-KAZYNA JSC.

This role was approved as part of the transformation program adopted by the Council for Modernization in the organizations of the Samruk-Kazyna JSC group on May 28, 2020 to improve the efficiency of the key business by centralizing non-core functions of Samruk-Kazyna JSC and the group of companies into a single service center.

The Company currently performs a number of key functions within the Fund, including:

- ◆ SAP Customer Center of Expertise;
- ◆ Compliance Competence Center;
- ◆ Single Operator of the Privatization Program;
- ◆ Organization of centralized archival storage of documents.

The Company has a 51% stake in the authorized capital of its subsidiary organization QazCloud LLP (49% is owned by Daneker Sala LLP). QazCloud LLP provides a wide range of IT services, including support and modernization of IT infrastructure, lease of virtual IT resources and protection of the Fund's information data.

KEY PERFORMANCE RESULTS FOR 2023

FINANCIAL INDICATORS, KZT THOUSANDS		
	2022	2023
Revenues	11,359,281	17,991,616
Cost price	(10,184,322)	(15,549,459)
General administrative expenses	(1,070,107)	(1,090,029)
The Company's net profit before taxation	78,987	1,159,239
Net income	61,044	954,501
Dividends paid to the sole participant	168,051	177,464

The excess of net profit in 2023 was due to a number of factors. The main ones were the increase in income from outsourcing of business processes of HR administration and centralized archiving of the Company's documents, as well as successful implementation of new projects of the subsidiary QazCloud LLP.

Currently, the Company serves 5.4 thousand employees – NC KazMunayGas JSC, Munait-telecom LLP, Mangistauenergomunai LLP, Oil Construction Company LLP, Pavlodar Refinery LLP, QazCloud LLP, KMG Engineering LLP and branch, Samruk-Kazyna Contract LLP,

Samruk-Kazyna Ondeu LLP, Tau-Ken Samruk LLP.

SSC activities

Since its establishment, the Shared Service Center (SSC) has been actively developing and expanding the range of services provided to the Fund's companies and the Fund itself. The key areas of the SSC activities include:

- ◆ Administrative Support;
- ◆ Written translations;
- ◆ Employee transportation;
- ◆ Ensuring the performance of executives;
- ◆ Procurement Organization;
- ◆ HR Service;

- ◆ Accounting and tax accounting;
- ◆ Legal Support;
- ◆ Safety;
- ◆ IT security;
- ◆ And other functions.

In 2022, the SSC successfully passed the certification of the quality management system of the provided services according to the standard ST RK ISO 9001-2016 (ISO 9001-2015), and in 2023 — the annual inspection control, which confirmed the compliance of the system with the requirements of the standard.

Since July 2023, at the initiative of the Fund, the activities of the SSC have been expanded through the transfer of business process outsourcing functions from the private institution "Samruk Business Academy". This includes:

- ◆ Personnel Administration;
- ◆ Administering payroll and payroll calculations;
- ◆ Recruiting Administration.

The company serves more than 5.4 thousand employees in new directions and has two regional service centers in Pavlodar and Aktau.

CENTRALIZED ARCHIVAL STORAGE OF DOCUMENTS

By the decision of the Council for Modernization in the Organizations of the Fund Group dated December 10, 2020, the Company was determined as the operator for the implementation of the project "Centralized Archival Storage of Documents" (CASD), the perimeter of which includes the Fund's PCs/Subsidiaries.

In December 2022, the information system "Electronic Archive" was transferred to the Partnership from Samruk-Kazyna JSC as a contribution to the authorized capital.

Under the CASD program, the Company operates in five areas, including providing access to the Electronic Archive information system.

In 2023, access to the information system "Electronic Archive" was provided for five companies of the Fund (QazCloud LLP, Samruk-Energy JSC, KEGOC JSC, Energoinform JSC, Khorasan LLP).

In 2023, the total amount of concluded service contracts amounted to KZT 265 million.

SAP CUSTOMER EXPERTISE CENTER

The Company was determined as the Operator under the Agreement on granting rights of use and provision of software maintenance services dated December 30, 2015 No.122 between Samruk-Kazyna JSC and SAP Kazakhstan LLP (hereinafter — SAP Agreement). The Operator concludes contracts with PCs for distribution and technical support of licensed SAP software owned by Samruk-Kazyna JSC, as well as ensures compliance with the terms and conditions of the SAP Agreement in accordance with the SAP Software License Trust Agreement No. 630-i concluded on December 20, 2016.

In the perimeter of the Agreement SAP services cover 25 companies in the group of Samruk-Kazyna JSC. The functions of the SAP Customer Center of Expertise include:

- ◆ Software Support Services;
- ◆ License Management;
- ◆ Contract Administration;
- ◆ Consulting support;
- ◆ Coordinate requests for software enhancements or modifications;
- ◆ Information Management;
- ◆ Conclusion and maintenance of lease agreements with Fund companies;
- ◆ Conducting license audits.

The total amount of concluded contracts under these obligations exceeded KZT 13 billion excluding VAT.

SINGLE OPERATOR OF THE PRIVATIZATION PROGRAM

By the decision of the Management Board of Samruk-Kazyna JSC dated October 14, 2021, the Company was determined as the Single Operator in accordance with the Rules of Asset Transfer in a Competitive Environment. The Company has developed and put into operation the information system "automated database of realized and realizable assets" (IS ADRRA). The Fund and all sectoral companies were granted access to IS ADRRA to fill in data on all assets of Samruk-Kazyna JSC, included in the Resolution of the Government of the Republic of Kazakhstan "On Certain Issues of Privatization for 2021-2025" No. 908 dated 29.12.2020 (hereinafter — the RGRK).

By the end of 2023, the system will have collected information on 53 assets listed in the ordinance, including 16 Schedule 1 assets, 14 Schedule 2 assets, and 23 Schedule 3 assets.

Representatives of the Single Operator at the end of the year took part in 23 meetings of the Commissions of the Sectoral Companies on asset realization and in 26 meetings of the Fund's Project Office on compliance with the Procedure and Procedures for transferring assets to the competitive environment provided by the Rules.

COMPLIANCE COMPETENCE CENTER

In accordance with paragraph 54 of the Extended Road Map approved by the Board of the Fund on February 24, 2022 (Minutes No. 10-p), pursuant to the instructions of the President of the Republic of Kazakhstan on the issues of reforming Samruk-Kazyna JSC, implementation of compliance function in the companies of Samruk-Kazyna JSC group is carried out by the Compliance Competence Center. The grounds for this include:

Specificity of the compliance function, which includes anti-corruption, sanctions, listing and regulatory aspects that require high specialization and understanding of the unique requirements related to the Fund's activities. The specifics of these functions make it difficult to find external service providers capable of offering the required level of quality with limited resources.

Confidentiality. The importance of maintaining confidential information within the Fund Group cannot be underestimated. The Compliance Competence Center ensures stricter control over the preservation and protection of sensitive data compared to external contractors.

Cost optimization. Creation of internal competencies allows to significantly reduce costs for services to support and implement the compliance function.

The main activities of the Compliance Competence Center are:

- ◆ Methodological support and maintenance of the compliance function in the Fund's portfolio companies;
- ◆ Ensuring compliance with the requirements of the Law of the Republic of Kazakhstan "On Combating Corruption";
- ◆ Ensuring the functioning of the initiative information line of the group of companies of Samruk-Kazyna JSC;
- ◆ Automation of individual elements of the anti-corruption compliance program;
- ◆ Provision of services of outsourcing of business process of compliance function in the group of companies of Samruk-Kazyna JSC in accordance with the Law of the Republic of Kazakhstan "On Combating Corruption" and the Corporate Standard on Compliance Function of the Group of Companies of Samruk-Kazyna JSC.
- ◆ Ensuring certification audit of anti-corruption systems of Samruk-Kazyna JSC for compliance with the requirements of ISO 37001 "Anti-Bribery Management Systems" standard.

PLANS FOR 2024

In 2024, the Company plans to:

- ◆ Preservation and development of current activities with improvement of the quality of services provided;
- ◆ Automation of customer service delivery processes, including the use of mobile services;
- ◆ Implementation of the electronic archive information system in the Fund's companies with implementation of the integration function within the framework of the project "Horizontal Monitoring".
- ◆ Strengthening control over the transparency and legality of asset transfer transactions in a competitive environment;
- ◆ Distribute licenses to the Fund's group companies, including potentially new organizations that have entered into the SAP agreement.