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Address of the Chairman of the Supervisory Board
“NMSC “Kazmortransflot” LLP M.K. Ormanov

Dear Partners and colleagues,

“NMSC “Kazmortransflot” LLP is a national operator of sea and coastal transportation and represents the interests of Kazakhstan in the waters of the Caspian Sea and open seas. The Company operates in the field of oil transportation, containers, general cargo and servicing offshore projects.

In July 2022, the president of RK gave instructions to search for alternative routes for the transportation of oil cargo and the expansion of the marine fleet. During the execution of these instructions, “NMSC “Kazmortransflot” LLP, being the National Sea Carrier of Kazakhstan, with the support of “NC “KazMunayGas” JSC, carried out a lot of work in these areas.

The Company has initiated a number of projects, for example, the creation of a joint venture with Abu Dhabi Ports Group and the acquisition of new tankers.

The creation of a joint venture will allow to combine investments, experience, fleet of large maritime companies of the United Arab Emirates and the Republic of Kazakhstan, and will also strengthen the role of “NMSC “Kazmortransflot” LLP in the Caspian Sea as a key player in the maritime services market.

As part of the diversification of oil transport routes, a five-year agreement on the transit of 1.5 mln. tons of Kazakh oil through the Baku-Tbilisi-Ceyhan oil pipeline was signed in November 2022 between JSC “NC “KazMunayGas” and the Azerbaijani company SOCAR. Transportation will be carried out by the parties on the terms of parity, on the Kazakh side, the maritime operator has been determined by “NMSC “Kazmortransflot” LLP. Pursuant to this agreement, 2 oil tankers with a deadweight of 8000 tons will be purchased in 2023.

In 2022, “NMSC “Kazmortransflot” LLP successfully completed the modernization of the specialized vessel MCV Sunkar for a container ship, and work has begun on the modernization of the third of the MCV Berkut series of vessels, which will allow in the future to increase the capacity of the container fleet to 60 thousand TEU containers.

Every year, summing up the results of the activities of “NMSC “Kazmortransflot” LLP, we note that The Company still holds the bar high and achieves its goals and objectives.

Currently, “NMSC “Kazmortransflot” LLP provides transportation of about 25% of all oil produced in the country and 70% of container cargo deliveries to the FEU, which pass through Aktau.

“NMSC “Kazmortransflot” LLP adheres to high standards of business transparency. During 2022, The Company's employees were awarded certificates of honor and letters of thanks on behalf of the Sole Participant, associations and government agencies for their contribution to the development of the marine and oil and gas industry.

I am sure that a balanced development strategy, high corporate standards, professional management, and employee engagement allow “NMSC “Kazmortransflot” LLP to look to the future with confidence and continue on a stable path to achieving its goals and objectives.

On behalf of the Supervisory Board of “NMSC “Kazmortransflot” LLP, I would like to express my sincere gratitude to The Company's customers and partners for their support and mutually beneficial cooperation, to the entire team for their professionalism and conscientious work.

Address of the General Director (Chairman of the Management Board)
“NMSC “Kazmortransflot” LLP A.E. Orzhanov.

Dear colleagues,

Despite the difficulties occurring in the world, the year 2022 for "NMSC "Kazmortransflot" LLP was successful. At the end of last year, the production programme in terms of oil transportation was fulfilled by 111%, 19,816 containers in TEU were transported along the Trans-Caspian international transport route in the direction of Aktau-Baku. The Company's revenue for 2022 totalled 126,929 mln. KZT, having increased by 178% compared to the previous year. The total profit for the reporting period totalled 12,371 mln. KZT.

Much attention in the reporting year was paid to one of the main priorities of our work - the expansion of the container fleet and participation in the search for alternative routes of oil transportation.

In 2022, “NMSC “Kazmortransflot” LLP successfully completed the modernisation and re-equipment of the second multifunctional auxiliary vessel “Sunkar” as a container ship and started the implementation of an investment project to establish a joint venture with Abu Dhabi Ports Group and the acquisition of 2 oil tankers with deadweight of 8,000 tonnes.

Along with achievements in the production sphere, an important priority remains ensuring safe working conditions for the employees of “NCSC “Kazmortransflot” LLP. We pay special attention to compliance with labor safety standards. The Company's production facilities regularly carry out activities aimed at reducing the level of injuries and the number of accidents.

In the reporting year, no accidents involving employees and environmental damage were registered. In order to prevent future incidents, The Company has further strengthened control over compliance with safety rules and requirements on all types of vessels.

We recognise that long-term sustainable business growth is based on the development of human capital. Personnel development programmes, advanced training, competitive remuneration levels and social guarantees for employees form a close-knit team of professionals committed to the common cause and the achievement of our goals.

The year 2022 was a very important year for The Company in terms of experience gained in many areas. And I sincerely believe that in 2023 we will be able to use the knowledge and experience we have gained for the qualitative growth of The Company and increase the efficiency of its operations.

In conclusion, I would like to thank JSC “NC “KazMunayGas” and partners for constructive co-operation and trust, and the entire team of “NMSC “Kazmortransflot” LLP for their contribution to the development of The Company!

ON THE ANNUAL REPORT OF LIMITED LIABILITY PARTNERSHIP NATIONAL MARITIME SHIPPING COMPANY KAZMORTRANSFLOT

“National Marine Shipping Company “Kazmortransflot” LLP (hereinafter – “NMSC “Kazmortransflot” LLP, KMTF, the Company, the Partnership) adheres to high standards of transparency, regularly publishes information on the results of its activities, as well as the Annual Report (hereinafter – the Report) in open sources.

The purpose of the Report – to inform stakeholders about the plans, corporate governance system, results of production and financial and economic activities.

The Annual Report for 2022 comprehensively reflects all aspects of KMTF's activities: key production and financial and economic indicators, important events and achievements of The Company, implemented and planned investment projects, performance assessment, industry development prospects, safety issues, corporate governance, risk management system, The Company's ownership structure, safety management system, environmental protection, occupational health and safety, personnel issues, youth policy, social responsibility and social responsibility.

ABOUT THE COMPANY

KMTF AND STRUCTURE OF ASSETS

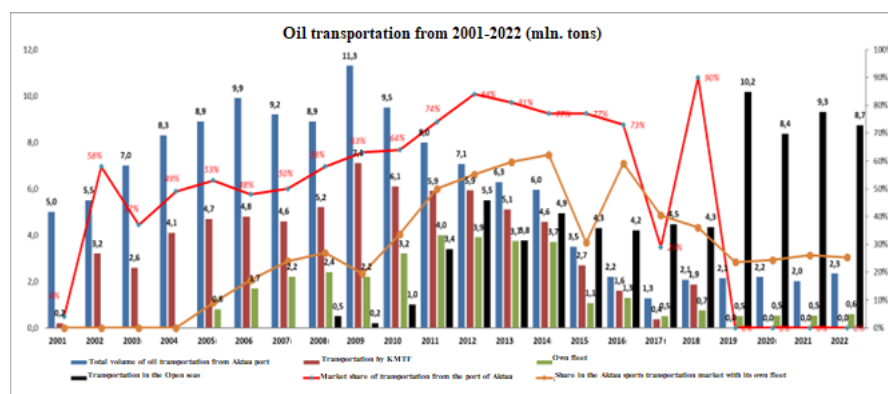
KMTF is the largest shipping company of the Republic of Kazakhstan, is the National Sea Carrier, the status was assigned by the Resolution of the Government of the Republic of Kazakhstan №462 of 29 April 2011.

Its own fleet at the end of 2022 includes 17 vessels with deadweight of more than 305 ths. tons.

The structure of KMTF group of companies includes 4 subsidiaries: Kazmortransflot UK Ltd, Kazmortransflot LTD, “Alatau Shipping Ltd” and “Altai Shipping Ltd”, registered outside the Republic of Kazakhstan.

KMTF IN NUMBERS

History of the growth of oil transportation



The total volume of oil transportation from 1998 to 2022 is 177.5 mln. tons, of which:

- Caspian Sea – 104.3 mln. tons of oil;
- Open seas – 73.2 mln. tons of oil.

KEY EVENTS AND ACHIEVEMENTS OF THE COMPANY FOR 2022

February

Signing of the Agreement of Principles on the establishment of a joint venture between KMTF and Abu Dhabi Ports Group (hereinafter – ADP) on the territory of the International Financial Centre “Astana”.

March

Participation of KMTF vessels in the project of North Caspian Operating Company N.V. on dredging of offshore channels of the Kashagan field;

Signing of the General Agreement between KMTF and the Trans-Caspian International Transport Route Association (hereinafter - TITR) for the carriage of containerised cargo in the Caspian region for a period of 5 years;

April

Signing of the Agreement on creation of a pool of tankers in the open seas between subsidiaries of Kazmortransflot UK Ltd, Kazmortransflot Ltd and Safeen Feeder Company;

Conclusion of an agreement with Saga Atash Ship Repair and Shipbuilding Company for the modernisation of the MCV Sunkar into a container vessel;

July

SIRE inspection by Chevron on tanker "TK Aktau".

August

Conclusion of a contract with "Zhenis Operating" LLP for provision of supply vessels for the construction of exploration well V-1 at the Zhenis site.

September

Official launch of the second container ship Sunkar on the TITR feeder line;

Signing of the Co-operation Agreement between "KazTransGas Onimderi" LLP and KMTF on co-operation in the field of application of liquefied gas on KMTF offshore vessels;

Signing of the Memorandum of Co-operation between KMTF and Kazakhstan-British Technical University.

November

Start of modernisation of the vessel "Berkut" at the shipyard "Saga Atash" in Bautino;

Signing of Framework Agreement between KMTF and International Maritime Investments Ltd on Joint Venture.

December

Signing of the Shareholders Agreement between KMTF and International Maritime Investments Ltd on establishment of a joint venture.

CORPORATE GOVERNANCE

Corporate governance system

KMTF's Charter provide for the following governance bodies of KMTF:

1. The supreme body – the Sole Participant;
2. Control and supervisory body – the Supervisory Board;
3. Collegial executive body – the Management Board;
4. Controlling body – Audit Commission (Auditor) (established by the decision of the Sole Participant, if necessary).

Officials of the Partnership are members of the Supervisory Board and the Management Board.

The **Sole participant** of KMTF in accordance with the Charter of KMTF is JSC “NC “KazMunayGas” (hereinafter – the KMG).

The **Supervisory Board** of KMTF is a body exercising control over the activities of the Management Board of KMTF and organizes its activities in accordance with the Law, the Charter and internal documents of KMTF.

Members of the Supervisory Board are elected by the Sole Participant in number of not less than three members for the term not more than 3 (three) years.

The Supervisory Board is headed by the Chairman, who is appointed by the Sole Participant from among the members of the Supervisory Board.

In 2022, the Supervisory Board held 7 meetings on 25 issues.

KMTF Management Board

The Management Board – a collegial executive body that manages the day-to-day operations of KMTF. The Management Board activity is based on the principle of maximum observance of interests of the Sole Participant represented by KMG and accountability to the Sole Participant and the Supervisory Board. In 2022 there were no changes in the composition of KMTF Management Board members. The Management Board operates on the basis of the KMTF Charter and the Regulation on Management Board of the KMTF.

In 2022, 26 meetings of the KMTF Management Board were held on 52 issues.

Information on persons who were members of the Management Board

Chairman of the Management Board (General Director):

- Aidar Essenzhanovich Orzhanov.

Members of the Management Board:

- Financial Director – Rinat Galimzhanovich Suleimenov;

- Head of Legal Division – Zhamart Sarsenbekovich Mukhamedzhanov.

Revision Commission

Revision Commission (Auditor) (established by the decision of the Sole Participant if necessary) is a supervisory body that controls financial and economic activity of KMTF, as well as the current state of its affairs.

The Revision Commission (Auditor) shall obligatorily audit KMTF financial statements before its approval by the Sole Participant.

As of 31 December 2022, according to the KMTF Charter, the decision of the Sole Participant of KMTF on creation of the Audit Commission (Auditor) was not adopted.

STRATEGIC INITIATIVES AND PRIORITY AREAS FOR ACTION

In 2021, the Board of Directors of KMG approved the “Development Strategy of JSC “NC “KazMunayGas” for 2022-2031”, this Strategy is a single goal-setting document for subsidiaries and affiliates of KMG.

KMG Strategy defines the main strategic directions of activity and strategic goals.

The strategic directions are:

1. Value creation.
2. Energy transition.

Strategic goals:

- 1) Sufficient resource base to ensure the growth of KMG Group of Companies
- 2) Improving the efficiency of KMG Group's value chain.
- 3) Diversification of business and expansion of the product portfolio.
- 4) Sustainable development and progressive reduction of carbon intensity of production.

The achievement of KMG's four strategic goals will be ensured through the implementation of 25 strategic initiatives. Strategic initiatives are defined for subsidiaries and affiliates depending on existing activities and development prospects.

KMG's focus with regard to maritime transport remains on maintaining its position in terms of quality and efficiency of transport services among shipping companies, both in the Caspian region and outside the Caspian Sea area, by achieving high technical standards of its own fleet, safety of navigation,

management and production processes and high professional level of employees. KMG aims to gain synergies from all the activities and assets of KMG Group, including maritime transport through the strategic initiative "Synergy in Maritime Transport".

The implementation of this initiative is ensured by KMTF's presence in the maritime transport market. Three promising business areas have been identified to ensure the implementation of this initiative.

1) Oil transportation in the open seas, aimed at strengthening the position of the National Sea Carrier in the Black Sea-Mediterranean region and consistent growth of participation of KMTF's own company in the total volume of transportation of Kazakh oil cargoes in the open seas, with the potential build-up of its own large-capacity fleet of Aframax and/or Suezmax type.

2) Transportation of oil on the Caspian Sea by KMTF's own tankers, as well as through leasing of tankers to KMTF for oil transportation on routes between other Caspian Sea ports.

3) Servicing oil and gas fields on the Caspian shelf by expanding KMTF's share of the fleet services market and strengthening its role in offshore projects. The development of this area requires the construction/acquisition of specialized service fleet vessels.

In fulfilment of the Strategic Initiatives in 2022, certain results and achievements were achieved in the areas of activity:

1) Oil transportation in open seas is carried out by own Aframax tankers of "Altai" and "Alatau" type, as well as by chartered fleet. In April 2022, KMTF and ADP entered into a Tanker Pooling Agreement under which ADP acquires and transfers Aframax/Suezmax tankers to KMTF for the carriage of Kazakh oil from the ports of Novorossiysk and Ceyhan. In Q4 2022, the first tanker from ADP was placed under the management of KMTF. In the future, the pool is expected to be expanded to 12 units of the large-capacity fleet, which will increase the share of the national carrier's presence in the transportation of Kazakh oil.

2) Oil and cargo transportation in the Caspian Sea is carried out by oil tankers "Astana", "Almaty" and "TK Aktau" with deadweight of 12,000 tonnes, dry-cargo carriers "Beket Ata" and "Turkestan", container ships "Barys", "Sunkar" and "Berkut". The main destinations are the ports of Azerbaijan, Russia, Turkmenistan and Iran. In 2022, in order to develop alternative routes for transportation of Kazakh oil, as well as to expand the maritime fleet, KMTF with the support of KMG

initiated an investment project to acquire 2 oil tankers with deadweight of 8,000 tonnes and successfully upgraded specialized MCV vessels “Sunkar” and “Berkut”.

In 2023 it is planned to cooperate with the Azerbaijani company SOCAR to engage KMTF as a marine operator for transportation of 1.5 mln. tons of Kazakhstani oil within the framework of the General Agreement signed in November 2022 between KMG and SOCAR on the transit of crude oil along the route Aktau - Baku, further through the Baku - Tbilisi - Ceyhan pipeline.

3) The service fleet is developed through KMTF's participation in KMG's offshore projects. In 2022, contracts were signed for the provision of service fleet services for participation in the projects on dredging of offshore channels of the Kashagan field and exploration works in the “Zhenis” area. From 2023-2026, the KMTF fleet is scheduled to participate in projects for the development of offshore oil and gas fields of the KSCS.

INVESTMENT PROJECTS

Re-equipment of MCV "Sunkar" into a container ship

In connection with the increase in container traffic in the Caspian Sea, it was decided to convert the second MCV "Sunkar" into a container ship.

- On April 05, 2022, an agreement for re-equipment was signed between KMTF and “Saga Atash” LLP;
- On September 03, 2022 container ship “Sunkar” went out on its first voyage on the route “Aktau – Baku”.

Re-equipment of MCV "Berkut" into a container ship

- On September 19, 2022, an agreement for re-equipment of the third ship MCV "Berkut" into a container ship between KMTF and "Saga Atash" LLP;
- Completion date – February 2023.

FINANCIAL PERFORMANCE

№	Indicators	2022		mln. KZT deviation	
		plan	actual	(+/-)	(%)
A	1	2	3	4=3-2	5=3/2
1	Income, including:	52 279	126 929	74 651	243%
1.1	Income from core activities	47 122	126 004	78 882	267%
1.2	Income from financing	0	149	149	
1.3	Income from non-core activities	5 157	776	-4 380	15%
2	Expenses, including:	51 032	110 335	59 304	216%
2.1	Cost of sales	42 407	103 603	61 196	244%
2.2	General and administrative expenses	2 466	2 863	397	116%
2.3	Selling expenses	354	936	582	264%
2.4	Financing costs	816	756	-60	93%
2.5	Expenses from non-core activities	4 988	2 178	-2 810	44%
3	Profit (loss) before taxation	1 247	16 594	15 347	1331%
4	CIT expenses	508	4 223	3 715	831%
5	Total profit	739	12 371	11 632	1675%

As a result of financial and economic activities for 2022, the final profit of KMTF totalled 12,371 mln. KZT, against the planned profit of 739 mln. KZT.

The main reasons are: increase in actual tariff on open seas by 117% (actual – 21.45 USD /plan – 9.88 USD) due to change in the level of World Scale tariff scale upwards.

PRODUCTION PERFORMANCE

<u>№</u>	<u>Key indicators</u>	<u>2022</u>		<u>deviation (+/-)</u>	<u>perf. %</u>
		<u>plan</u>	<u>actual</u>		
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>1</u>	Total oil transportation, including:	8 385	9 343	958	111%
	by the Caspian Sea	540	610	70	113%
<u>1.1</u>	Aktau-Makhachkala direction	540	587	47	109%
<u>1.2</u>	Y.Korchagin-Baku direction	0	19	19	0%
<u>1.3</u>	Aktau-Baku (Sangachal) direction	0	4	4	0%
	on the Open Seas	7 845	8 733	888	111%
<u>1.4</u>	towards the Black Sea	3 680	3 457	-223	94%
<u>1.5</u>	outside the Black Sea	4 165	5 276	1 111	127%

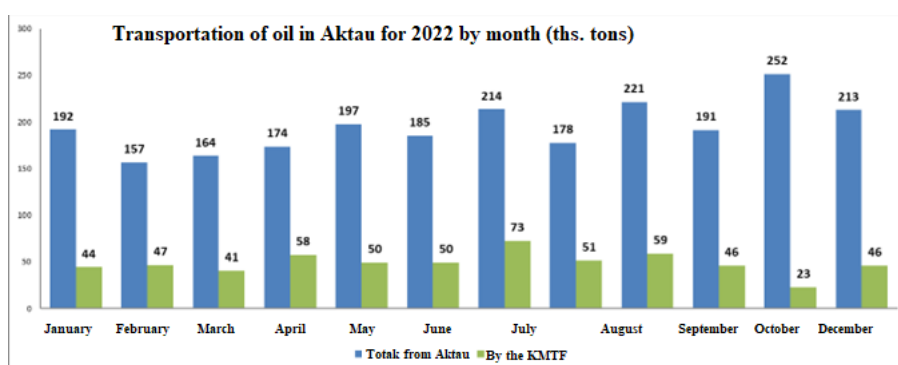
At the end of 2022, the total volume of oil transportation by KMTF was 9,343 ths. tons of oil or 111% of the planned figure of 8,385 ths. tons.

In the Caspian Sea, 610 ths. tons of oil or 113% of the planned indicator (540 ths. tons) of liquid cargoes were transported. The main transport routes are Aktau-Makhachkala, Aktau-Baku, Y. Korchagin - Baku.

In the open seas, the performance of production indicators for oil transportation in the Black Sea and the Mediterranean Sea was 8,733 ths. tons or 111% against the target (7,845 ths. tons).

Oil transportation from Aktau port

At the end of 2022, oil transshipment in the port of Aktau amounted to 2,337 ths. tons. The share of KMTF transportation from the volume transhipped in Aktau port was 587 ths. tons.



Oil transportation in the direction of Makhachkala port

The total volume of oil shipped from Aktau to Makhachkala was 2,008 ths. tons, of which KMTF transported 587 ths. tons or 29%.

According to the production plan, the performance was 109% against the target of 540 ths. tons. One own tanker “TK Aktau” was operated on this line.

Oil transportation in open seas

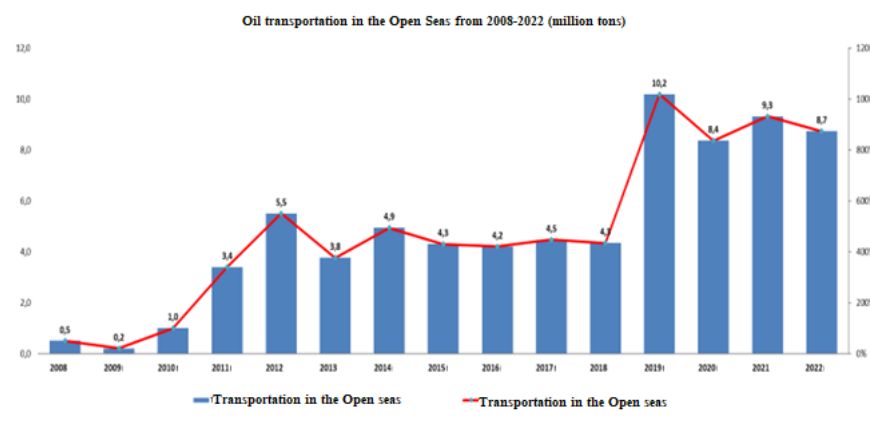
In the Black and Mediterranean Seas, the volume of oil transported was 8,733 ths. tons, of which 3,368 ths. tons were transported by own fleet and 5,365 ths. tons by chartered vessels.

In the open seas oil was transported:

- in the Black Sea – 3,457 ths. tons;
- in the Mediterranean Sea – 5,276 ths. tons

The execution of the plan for transportation in the Black Sea was 94% against the target of 3,680 ths. tons, while the execution in the direction of the Mediterranean Sea was 127% against the target of 4,165 ths. tons.

The share of KMGT cargo was 7,936 ths. tons or 91% of the total volume of cargo transported.



FSOO (Fleet for support of offshore operations) performance results

Marine tugs “Irgiz”, “Talas” and “Emba” were engaged within the framework of “North Caspian Operating Company N.V.” project on dredging works in the Northern part of the Caspian Sea at “Kashagan” field. The term of the services is from March to September 2022.

In November 2022, KMTF engaged its own tug barges “Talas” and “KMG-108” in the transportation of sawn timber along the route “Astrakhan - Astara (Iran)” in the amount of 1,516 m³, as well as ceramic plates in big bags from the port of “Astara” to the port of “Govsany (Azerbaijan)” in the amount of 1,584 tons.

Servicing of oil and gas fields on the Caspian shelf

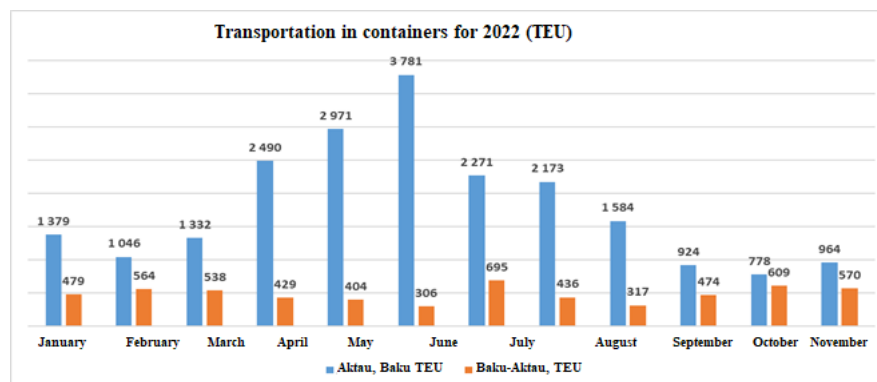
On 23 August 2022, an agreement for the provision of services of 4 supply vessels and 2 anchor-handling vessels was signed between KMTF and “Zhenis Operating” LLP on the “Zhenis” project. The period of service provision is from August 2022 to May 2023.

Container transport.

On the TITR route, 27,514 containers were transported in TEU (of which 19,800 TEU were transported by KMTF). On the directions:

- Aktau port – Baku port: 21,693 TEU,
- Baku port – Aktau port: 5,821 TEU,

The average load is 63.25% (Aktau port – 75.15%, Baku port – 25.60%).



Transportation of containers to the Islamic Republic of Iran

As part of the development of the container route, in September 2022 KMTF began to actively operate a container ship in the transport of containers in the direction of “Aktau - ports of Iran – Aktau”, for this period transported 1,096 TEU, of which:

- Aktau port – 834 TEU;
- Iranian ports – 262 TEU.

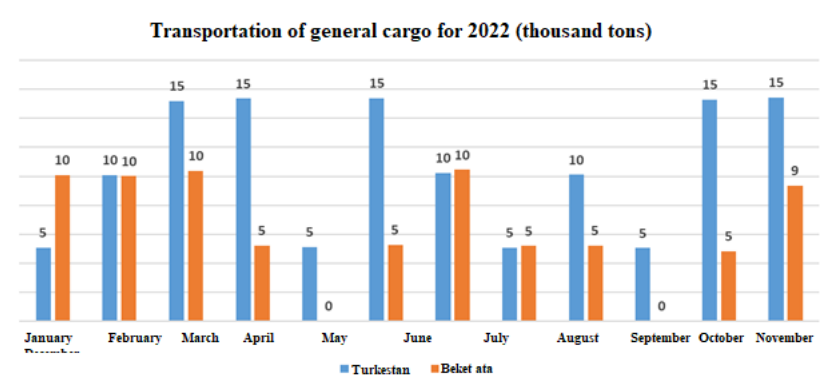
Additionally, 160 units of passenger cars were transported from Iranian ports.

General cargo transportation

In 2022, the dry cargo fleet of KMTF transported 203,000 tons of general cargo, including urea, polyethylene pallets, barley and wheat.

Name of vessels	Route	Type of cargo	Volume, tonnes
“Turkestan”	Begdash-Baku	Carbamide	127 322
“Beket Ata”	Begdash-Baku	Carbamide	61 795
“Beket Ata”	Aktau-Amirabad	Barley	9 666
“Beket Ata”	Aktau-Baku	Wheat	4 493
			203 276

In 2022, the “Beket Ata” cargo ship was operated on the “Begdash – Baku”, “Aktau – Baku”, “Baku–Aktau”, “Aktau–Amirabad” routes, and the “Turkestan” cargo ship was operated exclusively on the “Begdash–Baku” line.



In the period from April to June 2022, the dry cargo ship “Beket Ata” was redirected to the TITR – “Aktau - Baku – Aktau” route to remove accumulated containers in the port of Aktau.

During its time on the TITR route “Beket Ata” made nine (9) round trips and transported 1,988 TEU of containers.

OCCUPATIONAL HEALTH AND SAFETY

In accordance with the Quality, Safety and Environment Policy, one of KMTF's main objectives is to ensure the safety and health of workers. In this regard, KMTF strongly promotes and advocates:

- Prioritizing the value of human life and health over workplace performance;
- Involvement and training of all levels of management in occupational health and safety;
- Personal accountability of employees for safety compliance;
- Creating a positive safety culture to prevent incidents and accidents;
- Effective communications between all stakeholders;
- Performing work safely and correcting unsafe behavior.

In accordance with the legislation of the Republic of Kazakhstan and international maritime practice, KMTF carries out the following activities and works in the field of occupational health and safety:

- The structural unit responsible for occupational health and safety issues carries out internal control over compliance with occupational health and safety requirements;
- Labor safety and health documentation is developed and approved: Policies, instructions, rules, procedures, golden rules, hazard identification and risk assessment, etc.;
- Training, briefings and knowledge checks on occupational health and safety are conducted.
- Employees are provided with protective clothing, special footwear and other personal protective equipment according to the norms;
- A system of behavioral observation on safety has been implemented. Responsible employees conduct behavioral safety observations according to the approved schedule
- A contract of compulsory insurance of employees against accidents in the performance of their labor (official) duties is concluded;
- Medical examinations of vessel crews and drivers of service vehicles (including breathalyzes) are carried out;
- Vessels are provided with medical aid equipment: first aid kits, tonometers, eye wash stations, WHO International Manual on Shipboard Medicine, etc.;
- Microbiological and bacteriological tests (analysis) of water of the water supply system of the vessels are carried out;
- Employees are provided with free medical services under medical services/medical insurance contracts;
- Annual medical examinations of employees (subject to such examinations) are conducted;
- The first round of the contest of the Chairman of the KMG Management Board “Best Innovative Ideas and Practices in HSE of KMG Groups” is held annually;
- The root causes of incidents and accidents are analyzed. Measures to prevent them are being developed.

KMTF Golden Rules in the field of occupational health and safety



- The KMTF Golden Rules were approved by the KMTF Management Board. The Golden Rules of the KMTF are the key requirements for safe performance of work, developed on the basis of the best international experience in the field of occupational health and safety of leading oil and gas companies;
- The “Golden Rules” fully comply with the established requirements of the legislation of the Republic of Kazakhstan and International standards in the field of safety and labor protection. The “Golden Rules” do not cancel the observance of the basic safety rules for the production of various types of work, but are an addition to them;
- All KMTF employees shall demonstrate by personal example their commitment to labor, industrial and fire safety issues.

Right to stop work

KMTF guarantees workers the legal right to refuse to work if a situation arises that endangers the life and health of the workers themselves or others around them.

For the period of 2022, the following activities have been carried out on occupational health and safety:

1. STP KMTF. 043 “Corporate Standard on Interaction with Contractors in the Field of Occupational Health, Safety and Environmental Protection” was developed and approved;
2. Workplaces on the vessels “Barys”, “Astana” and “Almaty” were attested and a plan of measures for improvement and rehabilitation of labor conditions was drawn up;
3. Behavioural safety observations (BSA) were conducted, 53 BSAs were conducted. 99.2% - safe actions, 0.8% - dangerous actions. Identified unsafe acts were eliminated on site.

Types of observations completed by percentage:

- Procedures - 19.8%;
- Personal protective equipment - 31.5%;
- Body position/movement - 25.8%;

- Tools and equipment - 8.9%;
- Work location - 14.0%.

4. Employees and crew members of KMTF vessels in accordance with the Korgau Card Regulation 01-7-ISM completed Form SMSC 29 cards during the year. A total of 20 “Korgau” cards were completed for the year 2022. According to the results of the completed cards, the committee of the “Korgau” card was analyzed and the best cards were identified and distributed to the prize places 1, 2 and 3 place and the employees who took the prize places were awarded valuable gifts for motivation purposes.

5. The responsible persons in the field of occupational safety and health conducted inspections for compliance with labor safety requirements. A total of 39 inspections were carried out.

6. No accidents related to the labor activity of KMTF employees were registered for the period of 2022.

ENVIRONMENTAL PROTECTION

KMTF has a Quality, Safety and Environmental Policy, which is an integral part of the overall management system for safe ship operation and pollution prevention developed in accordance with the International Safety Management Code.

The policy establishes the principles, goals, objectives and main directions of the Company's activities in the field of environmental safety.

In 2022, KMTF passed certification of its environmental management system. The system is organized in accordance with the principles, goals and objectives of the environmental protection policy and covers the activities of all The Company's employees, starting from ship crews to senior managers.

The waste management system at KMTF includes organizational measures for tracking waste generation, control over waste collection, storage, disposal and neutralization.

Measures designed to reduce the negative impact of production and consumption waste on the environment and to clearly systematize the processes of generation, disposal and neutralization of all types of waste are implemented in accordance with the current environmental legislation and international conventions ratified by the Republic of Kazakhstan in the field of merchant shipping.

In 2022, internal environmental inspections of 7 vessels were carried out according to the identified checklists, the identified remarks were eliminated qualitatively and in time.

Work was carried out to control the quality of conditionally clean water discharged from general ship systems and power plant systems into the Caspian Sea. The work is performed annually by accredited laboratories of specialized contractors on the basis of concluded contracts. No exceedances of maximum permissible concentrations were recorded during the period of work.

No cases of environmental damage were registered during the reporting period.

In accordance with the Law of the Republic of Kazakhstan “On Compulsory Environmental Insurance” dated 13.12.2005 №93-III of the Law of the Republic of Kazakhstan KMTF concluded a contract of compulsory environmental insurance, the object of which is the property interest of a person engaged in environmentally hazardous types of economic and other activities related to its obligation, established by the civil legislation of the Republic of Kazakhstan, to compensate for damage caused to the life, health, property of third parties and (or) the environment as a result of its accidental damage.

For the period of 2022, no insured events under the Compulsory Environmental Insurance Agreement were recorded.

In order to increase attention to environmental protection activities, reduce the impact on the environment, and take measures to meet new environmental requirements and global trends, KMTF implemented such activities as organizing and participating in the Earth Hour campaign, activities to improve the territory of the administrative building by planting trees and shrubs, and holding a clean-up day dedicated to the International Day of the Caspian Sea.

SHIP OPERATION SAFETY

One of the main principles of KMTF's work is to ensure the safe, efficient and cost-effective operation of vessels in compliance with international standards by incorporating them into The Company's existing management systems.

In order to strengthen KMTF's leading position in the maritime industry, ensure competitive advantage and sustainable development, one of KMTF's annual key objectives is to improve the efficiency of the Safety Management System (hereinafter – the SMS). The SMS has been implemented in The Company since 2006 and approved by the Classification Society, in accordance with the requirements of the International Code for the Management of the Safe Operation of Ships and the Prevention of Pollution (hereinafter – the ICMS).

In this direction, during 2022, the KMTF carried out the relevant activities:

Tanker fleet

- Preparation and presentation of oil tankers for passing to the SIRE winding inspection under the contract on cargo carriage with Y.Korchagin shipyard. Dates of SIRE inspections by LUKOIL: Tf Aktau - 02.02.2022, Almaty - 22.02.2022, Astana - 26.02.2022. As a result of the inspection, the highest assessment was achieved and approval was received from LUKOIL to submit vessels for further SIRE inspections with a frequency of once a year, instead of once every six months;
 - Development of a plan to reduce tanker mooring time at oil loading berths and eliminate non-physical barriers to vessel handling in order to increase the port's oil handling capacity
 - Preparation of oil tankers for the SIRE winding inspection as part of the preparation of vessels for the TCO cargo transportation project. Dates of SIRE inspections: TC Aktau - 27.07.2022, Astana - 09.09.2022, Almaty - 20.10.2022. The results of the inspections were recognised as satisfactory by the customer represented by TCO;
 - Global Positioning System (GPS) equipment was updated for all oil tankers due to change of date format in satellites. Also, the radar station was upgraded on the vessel Astana due to industrial necessity.

Dry cargo fleet

- Preparation and presentation of the vessels “Turkestan”, “Beket-Ata” for certification under the “International Safety Management Code” (ISM Code) and “International Ship and Port Facility Security Code” (ISPS);
 - Development of the procedure “List of Hazardous Materials” and obtaining approval for it from the Maritime Classification Society for dry cargo vessels “Turkestan”, “Beket-Ata” required for calling at the European Union ports. The requirement to have this list on board is regulated by the Regulation of the European Parliament and the Council of the EU No. 1257/2013, dated 20.11.2013 on ship recycling, as well as by IMO Resolution MEPC.269(68);
 - Work on the procedure of acceptance and transfer of dry cargo ship “Atameken” from EASK to KTZHESH, due to termination of bareboat charter contract;
 - Training of the vessel's crew on methods of cargo capacity calculation and preparation of cargo plan after the conversion of the vessel “Sunkar” into a container ship;
 - Work was carried out to develop procedures, necessary documents and supply vessels with the necessary equipment to obtain a license for the transportation of radioactive materials, as well as for the vessel “Barys” to obtain a certificate from the Maritime Classification Society for the transportation of dangerous goods of class 7, within the framework of the project for the transportation of radioactive materials;
 - Developed and implemented a procedure on safety of navigation, conducted inspections of the project vessels, safety of ship calls at Kuryk port and Bautino port as part of the preparation of vessels for the “Zhenis” project.

Offshore fleet:

- As part of the Kashagan field channel dredging project for 2022, 43 ferrying plans (tows) for various objects were developed by Talas, Emba and Irgiz tugs, of which 13 are complex tows with two objects, using the “tandem” method;
- Preparation of vessels to enter the contract for the Talas and KMG-108 tug barge project. Work on development of towing plans for the route Bautino-Astrakhan-Astrakhan-Astara-Govsany-Bautino was carried out. Direct participation in installation of anchorage and loading of KMG-108 with lumber in Astrakhan. Within the framework of this project for each case of KMG-108 loading stability, strength calculations and determination of method and means of securing for safe carriage of different types of cargoes were made;
- With the onset of the winter period, winter lay-up plans for the tugboat fleet and non-self-propelled barge platforms were developed, with further co-ordination and approval of the plan by the Maritime Administration of the ports of the Republic of Kazakhstan.

Safety management system, interaction with flag administration, classification society

- In the period from January to February 2022, tankers “Astana”, “Almaty” and dry cargo ships “Turkestan”, “Beket Ata” were accepted and transferred under the management of the KMTF SMS (in case of cancellation of bareboat charter agreements). A set of measures was taken to present vessels within the framework of ICSB and ISPS, and the process of control over technical management of vessels was organized;
- In the period from May to July 2022, work was done to transfer the vessels “Barys”, “Berkut” and “Sunkar” from the State to the International Register of Vessels of the Republic of Kazakhstan. Updated certificates of ownership and right to sail under the state flag of the Republic of Kazakhstan were issued;
- Participated in consideration of draft laws of the Republic of Kazakhstan, requests from specialized associations NCE “Atameken” and “Kazenergy”, in the field of merchant shipping, made proposals for amendments to the Rules of industrial safety in the operation of lifting equipment, in order to introduce the use of cradles for lifting people on ships. The amendments are necessary to improve crew safety conditions when securing containerized cargo;
- Technical inspections and navigational assessments of vessels were carried out on all self-propelled vessels managed by The Company's SMS for the period of 2022. In total, 12 inspections were carried out during the year;
- Ship-to-shore exercises were conducted with the vessels TC Aktau, Astana, Almaty, Turkestan, Beket-Ata, Irgiz, Emba and Talas. A total of 11 ship-to-shore exercises were conducted on the following topics: Fire Fighting, Abandonment, Oil Spill, Ship Collision and Grounding, Emergency Vessel Control, Rescue of a Man from a Confined Space. In May 2022, the crew of the tanker Astana took part in an exercise conducted by the Aktau Port Administration on the topic of “Localization and elimination of an emergency oil spill into the water area of JC “NC “AMTP”;
- Assisted the crew of vessels in passing through port control inspectors when calling at ports of the Russian Federation, Azerbaijan and Iran. A total of 13 PSC (port state control) inspections were carried out on The Company's vessels in 2022. As a result of these inspections, no deficiencies were identified that could have caused the detention of vessels.

HUMAN RESOURCES, YOUTH AND SOCIAL POLICY

Personnel planning was carried out in accordance with the strategic goals and objectives of KMTF, as well as with the requirements of the Sole Participant.

On 24 May 2022, by the decision of the Supervisory Board of KMTF, the staff number of KMTF was approved in the amount of 117 units, of which:

Administrative personnel (AP) - 56 units,

Production personnel (PP) - 61 units.

The actual number of employees as of 31.12.2022 was 86 employees, of which 50 were administrative staff and 36 were production staff.

Actual number of full-time employees as of 31.12.2022. “NMSC “Kazmortransflot” LLP	Total	up to 30 years	31 to 50 years old	over 51 years
Total number of employees	86	14	62	10
of them men	58	10	42	6
of them women	28	4	20	4

- The largest share of KMTF employees is between 25 and 50 years of age, which is 80 per cent of all KMTF employees, of whom 25.5 per cent are women;
- The average age of KMTF employees is 41 years;
- The average length of service of employees in the maritime industry is 10 years;
- Personnel with two higher education degrees make up 34% of the actual number, and those who have completed a master's degree - 10%.

Selection of KMTF personnel was carried out in accordance with STP KMTF.026 “Rules of competitive selection for vacant positions and adaptation of personnel of “NMSC “Kazmortransflot” LLP, so in 2022 in KMTF was hired 9 people, including: AP - 3 persons, PP - 6 persons.

13 persons were awarded with various awards of JSC NC “KazMunayGas” and JSC “Samruk-Kazyna”, including: Commemorative sign - 5 persons, Certificates of Honour - 8 persons.

Staff turnover for 2022 was 16.8%, of which: AP - 9.3%, PP - 6.9%.

Personnel training and development

Training, retraining and professional development of KMTF personnel was carried out in accordance with the Rules for Training and Development of KMTF Employees. According to the Calendar Plan of Training and Development of Employees, 68 employees were trained in 2022.

Organization of student internships

№	Name of institution	Type of practice	Speciality	Venue	Number of interns
1	International University of Information Technologies	industrial	"Finance"	Business Planning and Corporate Finance Service	1
2	Kazakhstan Maritime Academy at KBTU	industrial	"Shipmaster", "Mechanic"	TC Aktau	6
3	Kazakhstan Maritime Academy at KBTU	industrial	"Mechanic"	GC Barys	4
4	Kazakhstan Maritime Academy at KBTU	industrial	"Shipwright"	GC Sunkar	2
5	Kazakhstan Maritime Academy at KBTU	industrial	"Shipmaster"	GC Berkut	2
6	Maritime Institute SevSU	manufacturing	"Operation of ship power plants"	GC Sunkar	1
7	Kazakhstan Maritime Academy at KBTU	manufacturing	"Operation of ship power plants"	TC Aktau	1
	TOTAL:				17

Social policy and stability

To improve KMTF's social and psychological climate, in accordance with the Regulations of KMTF's unified internal communications system, every six months the General Director (Chairman of the Management Board) of KMTF held reporting meetings with The Company's labor collective.

Also, in order to discuss work processes more closely and eliminate problems in a timely manner, the heads of KMTF's functional units held quarterly meetings with employees of the supervised divisions.

In its activities, KMTF actively participated in socially significant events in the region, in turn, the Youth Council of KMTF organized a campaign "Road to School" for primary school students of secondary school No. 21 in Aktau. Within the framework of this action, KMTF employees collected funds for the purchase of stationery and school supplies.

To mark the International Day of the Caspian Sea and to draw the attention of residents to the problem of the ecology of the sea, KMTF employees held a clean-up day, cleaning the coast of the sea from rubbish. KMTF staff also organized a charity collection to help victims of fires in the Kostanay region. On the initiative of the Youth Council of KMTF and in order to strengthen the sports spirit of the team, was purchased a tennis table, which was installed on the 1st floor in the lobby of the building KMTF.

In order to create favorable conditions for employees, as well as to establish social and labor relations, the KMTF provided various types of financial assistance, annual medical insurance for employees and their families, and New Year gifts for the children of employees.

In July 2022, 35 children of employees accompanied by 2 employees of KMTF were sent to the children's health camp "Arman Dala" in Almaty region.

CORPORATE SECURITY

KMTF's corporate security system is designed to support The Company's corporate culture and values, to protect employees, financial and technical means, property, technologies, and processes of production, management and commercial activities from various threats.

KMTF undertakes to conduct its business, which involves carrying out production activities in full compliance with international requirements, the requirements of the legislation of the Republic of Kazakhstan and the Policy in the field of economic, internal, physical and information security (cyber security).

KMTF ensures:

- **economic security** through the implementation of preventive and prophylactic measures to counter fraud and corruption, especially in the area of procurement, prevention of embezzlement and misuse of funds, abuse and misuse of authority, negligence, etc.;
- **internal security** through systematic prevention and avoidance of internal threats;
- **physical security** in accordance with legal requirements;
- **information security** by preventing losses and damage from cyber attacks, preventing unauthorised access to information resources, functioning and improving the efficiency of the information security management system implemented in the Company on the basis of the "Cyber Shield" project.

Internal security

In terms of corporate security, KMTF has expanded its internal video surveillance system and modernised the system for controlling and managing access to the building. Access to the KMTF building is based on biometric data (facial recognition), and vehicles are allowed into the car park by recognising state registration plates.

Information security

In order to ensure compliance and control over information security at KMTF, compliance with legal requirements and international standards in the field of information security is constantly monitored, workstations are checked for malicious software, and user information in Active Directory is updated;

- The issue of connection to the Internet via the Unified Internet Access Gateway (UIAG) planned for 2023 has been worked out;
- Implemented a centralised electronic document management system (EDMS KMG) “Directum”;
- “ORDA” project was successfully implemented in terms of unification of the domain architecture of “NC “KazMunayGas” JSC into a single system with connection to a single data transmission network.

RISK MANAGEMENT

Risk management at KMTF is carried out in accordance with the risk management policy, which defines the goals and objectives of the risk management system, the basic principles of its operation, structure and methods of organisation. The main objective of the corporate risk management system is to achieve The Company's operational goals by regularly analysing and assessing production and non-production risks, developing risk management action plans, and controlling and maintaining an acceptable level of risk appetite. The development of the risk management system is based on international standards such as COSO “Organisational Risk Management. Integrated Model”, ISO 31000: 2018 “Risk Management. Principles and guidelines”, and ISO 31010: 2011 “Risk management. Risk assessment methods”.

KMTF undertakes regular and ad hoc activities that are designed to prevent risks or minimise the likelihood of their occurrence. Priority areas include maritime safety, monitoring of world freight markets, fleet modernisation and renewal, planning and implementation of environmental protection measures, monitoring of regulatory changes in maritime transport, and improvement of human resources policies.

COMPLIANCE AND ANTI-CORRUPTION

One of the most important conditions for sustainable business development is strict compliance with anti-corruption legislation and the management of compliance risks arising from non-compliance with applicable laws or obligations.

KMTF adheres to the principles of integrity, honesty and transparency in business conduct and pays special attention to their observance by both our employees and partners.

In 2022, based on generally recognized practices in the field of compliance and in accordance with the instruction of the Sole Participant, KMTF has approved a full-time compliance officer, and work has begun on the development of new internal documents on compliance issues, the approval of which is planned for 2023.

In order to comply with the requirements of the anti-corruption legislation of the Republic of Kazakhstan, KMTF approved the Anti-Corruption Policy of KMTF and its subsidiaries.

In addition to the development of internal documents, KMTF took timely measures to comply with new directives and regulations of anti-corruption laws on a continuous basis. In 2022, improving the culture and understanding of compliance procedures were among the important areas of The Company's activities.

Despite the measures taken to reduce the causes and conditions conducive to violations of both internal and external regulations and local acts, there are still risks in KMTF's organizational and management activities that need to be mitigated in order to achieve more positive results from preventive measures.

In the period of 2022 identified potential risk of secondary sanctions of the United States and in order to prevent negative consequences, heads of structural divisions of KMTF recommended to stop work on the direction of the transport of timber cargoes to the Islamic Republic of Iran.

According to the results of monitoring, no appeals, calls to the Hotline (on cases of fraud, corruption, as well as harassment in the workplace) were received, no official checks and facts of investigations were registered.

During the checks of counterparties and candidates for employment in The Company, 9 candidates were checked in 2022, including 1 for the position of the head of the functional unit. No conflicts of interest or other negative conditions were identified during compliance checks.

In order to implement financial control measures, persons holding positions related to the implementation of managerial functions and their spouses have provided declarations of assets and liabilities, as well as income and property to the authorized body.

For all debtors for whom there are no judicial acts, recommendations were sent to the initiators of contracts on the proper control of the terms of contracts and on the proper fulfilment of the requirements of the Rules for the preparation, conclusion and fulfilment of contracts in the KMTF.

In order to prevent the observance of workers' rights, the KMTF has organized confidential and accessible means of reporting unlawful acts by both employees and third parties through a hotline.

PROCUREMENT SYSTEM AND LOCAL CONTENT DEVELOPMENT

Execution of the procurement plan for 2022 was 100% - all goods, works and services provided for in the plan were purchased.

In 2022, KMTF conducted 174 purchases of goods, works and services total 12,111 mln. KZT, including by means of:

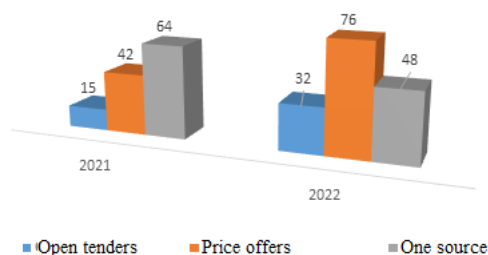
- 32 open tenders for the amount of 9,757 mln. KZT;
- 76 purchases by means of request for quotations for the amount of 86 mln. KZT;
- 48 single-source purchases total 1,701 mln. KZT.

For comparison, in 2021, 247 procurements total 9,764 mln. KZT were made, of which:

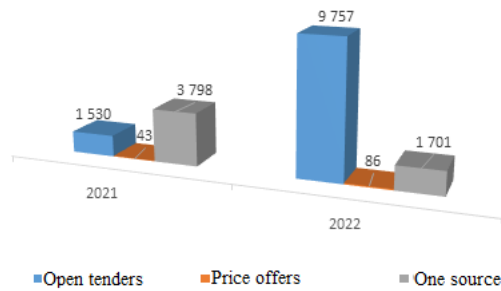
- 15 open tenders in the amount of 1,530 mln. KZT;
- 42 purchases by means of request for quotations in the amount of 43 mln. KZT;
- 64 single-source purchases total 3,798 mln. KZT.

In 2022, the number of competitive procurements has significantly increased, both in terms of quantity and amount, and vice versa, the number of single-source procurements has decreased, which is a positive result in the KMTF's activities, taking into account the requirements of both the Fund and KMG.

Procurement dynamics by procurement methods, number



Dynamics of competitive purchases by amounts, KZT mln.



In 2022, as well as in 2021, there are no prescriptions of the Fund on violations of procurement activities.

It should be noted that in 2022, in order to improve the quality of planning and procurement, development of technical specifications, minimizing violations of established procedures and strengthening personal responsibility, the KMTF internal documents regulating the procurement process in the KMTF were updated, the responsibility of Budget Programm Administrators was strengthened, coordination of all purchases from a single source and using a special procedure with the KMTF Compliance Officer was introduced.

The overall indicator of the share of local content in procurement of GWS was 82%, including 95% in goods and 80% in works/services.

INTEGRATED MANAGEMENT SYSTEM

The integrated management system of KMTF is currently certified by the Certification Association “Russian Register” for compliance with the requirements of the following international and national standards:

- ISO 9001 Quality Management System. Requirements;
- ISO 14001 Environmental Management System - Requirements and Guidelines;
- ISO 45001 Occupational Health and Safety Management System - Requirements and guidelines for application;
- ST RK ISO 9001 Quality Management System. Requirements;
- ST RK ISO 14001 Environmental Management System - Requirements and guidelines for application;
- ST RK ISO 4500 Occupational Health and Safety Management System - Requirements and guidelines for application.

The KMTF Safety Management System is certified by the Classification Society “Russian Maritime Register of Shipping” and meets the requirements of the International Code of Management for the Safe Operation of Ships and Pollution Prevention.

In order to comply with OCIMF recommendations and to improve navigation safety, KMTF has developed and implemented navigation assessment and navigation audit. They provide for assessment of the ship's navigational staff by KMTF captains-mentors, as well as self-assessment of the state of navigational service by the Captain.

During the reporting period, the following documents were *supplemented, amended* and implemented in the ISM:

01-1-ISM “Incident Response Procedure”.

01-1-ISM “Company Safety Management Manual”.

02-ISM “Ship Safety Management Manual”.

04-ISM “Ship Operations Manual for Tankers”.

And the following documents have also been *developed*:

Astana:

KMTF-CSA-011-001 “Vessel Cyber Security Assessment”.

KMTF-CSP-011-001 “Vessel Cyber Security Plan”.

KMTF-ETB-011-001 “Emergency Towing Booklet”.

KMTF-GMP-011-001 “Trash Management Plan”.

KMTF-MSMP-011-001 “Mooring System Management Plan”.

KMTF-SOPEP-011-001 “Shipboard oil pollution contingency plan”.

Almaty:

KMTF-CSA-012-001 “Ship's cyber security assessment”.

KMTF-CSP-012-001 “Ship's cyber security plan”.

KMTF-ETB-012-001 “Emergency Towing Booklet”.

KMTF-GMP-012-001 “Debris Management Plan”.

KMTF-MSMP-012-001 "Mooring system management plan".

KMTF-SOPEP-012-001 "Shipboard oil pollution contingency plan".

TC Aktau:

KMTF-MSMP-013-001 "Mooring system management plan".

Turkestan:

KMTF-CSA-041-001 "Vessel cyber security assessment".

KMTF-CSP-041-001 "Vessel cyber security plan".

KMTF-ETB-041-001 "Emergency Towing Booklet".

Beket Ata:

KMTF-CSA-042-001 "Vessel cyber security assessment".

KMTF-CSP-042-001 "Vessel cyber security plan".

KMTF-ETB-042-001 "Emergency Towing Booklet".

Barys:

KMTF-ETB-021-001 "Emergency towing booklet".

Sunkar:

KMTF-GMP-023-001 “Debris Management Plan”.

KMTF-SOPEP-023-001 “Ship's oil pollution contingency plan”.

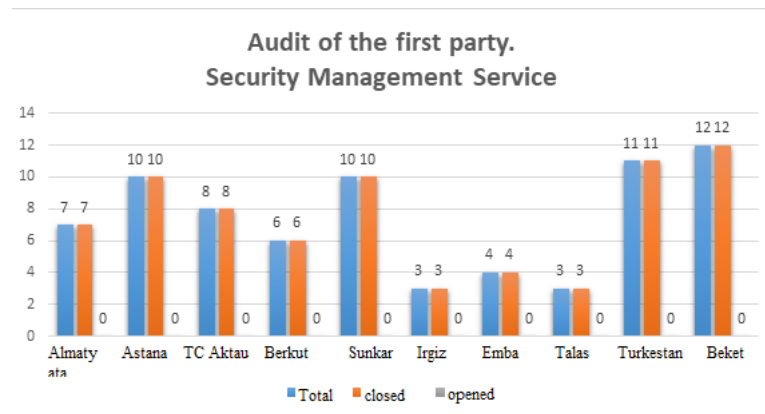
KMTF-STM-023-001 “SOLAS Practical Guide”.

Audits (inspections)

KMTF has a system of first, second- and third-party audits. Internal audits include structural unit audits and shipboard audits.

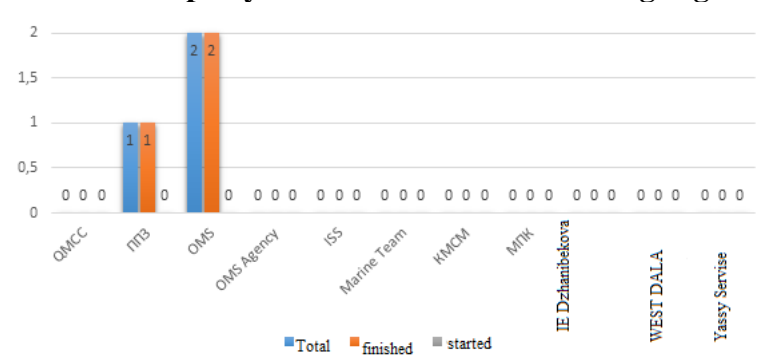
According to the approved Audit Schedule for 2022, first and second party audits were conducted in KMTF, no non-compliances/observations were identified in the first party audits in the divisions, the results of the onboard audits are presented below.

Results of first party audits on KMTF vessels



Second party audits are carried out in contractors to check compliance with health, safety and environmental requirements, OHS requirements when providing works and services by contractors. The results of the second party audit in KMTF contractors are reflected in the schedule.

Results of second party audits in KMTF contracting organisations



Third party audit (external audit)

Third party audits are also subdivided into vessel and company audits and may be conducted in respect of KMTF by the Sole Participant, state authorities, classification societies for compliance with the ISMS and the certification body.

In April 2022, an external recertification audit of the Integrated Management System of KMTF was conducted in KMTF by the Certification Association “Russian Register” and “Capital Management” LLP for compliance with the requirements of international and state standards ISO 9001, ISO 14001, ISO 45001, ST RK ISO 9001, ST RK ISO 14001, ST RK ISO 45001.

Based on the audit results, 1 observation was identified in terms of establishing a link between The Company's objectives and specific measures of the Improvement Plan. The observation was resolved in a timely manner.

In June 2022, the KMTF SMS was inspected by the Russian Maritime Register of Shipping. 1 non-compliance was issued and closed in terms of control by The Company's Appointed Person of the results of external inspections on KMTF vessels.

Third party inspections were carried out on KMTF vessels during 2022.

DEGREE OF SATISFACTION AND CUSTOMER FEEDBACK

According to the data reflected in the table, all factors are important criteria for customers in the process of co-operation and service provision.

Evaluation of the degree of importance of the criteria.

№	Main factors	EURASIAN TRADING AND SHIPPING FZE	TEXCOM DMCC	Average
1.	Company's popularity in the service market	10	10	10,00
2.	Business reputation of the Company	10	10	10,00
3.	Quality of services provided	10	10	10,00
4.	Experience in the market of sea transportations (oil)	10	there was no co-operation on oil shipments	10,00
5.	Compliance with the terms of service provision	10	10	10,00
6.	Efficiency of management system	10	9	9,5
7.	Competence of employees working with clients	10	9	9,5
8.	Effective tariff policy	10	10	10,00
9.	Adaptability to market changes	10	10	10,00
10.	Material and technical equipment of vessels for safe maritime transport of cargoes	10	8	9,00
11.	Technical management of vessels	10	8	9,00
12.	Compliance with international conventions (ICSB, SOLAS, MARPOL, etc.) and national norms, when carrying out maritime transport.	10	10	10,00
13.	Availability of lobbying levers in state structures	10	There were no precedents	10,00
14.	Availability of licences and permits to provide a wide range of services	10	10	10,00
15.	Availability of own fleet	10	10	10,00
16.	Availability of information about The Company	10	10	10,00

According to the results of the questionnaire, the following results were obtained:

Assessment of KMTF customer satisfaction

№	Main factors	EURASIAN TRADING AND SHIPPING FZE	TEXCOM DMCC	Average
1	How well known is the Company in the shipping market?	5	5	5.00
2	How do you assess the business reputation of the Company?	5	5	5.00
3	Quality of services provided?	5	5	5.00
4	Experience in the shipping market?	5	5	5.00
5	Compliance with service delivery deadlines?	5	5	5.00
6	Effectiveness of the management system?	5	5	5.00

7	Competence of employees working with clients?	5	5	5.00
8	How satisfied are you with the Company's tariff policy?	5	5	5.00
9	How quickly do companies adapt to changes in the market?	5	5	5.00
10	How do you assess the material and technical equipment of the Company's vessels for safe maritime transport of cargoes?	5	5	5.00
11	Assess the quality of technical management of the vessels	5	4	4,5
12	Effectiveness of compliance with international conventions (ICSB, SOLAS, MARPOL, etc.) and national norms, when carrying out maritime transport?	5	5	5.00
13	What is the possibility to use lobbying levers in state structures?	5	5	5.00
14	Availability of licenses and permits to provide a wide range of services?	5	5	5.00
15	How do you assess the availability of the Company's own fleet?	5	5	5.00
16	What is the availability of information about the Company?	5	5	5.00

According to the Table, the criterion: provision of technical management quality service was rated as “excellent”.

Other criteria such as: experience in the maritime transport market, competence of employees working with customers, material and technical equipment of the companies' vessels for safe maritime transport of goods, technical management of vessels, efficiency of compliance with international conventions (ICSB, SOLAS, MARPOL, etc.) and national norms, while carrying out maritime transport, use of lobbying levers in state structures were rated as “very good”.

In order to maintain the achieved level and taking into account the constant progressive demand for the processes according to these criteria, it is necessary to continue to intensify activities and work in this direction.

AUDIT REPORT FROM ERNST & YOUNG



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Independent auditor's report

To the shareholders and the Management of Altai Shipping Ltd

Opinion

We have audited the financial statements of Altai Shipping Ltd (hereinafter the "Company"), which comprise the statement of financial position as of 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of The Company in accordance with the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements that are relevant to the audit of the financial statements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing information related to going concern, as appropriate, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Group, terminate its operations or when management has no realistic alternative such actions.

The Supervisory Board is responsible for overseeing the process of preparing the Group's financial statements.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high degree of confidence, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal a material misstatement, if any. Misstatements may be the result of fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; develop and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to serve as a basis for our opinion. The risk of non-detection of material misstatement as a result of unfair actions is higher than the risk of non-detection of material misstatement as a result of errors, since unfair actions may include collusion, forgery, intentional omission, distorted presentation of information or actions bypassing the internal control system;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Group's internal control system;
- evaluate the appropriateness of the accounting policies applied and the reasonableness of the estimates calculated by management and the disclosure of relevant information;
- conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, conclude whether there is a material uncertainty related to events or conditions that may cause significant doubts about the Group's ability to continue operating continuously. If we conclude that there is a material uncertainty, we should draw attention in our audit report to the relevant disclosures in the consolidated financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit report. However, future events or conditions may cause the Group to lose its ability to continue operating continuously;
- evaluate the presentation of the consolidated financial statements as a whole, their structure and content, including disclosure of information, as well as whether the consolidated financial statements represent the underlying transactions and events in such a way as to ensure their fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of organizations and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the overall management, control and audit of the Group. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dinara Malayeva
Auditor
Ernst & Young LLP

Auditor Qualification Certificate
No. MF-0000323 dated 25 February 2016
050060. Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower



Rustamzhan Sattarov
General Director
Ernst & Young LLP



State Audit License for audit activities on the territory of the Republic of Kazakhstan: series MFU-2, No. 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

21 February, 2023

"National Maritime Shipping Company "Kazmortransflot" LLP			
			Consolidated financial statements
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As of December 31, 2022			
ths. KZT	Note	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Fixed assets	5	43,337,826	44,363,036
Investment property	6	468,427	481,054
Intangible assets	7	62,683	69,736
Restricted cash	8	1,000	216,900
Advances issued for non-current assets		33,152	-
Other non-current assets		42,382	28,974
		43,945,470	45,159,700
Current assets			
Stocks	9	1,224,194	564,159
Prepayment of income tax		169,451	1,468,810
Trade and other accounts receivable	10	18,995,013	6,194,695
Other current assets	11	1,236,313	975,541
Cash limited to used	8	1,061,616	774,927
Cash and cash equivalents	12	8,753,374	4,399,051
		31,439,961	14,377,183
Total assets		75,385,431	59,536,883
Capital and liabilities			
Capital			
Authorized capital	13	11,575,721	11,575,721
Foreign currency translation reserve		8,088,782	7,066,468
Retained earnings		27,674,093	15,303,207
Total capital		47,338,596	33,945,396
Long-term liabilities			
Long-term portion of loans received	14	-	16,309,086
Reserves		56,972	43,564
Deferred income tax liabilities	23	833,266	1,197,787
		890,238	17,550,437
Short-term liabilities			
Lease obligation		-	254
Current portion of loans received	14	11,929,893	2,262,253
Contractual obligation			
Trade and other payables	15	14,701,974	5,032,722
Income tax liability		79,113	432
Other short-term liabilities	16	445,617	205,674
		27,156,597	8,041,050
Total liabilities		28,046,835	25,591,487
Total equity and liabilities		75,385,431	59,536,883

Acting General Director
Chief accountant

R.G.Suleimenov
A.O.Bekzhanova

"National Maritime Shipping Company "Kazmortransflot" LLP			
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
for December 31, 2022			
in thousands of tenge	Note	2022	2021
Revenue from contracts with customers	17	120.389.035	38.875.955
Rental income	18	5.615.166	4 914.433
Revenue		126.004.201	43.790.388
Cost of services rendered	19	(103 602 767)	(42 207971]
Gross profit		22.401.414	1 502 417
General and administrative expenses	20	(2 862 734)	(5 171 591)
Sales expenses		(935.683)	(604 579]
Impairment loss	5	(1801 374)	(4 452.723)
Other operating income	21	595.100	1.645451
Other operating expenses	21	(376.353)	(1 242 963]
Operating profit/loss		17 020.379	(Ө 324 004]
Financial income	22	149.030	42 175
Financial expenses	22	756.386	(925 624)
Exchange rate difference, net		181.105	205 144
Profit/(loss) before taxation		16.594.128	(9.002. 313)
(Income tax expense/savings	23	4.223.242	1.374.070
Profit/(loss) per year		12.370.886	7.628.243
Other comprehensive income			
<i>Amounts of other comprehensive income that can be qualified as profit or loss in subsequent periods (net of taxes)</i>			
Exchange differences in the recalculation of the reporting of foreign units			
Other comprehensive income for the year, net of taxes		1.022.314	226.165
Total comprehensive income/loss for the year, net of taxes		1.022.314	226.165
<p>Acting General Director R.G.Suleimenov</p> <p>Chief accountant A.O.Bekzhanova</p> <p style="text-align: center;">Note 1-28 are an integral part of these consolidated financial statements</p>			