

## Activity of Samruk-Kazyna Invest



SAMRUK-KAZYNA INVEST LLP IS A FINANCIALLY STABLE INVESTMENT COMPANY, WHICH IN COOPERATION WITH STRATEGIC PARTNERS REALIZES DIRECT INVESTMENTS IN VARIOUS PROJECTS ON THE TERRITORY OF THE REPUBLIC OF KAZAKHSTAN.

The main objective of Samruk-Kazyna Invest is to diversify the investment portfolio of Samruk-Kazyna JSC.

Samruk-Kazyna Invest aims to stimulate economic development by creating new industries, creating quality jobs, reducing dependence on imports, increasing exports, and attracting foreign investment and technology.

### KEY PERFORMANCE RESULTS FOR 2023

Indicator	2022	2023
<b>Financial indicators, KZT million:</b>		
Net gain on financial instruments at fair value through profit or loss	3,853	23,069 <sup>26</sup>
Dividends received	1,850	2,115
Operating expenses	(1,180)	(1,721)
Income (loss) from operating activities	4,523	23,463
Finance income (expense), net	(14,877)	(4,781)
Income (loss) before taxation	(13,488)	18,578
Corporate income tax expense	2,938	(2,163)
Profit (loss) for the period	(10,550)	16,415

In March 2023, the Development Strategy of Samruk-Kazyna Invest for 2023-2032 was approved, based on the mission, vision, strategic initiatives and key priorities of the company, as well as in accordance with the nationwide development priorities of the Republic of Kazakhstan.

### PLANS FOR 2024

IN 2024, SAMRUK-KAZYNA INVEST PLANS TO EXPAND ITS INVESTMENT PORTFOLIO BY INVESTING IN INNOVATIVE PROJECTS IN THE MANUFACTURING INDUSTRY AND INFORMATION TECHNOLOGY.

The total value of the projects is KZT 420 billion, including direct foreign investments in the amount of KZT 47 billion from investors from Germany, China, UAE and Turkey.

Given the current socio-economic dynamics of Kazakhstan and the significant role of the Fund in the economic development of the country, preference will be given to investments within the country in strategic projects with international strategic investors.

At the global level, the Fund aims to diversify its investment portfolio by enriching it with industrial projects with a high level of economic added value and export potential.

In the international arena, the focus will be on cooperation with leading global organizations and sovereign wealth funds for joint implementation of various initiatives and projects.

Attracting global strategic partners will facilitate technological exchange and investment attraction, which will positively impact Kazakhstan's sustainable economic development.

This approach will allow the Fund to expand its presence in new markets and strengthen its international investment expertise by joining forces through co-investments.

# SUPPORT FOR SOCIALLY ORIENTED CONSTRUCTION



Samruk-Kazyna Construction JSC (hereinafter – Company), formerly known as Samruk-Kazyna Real Estate Fund JSC, is a real estate development company established on March 6, 2009 by the Government of the Republic of Kazakhstan. Its main purpose was to stabilize the situation in the real estate market, in particular, to solve the problems of participants of shared construction and to complete the construction of problem objects. Initially, the Company set itself the task of acquiring residential and commercial premises in the objects under construction and ensuring their effective management. The Company, acting as a national operator, contributed to the implementation of government programs such as "Affordable Housing 2020", "Nurly Zher" and others in 11 regions where the Fund's group of companies operates.

Real estate commissioning

82  
thousand m<sup>2</sup>

In March 2009, the Government of the Republic of Kazakhstan transferred 100% of the Company's shares to the sole shareholder – Samruk-Kazyna JSC. In accordance with the updated Development Strategy, the Company provides construction and real estate management services for the group of companies of Samruk-Kazyna JSC, invests in housing construction, builds production facilities for the production of import-substituting construction materials, and acts as an operator of government programs.

### KEY PERFORMANCE RESULTS FOR 2023

Indicator	2022	2023
Commissioning of real estate, thousand m <sup>2</sup>	150.65	82.00
Realized real estate, thousand m <sup>2</sup>	99.08	96.66
ROACE, %	5.29	7.04
Debt/Equity, coefficient	1.13	0.76
NAV, KZT million	70,611.5	77,891.0
Output of non-resource goods and services, KZT thousand	26,817.6	28,209.9
Labor productivity <sup>27</sup> , KZT million/person	102.67	53.64
<b>Financial indicators, KZT million:</b>		
Revenue	19,641.5	19,316.4
Gross profit	12,889.3	13,326.3
Dividends	2,030.5	6,437.1
Net income	5,283.7	7,437.3
Current costs	12,778.7	12,497.9
Operating profit	9,524.0	4,193.1
Net debt	72,256.5	46,374.6
Amount of taxes paid, KZT billion	2.196	1.365
<b>Sustainability Indicators:</b>		
Volume of utilized waste	0	0
Accidents	0	0
Death in accidents	0	0
<b>The amount of heat and electricity consumed:<sup>28</sup></b>		
Electricity, thousand kWh	5,052	4,828
Heat supply, Gcal	7,246	4,903

<sup>27</sup> The indicator is specified according to the methodology of the Fund dated 09.12.2021 according to the decision of the Board of Samruk-Kazyna JSC, Minutes No. 55/21

<sup>28</sup> Indicators of energy resources consumption by business centers "Green Quarter" and "Kazyna Tower", July 27, 2023 Business center Kazyna Tower was transferred into state ownership.

<sup>26</sup>The values between years are different mainly due to the revaluation of financial assets, the expense from the early redemption of the bonds to the Fund in 2022 and the impact of exchange rate differences.

The Company's net income amounted to

7,437.3

10

KZT million

facilities

were put into operation

FINANCIAL RESULTS

At the end of 2023, the Company's net income amounted to KZT 7,437.3 million with the planned net income of KZT 12,033.6 million. Negative impact on the financial result was caused by violations by developers of the terms of repayment of funds invested by the Company in investment projects, due to the weak pace of real estate sales due to the lack of preferential mortgage programs. The Company recognized provisions for expected credit losses.

SUPPORT FOR THE CONSTRUCTION INDUSTRY

As of December 31, 2023, the Company has entered into construction investment agreements (hereinafter — CIA) for 19 projects in the cities of Astana, Almaty, Atyrau, Aktobe, Konaev, Kokshetau, Aksu (Pavlodar region), Taraz, and Ust-Kamenogorsk. The Company's pool of commercial and residential real estate under the concluded CIA as of 31.12.2023 amounted to 309.9 thousand m² and 996 parking spaces, the total cost of the projects — KZT 125.9 billion, including the volume of the Company's investments in the amount of KZT 76.9 billion. These projects are financed by the Company's own funds and borrowed funds raised on market terms.

As of 31.12.2023, as part of these projects, the Company invested KZT 57.4 billion, including transferred land plots (within the framework of the project "Residential Complex Akkent in Almaty" and "Residential Complex on Millennium Alley, Phase 1 in Astana") at a cost of KZT 2.2 billion. 10 objects were put into operation (including 7 objects in 2023 and 3 objects in 2022), the total share of the Company in the commissioned real estate amounted to 240.8 thousand m², realized — 203.9 thousand m². These projects are financed by the Company's own funds and borrowed funds raised on market terms.

SUPPORT FOR LOCAL PRODUCTION

In 2023, the Company successfully implemented one of the tasks set for it: participation in the program of construction of plants for the production of import-substituting construction materials. The project of construction of a plant for the production of roofing and facing materials in Astana was realized. In the course of construction 150 jobs were created, the staff number of the plant is 96 people, and the actual number of employees for the reporting period is 45 people.

On December 15, 2023, the plant was visited by the Head of State Kassym-Jomart Tokayev, who highly appreciated the products of MetalFormer LLP during familiarization with the production and noted the importance of supporting such enterprises and the need to switch from imported building materials to domestic products. In order to support the plant, the Company provides assistance in using the products of MetalFormer LLP in the Company's projects and utilization of the plant's production capacities.



IN 2024, THE COMPANY PLANS TO COMPLETE CONSTRUCTION OF 5 RESIDENTIAL COMPLEXES IN ASTANA, TARAZ, UST-KAMENOGORSK, KOKSHETAU AND AKSU (PAVLODAR REGION) WITHIN THE FRAMEWORK OF INVESTMENT ACTIVITY.

COMFORTABLE SCHOOL

Since 2023 the Company, according to the Resolution of the Government of the Republic of Kazakhstan dated November 30, 2022 No. 963 "On approval of the pilot national project in the field of education "Comfortable School", has been determined as the Directorate for targeted construction of facilities of secondary education organizations. The Company manages the project in accordance with the Rules of rendering engineering services in the sphere of architectural, town-planning and construction activities and is vested with the function of the customer.

In the reporting period, out of 208 comfortable schools planned for construction in the first stage (2023-2024), contracts were signed for the procurement of complex works for the design and construction of turnkey facilities at 207 sites. It is planned to sign a contract for 1 remaining facility in 2024.

During 2023, contractors prepared land plots for construction (fencing, installation of video surveillance cameras, mobilization of construction equipment, engineering and geological surveys, and so on). As positive conclusions of the state expert examination

of design and estimate documentation are received, construction and installation works will be started.

OPERATIONAL EFFICIENCY

In 2022, the company continued work to automate the lease payment management system. As part of operations management in 2023, significant work was done to automate internal business processes, and information systems were introduced to monitor national project implementation, procurement and BPM (Business Process Management).

PLANS FOR 2024

In 2024, the Company plans to complete construction of 5 residential complexes in Astana, Taraz, Ust-Kamenogorsk, Kokshetau and Aksu (Pavlodar region) within the framework of investment activity.

In accordance with the resolution of the Government of the Republic of Kazakhstan No. 963 from November 30, 2022 on approval of the pilot National Project in the field of education "Comfortable School" it is planned to complete the construction of 208 schools in 17 regions and 3 megacities of the country by contractors.