

**Attn: KEGOC's shareholders**

### **EXPLANATORY NOTE**

**on agenda item of KEGOC annual general meeting of shareholders: “Approval of the financial statements of KEGOC for the year ended December 31, 2023, the procedure for the distribution of KEGOC's net income, the decision to pay dividends on ordinary shares and the approval of the dividend amount per one ordinary share of KEGOC for the second half of 2023”**

1. In accordance with Articles 18.1.21 and 18.1.22 of KEGOC’s Charter, the exclusive competence of the General Meeting of Shareholders of KEGOC includes the approval of the annual financial statements of KEGOC, approval of the distribution of the net income of KEGOC for the reporting fiscal year, making a decision on the payment of dividends on ordinary shares and approving the amount of dividend per one ordinary share of KEGOC.

KEGOC's financial statements for the year ended on 31 December 2023 audited by RSM Qazaqstan LLP, an independent audit firm. According to the auditor’s report, the consolidated and separate financial statements reliably reflect KEGOC's financial health in all material aspects as of 31 December 2023, as well as KEGOC's financial performance and cash flows for the year ended on the mentioned date in compliance with the International Financial Reporting Standards.

The copies of the consolidated and separate financial statements for the year ended on 31 December 2023, are attached.

According to the consolidated financial statements as of 31 December 2023, the Company had KZT 1,001,785,007 thousand in assets, KZT 316,065,873 thousand in liabilities, and KZT 685,719,134 thousand in equity. The income of KEGOC for the year ended on 31 December 2023 amounted to KZT 263,715,329 thousand; the expenses amounted to KZT 210,312,001 thousand; the profit share in the associate company was KZT 195,304 thousand (20% in Batys Transit JSC), expenses on corporate income tax were KZT 10,202,243 thousand, net profit was KZT 43,396,389 thousand.

In accordance with clauses 6 and 7 of the Regulations on the dividend policy of KEGOC, the dividends shall be paid from the net income for the corresponding financial year or half-year, or the retained earnings, calculated on the basis of the IFRS consolidated financial statements of KEGOC, and the dividend amount on ordinary shares shall be not less than 60% of the net income. According to clauses 5 and 9 of the Regulations on dividend policy of KEGOC allows payment of dividends for 2023, as in 2023 KEGOC had positive equity and equity capital, and they will not become negative as a result accrual of dividends. KEGOC does not show any signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on bankruptcy, and these signs will not appear for KEGOC as a result of the accrual of dividends.

Based on the above, it is proposed to the annual General Meeting of KEGOC Shareholders:

1) Approve the financial statements of KEGOC as of and for the year ended on 31 December 2023.

2) Approve the following procedure for the distribution of net income for 2023 by KEGOC located at: 59 Tauyelsizdik ave, city of Astana, BIN 970740000838, Kbe 16, account KZ736010111000023853 in Halyk Bank of Kazakhstan BIC HSBKKZKX:

- to allocate for the payment of dividends an amount of KZT 21,885,771,876.00 (twenty-one billion eight hundred eighty-five million seven hundred seventy-one thousand eight hundred seventy-six tenge 00 tiyn), amounting to 97.0082183966965% of the net income of KEGOC for 2023 including previously paid dividends for the first half of 2023 in the amount of KZT 20,212,291,941.40 (twenty billion two hundred twelve million two hundred ninety-one thousand nine hundred forty-one tenge 40 tiyn), for all holders of ordinary shares of KEGOC;

- the remaining amount in the amount of KZT 1,298,325,182.60 (one billion two hundred ninety-eight million three hundred twenty-five thousand one hundred eighty-two tenge 60 tiyn), amounting to 2.9917816033035% of the net profit of KEGOC for 2023, shall be left at the disposal of KEGOC for development;

3) Approve KZT 79.50 (seventy-nine tenge 50 tiyn) as the amount of dividend per one ordinary share of KEGOC for H2 2023.

4) Finalise the list of shareholders of KEGOC entitled to receive dividends on ordinary shares of KEGOC for the second half of 2023, as of 00 hours 00 minutes on May 24, 2024.

- determine 30 May 2024 as the date to commence payment of dividends on ordinary shares of KEGOC for H2 2023;

6) Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

2. Should the annual General Meeting of Shareholders of KEGOC fail to adopt the proposed decision, there would be a risk of deterioration of the corporate governance in terms of timely and full disclosure of the financial position of KEGOC to the shareholders and other interested parties. There are no risks in case of adoption.

3. No social and economic and/or legal effects are expected, if the annual General Meeting of Shareholders of KEGOC will approve the agenda item.

4. This agenda item was earlier considered by KEGOC's Board of Directors (Minutes No. 3 dated 29 March 2024).

**Chairman of the Management Board, KEGOC,  
(member of the Board of Directors of KEGOC )**

**Nabi Aitzhanov**

**Decisions made on agenda item of KEGOC annual general meeting of shareholders: “Approval of the financial statements of KEGOC for the year ended December 31, 2023, the procedure for the distribution of KEGOC's net income, the decision to pay dividends on ordinary shares and the approval of the dividend amount per one ordinary share of KEGOC for the second half of 2023”**

Having considered the agenda item and presented materials in accordance with Articles 18.1.21 and 18.1.22 of KEGOC’s Charter, **the annual General Meeting of KEGOC Shareholders DECIDED to:**

1. Approve the financial statements of KEGOC for the year ended 31 December 2023 in accordance with the appendix hereto;

2. Approve the following procedure for the distribution of net income for 2023 of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company, located at: 59 Tauyelsizdik ave., Astana, Kazakhstan, BIN 970740000838, Kbe 16, KZ736010111000023853, Halyk Bank of Kazakhstan BIC HSBKKZKX:

- to allocate for the payment of dividends an amount of KZT 21,885,771,876.00 (twenty-one billion eight hundred eighty-five million seven hundred seventy-one thousand eight hundred seventy-six tenge 00 tiyn), amounting to 97.0082183966965% of the net income of KEGOC for 2023 including previously paid dividends for the first half of 2023 in the amount of KZT 20,212,291,941.40 (twenty billion two hundred twelve million two hundred ninety-one thousand nine hundred forty-one tenge 40 tiyn), for all holders of ordinary shares of KEGOC;

- the remaining amount in the amount of KZT 1,298,325,182.60 (one billion two hundred ninety-eight million three hundred twenty-five thousand one hundred eighty-two tenge 60 tiyn), amounting to 2.9917816033035% of the net profit of KEGOC for 2023, shall be left at the disposal of KEGOC for development;

3. Approve KZT 79.50 (seventy-nine tenge 50 tiyn) as the amount of dividend per one ordinary share of KEGOC for H2 2023.

4. Finalise the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares for H2 2023, as on 24 May 2024, 00.00 am.

5. Determine 30 May 2024 as the date to commence payment of dividends on ordinary shares of KEGOC for H2 2023;

6. Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

7. The Chairman of the Management Board of KEGOC (Nabi Aitzhanov) to take actions as required by this decision.