

# Letter from the Chairman of the Board of Directors of KEGOC

102-14

Dear Shareholders:

2020 was not an easy year, but a very important  
one for KEGOC.



**ALMASSADAM SATKALIYEV**  
CHAIRMAN OF THE BOARD  
OF DIRECTORS OF KEGOC

In March, the Board of Directors decided to allocate 100% of net income to the payment of dividends to shareholders. This fulfilled President Kassym-Jomart Tokayev's instruction to the national companies to pay all their net profits in the form of dividends.

In 2020 the Board of Directors demonstrated a high quality of management decisions, taking into account the interests of all stakeholders. The Board of Directors approved an updated Portfolio and Roadmap for the Business Transformation Programme in 2020. The benefits of the

Business Transformation Programme projects for 2020 amounted to KZT 2.3 billion. In addition, an updated version of KEGOC's business continuity rules was approved and amendments were made to the Company's Business Plan for 2020-2024.

In 2020, KEGOC successfully continued the implementation of the strategic goals and objectives defined by the Board of Directors in KEGOC's Development Strategy 2018-2028, demonstrating a high-quality level of business process management, efficient performance of the functions of the system operator of the UPS, as well as financial reliability.

The company has demonstrated its commitment to the best standards of corporate governance and its adherence to the principles of transparency: the activities of the Corporate Governance Enhancement Plan have been successfully implemented.

As a major employer, KEGOC was committed to creating decent and safe working conditions for its employees, and the staff showed a high level of commitment by successfully carrying out their duties under the quarantine conditions and achieving good operational and financial performance. As a result, 2020 ended with a net income of more than KZT 53.5 billion.

All of this enables KEGOC to maintain a high profile and to be an industry leader across the entire spectrum of operation and financial activities and to demonstrate high social stability performance. The conclusions of international rating agencies also attest to this. For example, in 2020, Fitch Ratings affirmed KEGOC's long-term rating at BBB- with a stable outlook.

The company enters 2021 confidently and is determined to achieve its goals and objectives. The sound strategy, highly qualified and engaged staff is the foundation on which KEGOC's further growth will take place in 2021.

# 53.5

KZT BILLION OF  
NET INCOME

On behalf of the KEGOC Board of Directors, I would like to thank all partners for their mutually beneficial cooperation, the staff for their highly efficient work, and all stakeholders for their support.

## Our strategic priorities:

01



### Ensure reliable operation of Kazakhstan UPS:

- deliver quality performance of the functions of the System Operator of the UPS of Kazakhstan;
- deliver quality maintenance;
- repair and upgrade the existing assets;
- increase capacity of the Republic of Kazakhstan's NPG by constructing new transmission lines and substations;
- promote technological development and digitalisation of the business.

02



### Ensure KEGOC's efficient operations:

- enhance efficiency of invested capital and develop new types of business;
- implement KEGOC's Business Transformation Programme;
- develop international cooperation.

03



### Enhance corporate governance and sustainable development:

- enhance OHS management system;
- enhance corporate governance;
- develop human capital;
- preserve the environment.