



2023

ANNUAL REPORT

of the Limited Liability Partnership
"National Maritime Shipping Company
"Kazmortransflot" for 2023

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Address by the Chairman of the Supervisory Board of "NMSC "Kazmortransflot" LLP B. Zakirov



B. Zakirov
Chairman of the Supervisory Board
of "NMSC "Kazmortransflot" LLP

Dear partners and colleagues! 2023 was an important year for "NMSC "Kazmortransflot" LLP. In the reporting year, "NMSC "Kazmortransflot" LLP celebrated its 25th anniversary, on which I would like to congratulate the employees and partners of the Company on such a significant event on behalf of the Sole Participant.

Despite the unprecedented difficult working conditions of the shipping industry in the reporting period caused by geopolitical tensions and sanctions, the management and employees of "NMSC "Kazmortransflot" LLP, as well as the captains and crews of ships, successfully fulfilled all the Company's obligations to partners and customers.

The Supervisory Board of "NMSC "Kazmortransflot" LLP notes with satisfaction that despite the serious trials that the global economy has undergone, the Company has not deviated from its strategic course, continues to keep a high bar and achieve its goals. Moreover, the Company has achieved record results in a number of key production and financial indicators.

In January 2023, as part of the visit of the Head of State Tokayev K.K. to the UAE, in Abu Dhabi, an Agreement on strategic partnership was signed between JSC "NC "KazMunayGas" and AD Ports Group. In order to implement the Agreement between "NMSC "Kazmortransflot" LLP and International Maritime Investments Ltd. (a subsidiary of AD Ports Group), a joint venture Caspian Integrated Maritime Solutions Ltd was established in February 2023 on the basis of the Astana International Financial Center.

In accordance with the instructions of the Government on the development of alternative oil export routes, as well as within the framework of the signed General Agreement on Oil Transit between JSC "NC "KazMunayGas" and SOCAR, shipments of Tengiz oil along the Aktau-Baku-Ceyhan route began in March 2023, where "NMSC "Kazmortransflot" LLP was identified as the Kazakh side's sea carrier.

In November 2023, the ceremonial acceptance of the tankers "Taraz" and "Liwa", which were acquired by a joint venture from the Dutch shipbuilding company Damen Shipyard, took place in the port of Aktau.

According to the results of the work of "NMSC "Kazmortransflot" LLP in 2023, the Company's final profit amounted to 9 051 million KZT, against a planned profit of 2 950 million KZT.

Summing up the results of 2023, despite the geopolitical situation prevailing in the reporting year, on behalf of the Supervisory Board of "NMSC "Kazmortransflot" LLP, I would like to express my gratitude to the Management and the entire staff of "NMSC "Kazmortransflot" LLP and the Company's partners for fruitful cooperation and strengthening business relations.

Address by the CEO (Chairman of the Management Board) "NMSC "Kazmortransflot" LLP A. Orzhanov



Dear readers! I present to your attention the integrated annual report of "NMSC "Kazmortransflot" LLP, in which we reflect the results of financial and production activities for 2023, and also share the prospects for further development of the Company.

The reporting year was an anniversary year for "NMSC "Kazmortransflot" LLP and we can sum up the results of the Company's 25-year work.

Despite the difficulties taking place in the world, 2023 was a successful year for "NMSC "Kazmortransflot" LLP. The company provided uninterrupted and reliable transportation of oil, container and general cargo.

In accordance with the production program for the transportation of containerized cargo along the Trans-Caspian International Transport route in the Aktau-Baku direction transported 19 868 containers to the TEU, similar compared to last year.

The Company's consolidated revenue for 2023 increased by 13% compared to 2022 and amounted to 142 975 million KZT, consolidated profit amounted to 9 051 million KZT, against a planned profit of 2 950 million KZT.

In 2023, the Company fully repaid loans on the Altai and Alatau tankers to the Sole Participant, paying 26 120 million USA dollars. This made it possible, by the decision of the Sole Participant, to pay dividends and by the end of 2023 in the amount of 7 360 billion KZT.

In the reporting year, "NMSC "Kazmortransflot" LLP continued to work on the implementation of strategically important investment projects, including the expansion of the marine fleet. Much attention was paid to one of the main priorities of our work and the task of the Head of State – to participate in the search for alternative oil transportation routes and the expansion of the marine fleet in the Caspian Sea and in the Open Seas.

Along with achievements in the production sector, ensuring safe working conditions for employees of "NMSC "Kazmortransflot" LLP remains an important priority. We pay special attention to compliance with occupational safety standards. Measures aimed at reducing the level of injuries and the number of emergencies are regularly carried out at the company's production facilities.

The achievement of high results in 2023 is the common merit of all employees of "NMSC "Kazmortransflot" LLP, captains and crew members of ships, and other coastal units.

In conclusion, I would like to thank JSC "NC "KazMunayGas" and partners for constructive cooperation and trust, and the entire staff of "NMSC "Kazmortransflot" LLP for the work done and professionalism. We appreciate the contribution of each of you.



By the end of 2023, the consolidated volume of oil transportation amounted to **10 778 thousand tons** which is 15% higher than the actual figure for 2022

Of these, the volume of oil transportation:

by Open Seas amounted to	by the Caspian Sea
10 045 045 thousand tons	733 thousand tons



A. Orzhanov
CEO (Chairman of the Management Board) "NMSC "Kazmortransflot"

ABOUT THE ANNUAL REPORT

OF THE LIMITED LIABILITY PARTNERSHIP «NATIONAL MARITIME SHIPPING COMPANY "KAZMORTRANSFLOT"»

The Limited Liability Partnership "National Maritime Shipping Company "Kazmortransflot" (hereinafter referred to as "NMSC "Kazmortransflot" LLP, KMTF, Company, Partnership) strives for high standards of transparency and regularly publishes information about its activities, including the Annual Report (hereinafter referred to as the Report) in open sources.

The annual report for 2023 provides a comprehensive picture of KMTF's activities, including:

- 1 key production and financial and economic indicators
- 2 key events and achievements of the Company
- 3 implemented and planned investment projects
- 4 assessment of performance and prospects for the development of the industry
- 5 security and corporate governance issues
- 6 risk management system
- 7 the Company's ownership structure
- 8 the safety, environmental protection, labor and safety management system
- 9 personnel issues, youth policy and social responsibility

The report also includes an audit report prepared by "Ernst & Young" LLP, which confirms the reliability and accuracy of the data provided. "NMSC "Kazmortransflot" LLP continues its activities aimed at sustainable development and ensuring a high degree of transparency to all stakeholders.



KMTF AND ASSET STRUCTURE

KMTF is the largest shipping company of the Republic of Kazakhstan, established by the Decree of the Government of the Republic of Kazakhstan dated December 4, 1998, on April 29, 2011 it was awarded the status of the National Maritime Carrier of the Republic of Kazakhstan.

Its own fleet at the end of 2023 includes

13 vessels with a deadweight of more than 300 thousand tons

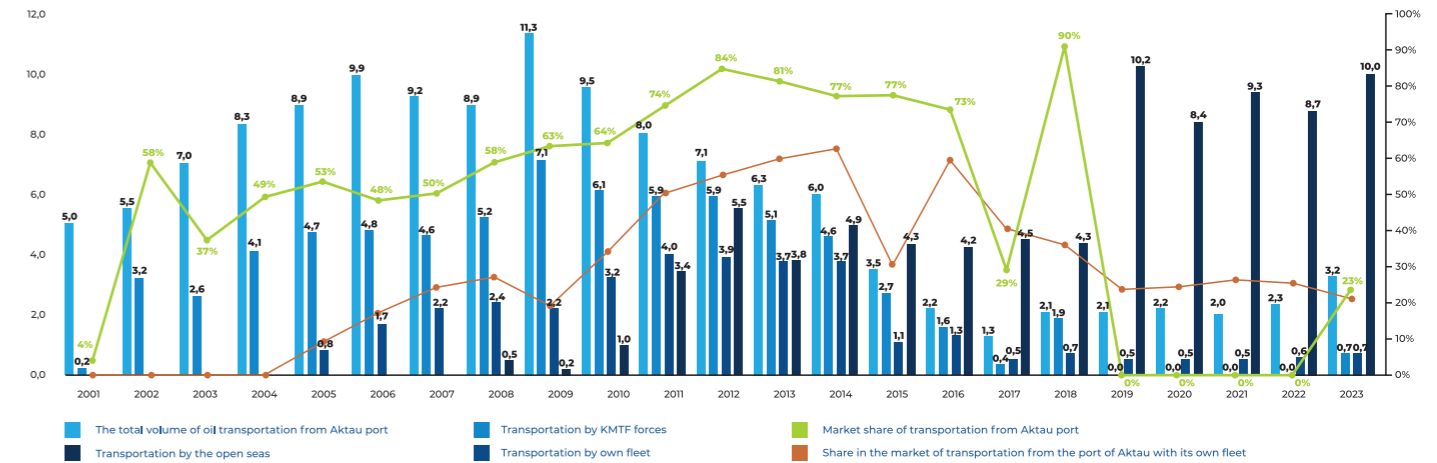
2 vessels jointly with AD Ports Group through the joint venture Caspian Integrated Maritime Solutions Ltd.

The structure of the KMTF group of companies includes subsidiaries with a 100% stake: Kazmortransflot UK Ltd., Kazmortransflot Ltd., Alatau Shipping Ltd., Altai Shipping Ltd. registered outside the Republic of Kazakhstan and the joint venture Caspian Integrated Maritime Solutions Ltd. with a 49% stake in KMTF (hereinafter – CIMS, JV).

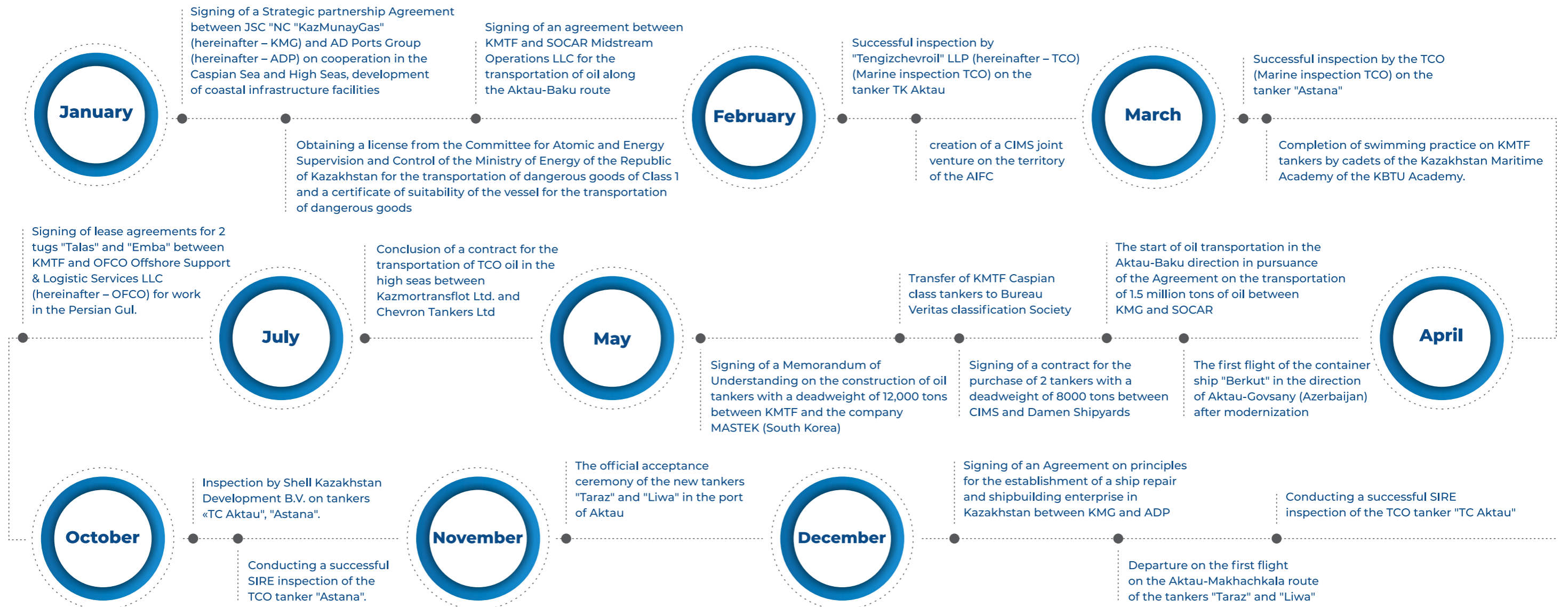
KMTF IN NUMBERS

The history of oil transportation growth

Oil transportation from 2001-2023 (million tons)



The total volume of oil transportation from 1998 to 2023 is 189 million tons, of which:
 - The Caspian Sea - 106 million tons of oil;
 - Open seas – 83 million tons of oil.



CORPORATE GOVERNANCE

Corporate governance system

In accordance with the Charter of the KMTF, the governing bodies are:

1. The only participant is the supreme body;
2. The Supervisory Board is a control and supervisory body;
3. The Management Board is a collegial executive body;
4. The Audit Commission /auditor is the controlling body (created by the decision of the Sole Participant, if necessary).

The officers of the Partnership are members of the Supervisory Board and the Management Board.

1. The only participant

of the KMTF in accordance with the Charter of the KMTF is KMG

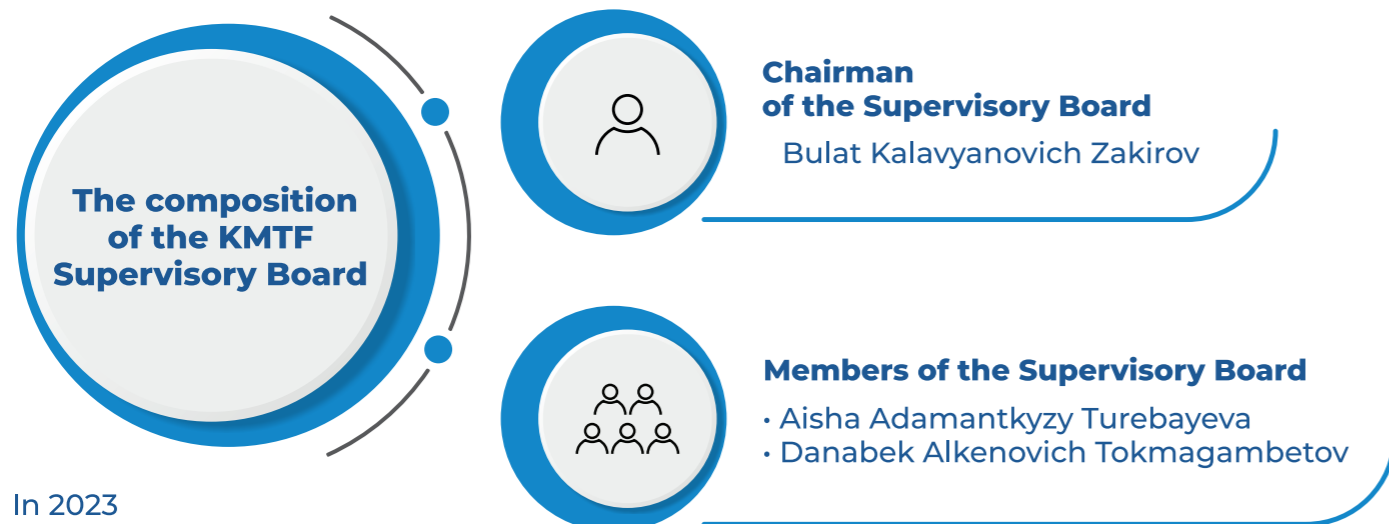
The KMTF Supervisory Board

is the body that monitors the activities of the KMTF Board and organizes its activities in accordance with the Legislation, the Charter, as well as internal documents of the KMTF.

The members of the Supervisory Board are elected by the Sole Participant in the number of at least three members for a term of no more than 3 (three) years.

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

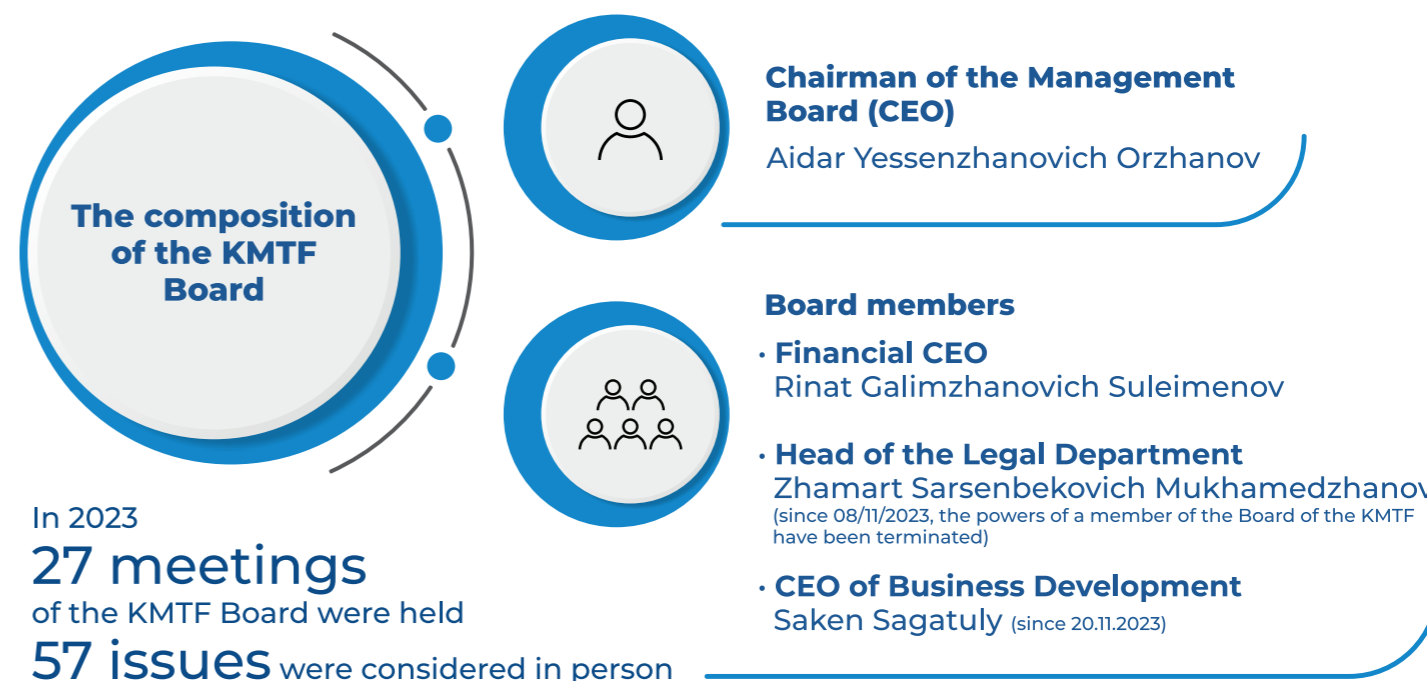
2.



In 2023
9 meetings
of the Supervisory Board were held
on **31 issues**

The Board of the KMTF – Board is a collegial executive body that manages the current activities of the KMTF. The activities of the Management Board are based on the principle of maximum respect for the interests of the Sole Participant and accountability to the Sole Participant and the Supervisory Board.

3.



The Audit Commission

The Audit Commission (auditor) (created by the decision of the Sole Participant, if necessary) is a supervisory body that monitors the financial and economic activities of the KMTF, as well as the current state of its affairs.

The Audit Commission (Auditor) necessarily conducts an audit of the KMTF financial statements before its approval by the Sole Participant.

As of December 31, 2023, according to the KMTF Charter, the decision of the Sole KMTF Participant on the establishment of an audit commission (auditor) has not been taken.

4.

STRATEGIC INITIATIVES AND PRIORITY AREAS OF ACTIVITY

KMTF's strategic initiatives and priority areas of activity are defined within the framework of the "Development Strategy of JSC NC KazMunaiGas for 2022-2031" approved by the Board of CEO's of KMG in 2021 (hereinafter referred to as the Strategy). This Strategy is a single goal-setting document for KMG subsidiaries and affiliates. **2 main strategic directions of activity and 4 strategic goals** have been identified.

Strategic directions:

1

Creating value

2

Energy transfer

Strategic objectives:

1

Sufficient resource base to ensure the growth of the KMG Group of companies.

2

Improving the efficiency of the value chain of the KMG Group of companies.

3

Business diversification and product portfolio expansion.

4

Sustainable development and progressive reduction of carbon intensity of production.

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

In order to increase the efficiency of the value chain of the KMG Group of companies, the strategic initiative "Synergy for Sea Transportation" is being implemented.

The Maritime Transportation Initiative is aimed at maintaining positions in terms of quality and efficiency of transport services among shipping companies, both in the Caspian region and outside the Caspian Sea, by achieving high technical standards of their own fleet, safety of navigation, management and production processes and a high professional level of employees.

The implementation of this initiative is ensured by the presence of KMTF in the maritime transportation 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 Maritime Carrier in the Black Sea-Mediterranean region and the consistent growth of the participation of KMTF's own company in the total volume of transportation of Kazakhstani oil cargoes in the open seas with the potential build-up of its own large-tonnage Aframax and/or Suezmax type fleet.

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

3) Servicing of oil and gas fields on the Caspian shelf through expanding the share of KMTF's presence in the fleet services market and strengthening its role in offshore project maintenance projects. For the development of the direction, it is necessary to build / purchase specialized vessels of the service fleet.

According to the results of activities for 2023, the following results were achieved in the main areas of activity:

- Open seas – oil transportation is carried out by its own large-tonnage fleet, Aframax Altai and Alatau tankers, from the ports of Novorossiysk and Ceyhan. In order to fulfill oil transportation obligations under the Framework Agreement signed in 2018 between KMG, KMTF and KMG International, a third-party fleet and tanker pool created in 2022 between KMTF and ADP are involved. In 2023, the 2nd tanker was transferred to KMTF management, and currently the tanker pool consists of 4 tankers, 2 KMTF tankers and 2 ADP tankers. In the future, the KMTF is considering increasing the tanker pool.
- Caspian Sea – oil and cargo transportation is carried out by oil tankers "Astana", "Almaty" and "TK Aktau" with a deadweight of 12,000 tons, bulk carriers "Beket-Ata" and "Turkestan", container ships "Barys", "Sunkar", "Berkut". The main destinations are the ports of Azerbaijan, Russia, Turkmenistan and Iran.
- In January 2023, in order to strengthen investment cooperation between the Republic of Kazakhstan and the United Arab Emirates, KMG and ADP signed a Strategic partnership Agreement. The purpose of the Agreement is to implement projects in the field of development of maritime transportation and logistics services in the Caspian Sea through a joint venture. Within the framework of cooperation with ADP in 2023, KMTF implemented investment projects "Creation of a joint venture in the territory of the AIFC", "Purchase of 2 oil tankers with a deadweight of 8000 tons".
- In April 2023, CIMS signed a contract with the Dutch company Damen Shipyards for the purchase of tankers. In October, the solemn acceptance of tankers took place, the vessels were named "Taraz" and "Liwa".
- One of the important events of this year is the resumption of oil transportation along the Aktau-Baku route. According to the five-year Agreement signed in 2022 for the transportation of up to 1.5 million tons of Kazakh oil through the Baku-Tbilisi-Ceyhan oil pipeline, KMTF was appointed a marine operator, on a parity basis with the Azerbaijani side, the tanker fleet began transporting oil from March 2023.
- Container and dry cargo transportation is carried out from the port of Aktau to the ports of Azerbaijan, Iran, Turkmenistan, and Russia.
- The service fleet is represented by tugs "Irgiz", "Emba", "Talas". In 2023, the vessels were involved in the provision of marine supply vessel services as part of the exploration project at the "Zhenis" site under an agreement with "Zhenis Operating" LLP. At the end of the contract in May 2023, an agreement was reached with OFCO on the long-term lease of tugboats. In the second quarter of 2023, the tugs "Emba" and "Talas" were mobilized to the Persian Gulf, and the tugboat Irgiz was sent in December. Due to the lack of proposals for the operation of barges and plans to improve the efficiency of fleet operation, in 2023 the barge platforms "KMG-105", "KMG-106", "KMG-107", "KMG-108" were implemented.

INVESTMENT PROJECTS

Conversion of the MCV Berkut vessel into a container ship

As part of the modernization of the MCV series of vessels, in March 2023, the conversion of the third MCV "Berkut" vessel to a container ship between was completed

On April 07, 2023

the ship was sent on its first voyage in the direction of Aktau-Govsany (Azerbaijan)



Purchases of 2 oil tankers with a deadweight of 8000 tons

In order to develop alternative export routes for KMTF oil, the investment project "Purchase of 2 oil tankers with a deadweight of 8,000 tons" was implemented.

In April 2023, the CIMS joint venture signed a contract for the purchase of tankers with the Damen Shipyards shipbuilding company.

In November 2023

the solemn acceptance of 2 new tankers "Taraz" and "Liwa" took place

In December 2023

, the tankers launched their first flight on the Aktau-Makhachkala route

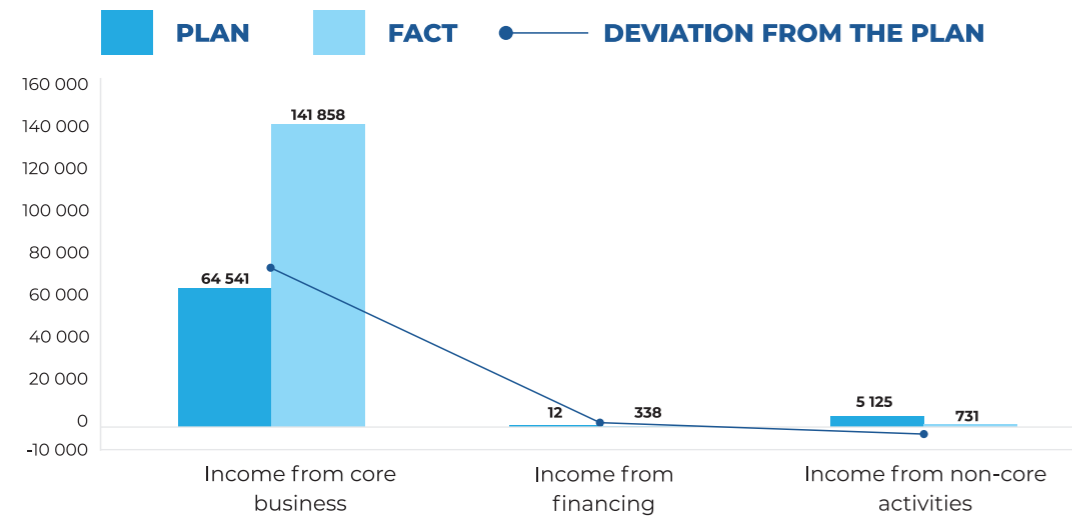


FINANCIAL INDICATORS

INCOME (mil. KZT)

PLAN **69 678** FACT **142 927**

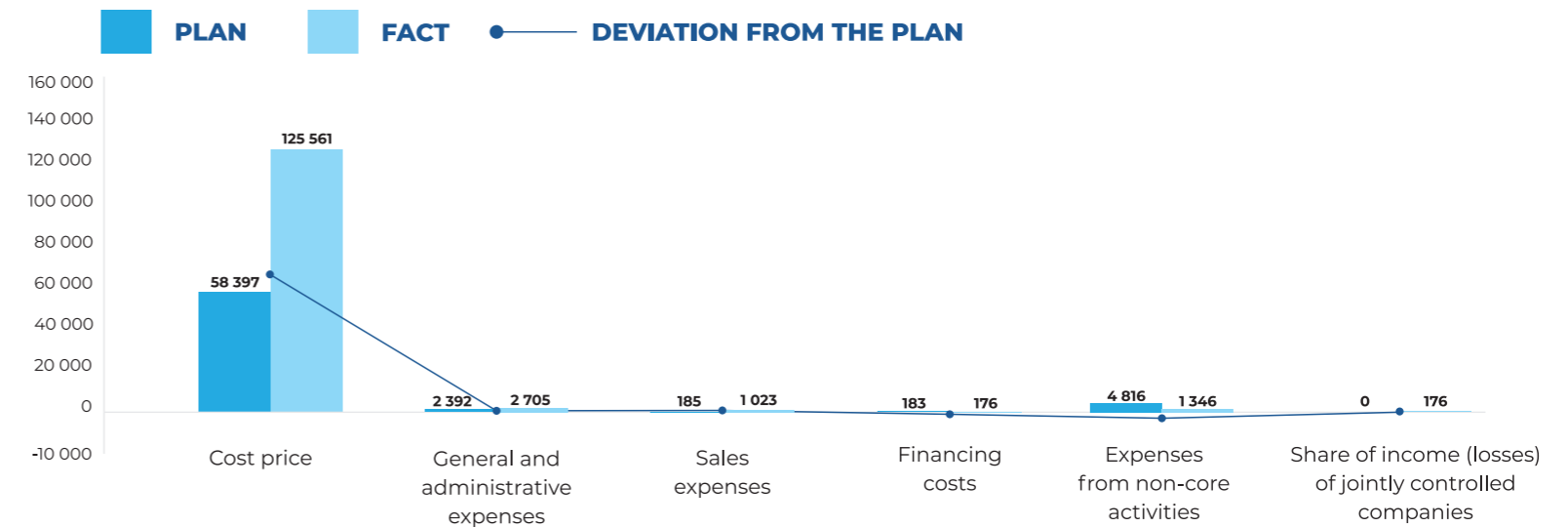
DEVIATION FROM THE PLAN
73 249
+205%



EXPENSES (mil. KZT)

PLAN **65 973** FACT **130 810**

DEVIATION FROM THE PLAN
64 837
+198%



Profit (loss) before taxation (mil. KZT)

PLAN **3 705** FACT **12 165**

DEVIATION FROM THE PLAN
8 460
328%

CPN expenses (mil. KZT)

PLAN **755** FACT **3 114**

DEVIATION FROM THE PLAN
2 358

TOTAL PROFIT (mil. KZT)

PLAN **2 950** FACT **9 051**

DEVIATION FROM THE PLAN
6 101
307%

As a result of financial and economic activities in 2023, the total profit of the ITF amounted to 9 051 million KZT, against the planned profit of 2 950 million KZT.

The main reasons are: an increase in the actual tariff on the high seas by 50% (fact – US\$ 20.33/plan – US\$ 13.52) due to an increase in the level of the World Scale tariff scale.

PRODUCTION INDICATORS

Key indicators	Unit of meas	2023		dev.	%
		PLAN	FACT	2023 Fact/ Plan	
Transportation of oil in total, including:	thousand tons	8 395	10 778	2 383	128 %
• across the Caspian Sea	thousand tons	540	733	193	136 %
- in the direction of Aktau-Makhachkala	thousand tons	540	205	-335	38 %
- in the direction of Aktau-Baku	thousand tons	0	528	528	
• on the High seas	thousand tons	7 855	10 045	2 190	128 %
- towards the Black Sea	thousand tons	3 520	3 605	85	102 %
- in the direction beyond the Black Sea	thousand tons	4 335	6 440	2 105	149 %
Transportation of containers of everything, including:	TEU	7 855	10 045	2 190	128 %
- in the direction of Aktau-Baku	TEU	30 355	7 381	-22 974	24 %
- in the direction of Baku-Aktau	TEU	19 208	10 167	-9 041	53 %
- in the direction of Aktau-Iran	TEU	0	1 369	1 369	
- in the direction of Iran-Aktau	TEU	0	951	951	
Transportation of vehicles:	pieces	0	951	951	
Transportation of dry goods:	thousand tons	335	134	-201	40%

By the end of 2023, the total volume of KMTF oil transportation amounted to

10 778 thousand tons of oil

or 128% of the planned figure of 8 395 thousand tons

Were transported in the Caspian Sea

733 thousand tons of oil

or 136% relative to the planned indicator (540 thousand tons) of bulk cargo.

The main transportation routes are Aktau-Makhachkala, Aktau-Baku

On the high seas, the performance of production indicators for oil transportation in the Black and Mediterranean Seas amounted to

10 045 thousand tons

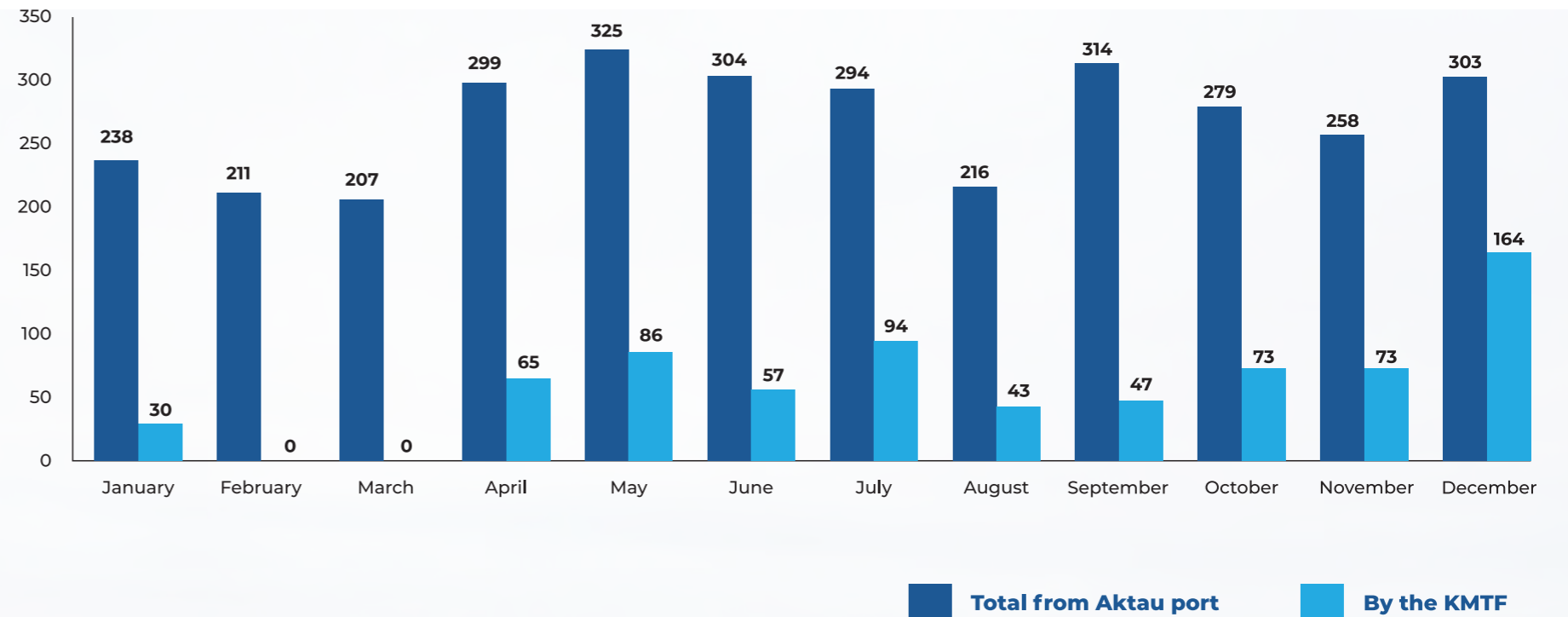
or 128% compared to the planned indicator (7 855 thousand tons)

OIL TRANSPORTATION FROM AKTAU PORT

By the end of 2023, the transshipment of oil in the port of Aktau amounted to

3 245 thousand tons

Aktau port oil transportation in 2023 by month (thousand tons)



For the transportation of KMTF from the volume transhipped in Aktau amounted to

733 thousand tons

TRANSPORTATION OF OIL TOWARDS THE PORT OF MAKHACHKALA

The total volume of oil shipped from Aktau to Makhachkala amounted to

1 933 thousand tons

of which KMTF transported

205 thousand tons
or 6.3%

According to the production plan, the performance was 38% compared to the planned figure of 540 thousand tons.

Tankers "TK Aktau", "Astana", "Almaty", "Taraz" and "Liwa" are involved in this line.



TRANSPORTATION OF OIL TOWARDS THE PORT OF BAKU

In order to diversify the export routes of Kazakh oil, in November 2022, KMG and SOCAR signed a General Agreement on the transit of 1.5 million tons of oil per year along the Aktau-Baku-Ceyhan route.

As part of this Agreement, in January 2023, KMTF and SOCAR Midstream Operations LLC signed an agreement on the transportation of oil along the Aktau-Baku route, where KMTF was appointed as the marine operator from the Kazakhstani for the transportation of oil by sea.

In April 2023, KMTF carried out the first voyage with Tengiz oil on board towards the port of Baku.

The total volume of oil shipped from Aktau to Baku amounted to

1 088 thousand tons

from which KMTF transported

528 thousand tons

of which companies:

"Tengizchevroil" LLP

497 thousand tons

Eurasian Trading
& Shipping FZC

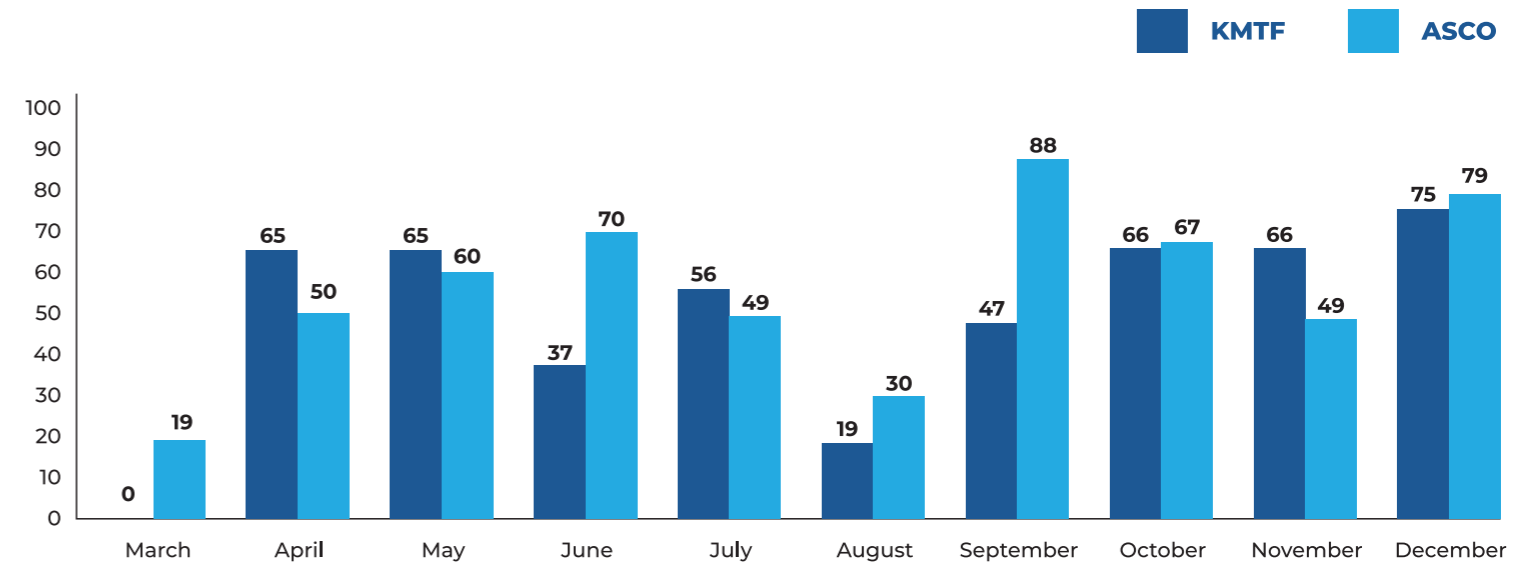
31 thousand tons

TCO OIL FORWARDING

The integrated approach of KMTF to the provision of freight forwarding services in the port of Aktau allows TCO, without prejudice to the downtime of ships in the port of Aktau and other possible costs, to transport oil in accordance with planned shipment schedules. This was achieved due to the long-term experience of KMTF and cooperation with other operators involved in the technological scheme of rendering services, including, but not limited to:

- JSC "KazTransOil"
- JSC "NC "KTZ"
- JSC "Kaskor-Transservice", surveyors
- JSC "NC "Aktau Commercial Sea Port"
- border guards and customs authorities
- the "State Institution "Maritime Administration of Aktau and Bautino ports", etc.

Transportation of TCO crude oil in 2023 (thousand tons)



OIL TRANSPORTATION IN THE OPEN SEAS

In the direction of the Black and Mediterranean Seas, the volume of transportation amounted to

10 045 thousand tons

of which

were transported by
its own fleet.

2 955 thousand tons

were transported
by chartered vessels

7 090 thousand tons

Oil was transported
in the open seas:

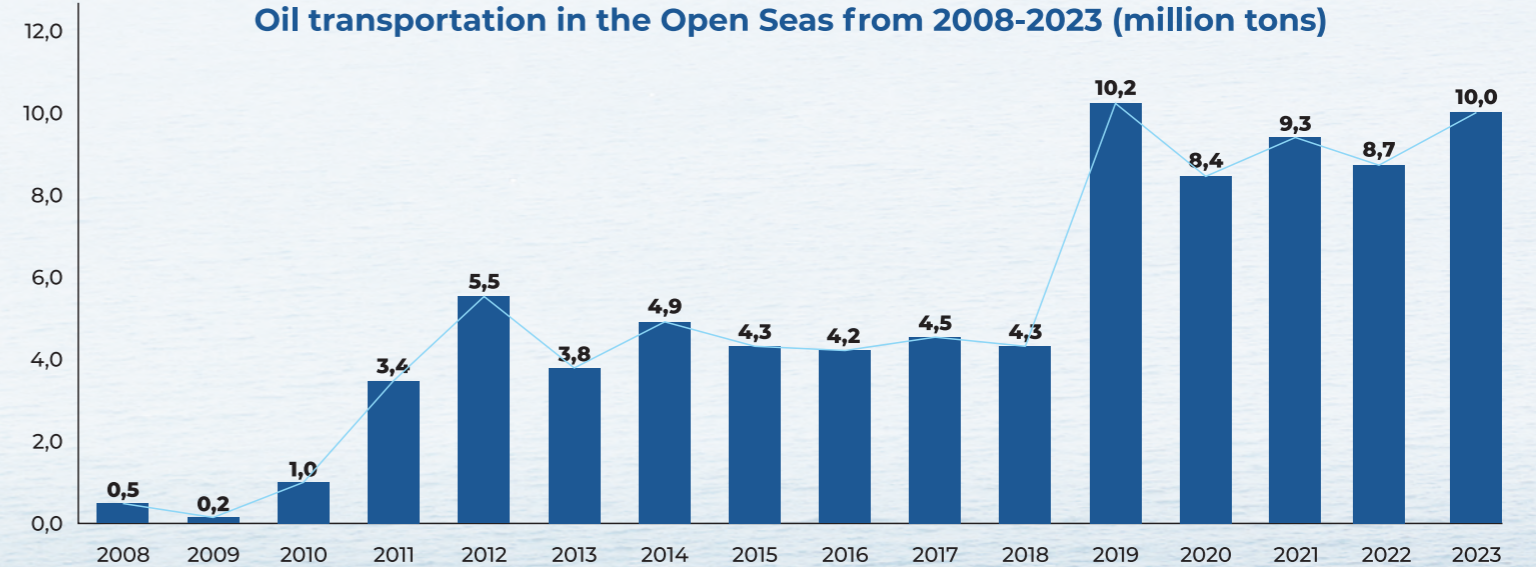
on the Black Sea

3 605 thousand tons

in the Mediterranean Sea

6 440 thousand tons

Oil transportation in the Open Seas from 2008-2023 (million tons)



MAINTENANCE OF OIL AND GAS FIELDS ON THE CASPIAN SHELF

As part of the construction of the V-1 exploration well, according to the Contract for the Exploration and Production of Hydrocarbons at the "Zhenis" site located in the Kazakh sector of the Caspian Sea, on August 23, 2022, an agreement was signed between KMTF and "Zhenis Operating" LLP for the provision of services for 4 supply vessels and 2 anchor cutters. The period of service provision is from August 2022 to May 2023.

According to the terms of the agreement, KMTF provided three supply vessels with a service life of 110 (one hundred and ten) calendar days for each vessel and 2 anchor cutting vessels with a period of 10 (ten) days and the provision of services to marine supply vessels to perform the following tasks:

- winding and tightening anchors of a floating drilling rig at the well drilling point V1;
- delivery (and export) of goods to the drilling rig, including dangerous goods, equipment, fuel, water, passengers and their export;
- removal of drilling sludge in containers and other industrial and household waste from the drilling rig;
- ensuring the readiness of the vessel for fire extinguishing, in the event of a fire in the work area (on the SSFDR) during the work on the construction of wells at the Zhenis site;
- Participation in emergency rescue operations and training alarms conducted by the Customer.

Results of the work of the MOSF (Marine Operations Support Fleet)

KMTF owns

3 units

of multi-purpose shallow-seated tugs "Talas", "Irgiz" and "Emba".

From September 16, 2023, 2 units. "Talas" and "Emba" were transferred to a long-term lease under a bareboat charter agreement to OFCO, a company based in Abu Dhabi, UAE. The tugboat Irgiz will be leased in January 2024.

Bareboat charter agreements with OFCO for 3 tugboat units have been signed for 3 years with the possibility of prolongation of the contract period.



TRANSPORTATION TO AZERBAIJAN

17 548 containers

were transported to the TEU on the TM route in 2023

In the following directions:

Aktau – Baku

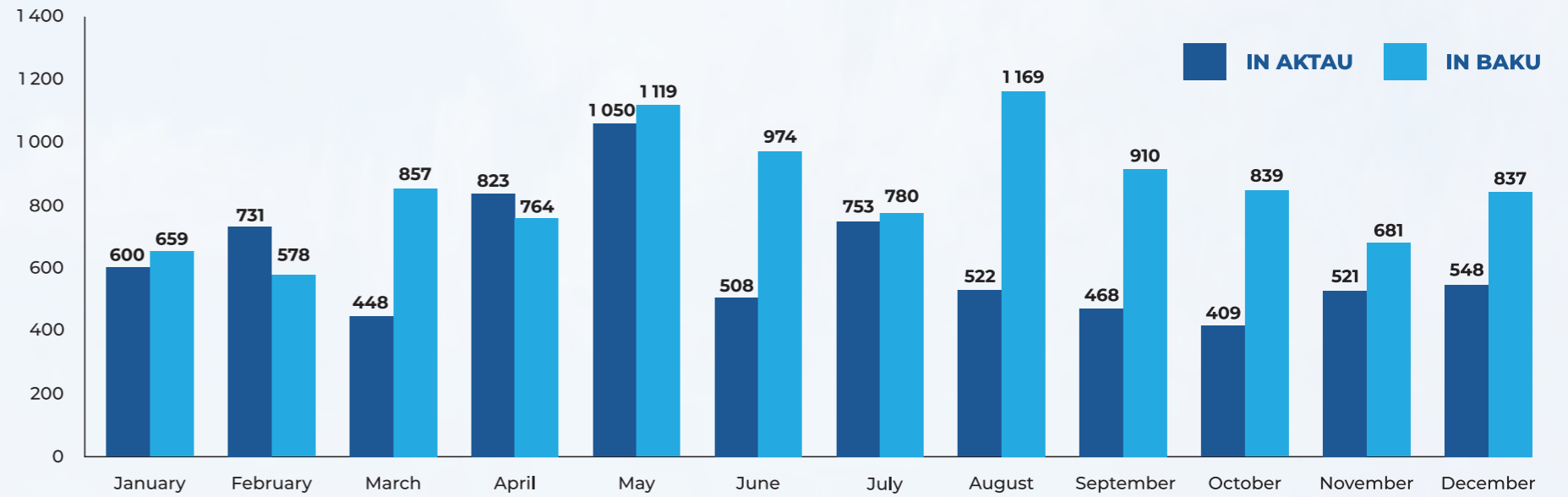
7 381 TEU

Baku –Aktau

10 167 TEU

The average load is 52% (Aktau port – 46%, Baku port – 57%).

Container transportation in 2023 (TEU)



TRANSPORTATION OF CONTAINERS TO THE ISLAMIC REPUBLIC OF IRAN

As part of the development of the container route, in September 2022, KMTF began actively operating a container ship in the transportation of containers in the direction of Aktau - ports of Iran– Aktau.

By the end of 2023 were transported

2 320 TEU

of which:

Aktau port

1 369 TEU

Additionally,

951 units

of passenger cars were transported from the ports of Iran.

ports of Iran

951 TEU



TRANSPORTATION OF GENERAL CARGO

In 2023, the KMTF dry cargo fleet transported

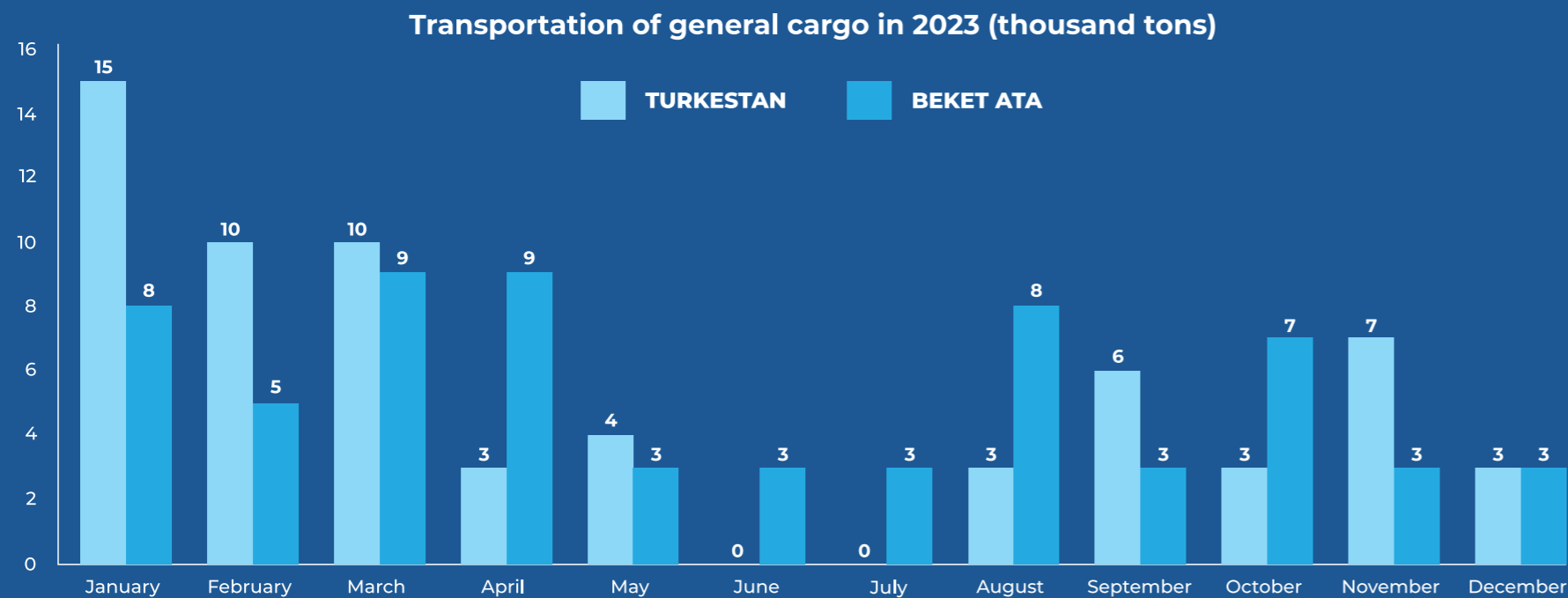
134 thousand tons

of general cargo, including urea, pallets with polyethylene, barley and wheat.

In 2023, the Turkestan and Beket-Ata dry cargo ships were operated on the "Begdash"- "Baku", "Aktau" – "Baku", "Astrakhan" – "Southern Ports of the Caspian Sea and Southern Ports of the Caspian Sea - Aktau routes".

Due to the next inspection of the t/h Turkestan in 2023, from June to July, the cargo ship was withdrawn from commercial operation of the fleet, and therefore, general cargo transportation was not carried out.

Name of the vessels	Route	Type of cargo	Volume, ton
Turkestan	Bekdash-Baku	Carbamide	35 891
Turkestan	Astrakhan – Southern ports	Grain crops	29 332
Turkestan	Aktau – Baku	Aluminum	4 280
"Beket Ata»	Aktau – Baku	Cathode copper	30 696
"Beket Ata»	Astrakhan – Southern ports	Grain crops	26 228
"Beket Ata»	Southern ports - Aktau	Other cargo	4 856
"Berkut»	Aktau-Govsan	Railway rails	2109
"Barys»	Aktau-Alat	Pumping rods	219
Total			133 611



OCCUPATIONAL SAFETY AND HEALTH

Occupational health and safety in the office

On January 26, 2023

the KMTF Board approved the Code of Leadership and Commitment of Employees to Comply with Labor Protection and Environmental Requirements (Code).

Principles of the Code

All Employees, in order to form and maintain a structure of responsibility, authority and roles in the field of OT and OS at all levels of the KMTF, must follow the following principles:

- **"Any job can be done safely"**

any activity in the KMTF should be based on knowledge of methods of safe performance of work, timely assessment and identification of Risks/Hazardous and Harmful production factors in the field of LP and SE and the adoption of control measures necessary to prevent them and maintain them at an acceptable level;

- **"Responsibility in the field of LP and SE is personal and proportional to the level of the position held"**

the higher the level of the position and the broader the scope of authority of the Employee, the higher his responsibility and expected contribution to ensuring the requirements of LP and SE;

- **"I do not pass by danger"**

when observing unsafe actions and unsafe conditions, each Employee is obliged to prevent possible Accidents in this regard, to minimize Risks/Dangerous and Harmful production factors;

- **"We do not identify guilty Employees"**

we identify the root (systemic) causes of inconsistencies, ways to solve them during the investigation of Incidents and effective actions to eliminate them.

Vital rules of the KMTF

On May 31, 2023,

the Decision of the KMTF Board approved the Corporate Standard in the field of occupational safety and health "Vital rules" for KMTF employees (CS VR), based on this decision, the Code of KMTF Employees in the field of occupational safety and health "Golden Rules" was declared invalid.

The CS VR provide key requirements for the safe performance of work, developed on the basis of international best practices in the field of occupational safety and health of leading oil and gas companies, provide simple, clear and consistent information about risks in the workplace and the appropriate use of protective equipment/barriers to protect workers.



1. Circumvention of security measures



2. Enclosed space



3. Driving a vehicle



4. Isolation of energy sources



5. Fire works



6. The line of fire



7. Lifting operations



8. Work permit



9. Working at height

OCCUPATIONAL SAFETY AND HEALTH

Fire safety inspection

In accordance with the Order of the Minister of Emergency Situations of the Republic of Kazakhstan dated February 21, 2022 No. 55 On Approval of Fire Safety Rules, the Department of Emergency Situations of the Mangystau Region (hereinafter – the Ministry of Emergency Situations of the Ministry of Defense) conducts an annual fire safety inspection in the KMTF Administrative Building.

Occupational health and safety on ships

During the period of 2023, KMTF employees were provided with free medical services according to the contract. In 2023, the contract was concluded with Софи Медгрупп/Sofie Medgroup Multidisciplinary Clinic LLP (hereinafter referred to as the Contractor), within the framework of the contract, the Contractor organized and conducted a mandatory annual medical examination for KMTF employees. For this purpose, a contingent of professions and a list of persons subject to medical examination were compiled and agreed upon by the State Institution "Department of Sanitary and Epidemiological Control of the Mangystau region of the Ministry of Health of the Republic of Kazakhstan".

The main purpose of the ship's occupational safety and fire safety inspection is to determine the mandatory requirements for occupational safety and fire safety, minimizing costs, both financial and temporary, for the implementation of measures to ensure occupational safety and fire safety.

In 2023, internal occupational safety and fire safety inspections were conducted on 11 vessels according to identified checklists according to 01-ISM Company Safety Management Guidelines.

Inspections 2022-2023

In accordance with the approved audit schedule, inspections were carried out on the vessels: "Talas", "Emba", "Irgiz", "TC Aktau", "Almaty", "Astana", "Barys", "Berkut", "Sunkar", "Beket-Ata" and "Turkestan".

Radiation safety and radiation control (RS and RC)

In order to transport dangerous goods of Class 7 by sea in accordance with the legislation of the Republic of Kazakhstan, KMTF received a license for the type of activity "Transportation, including transit, of nuclear materials, radioactive substances, radioisotope sources of ionizing radiation, radioactive waste within the territory of the Republic of Kazakhstan". The licensor is the State Institution "Committee for Atomic and Energy Supervision and Control". Ministry of Energy of the Republic of Kazakhstan.

In order to operate the transportation of goods from ionizing sources, KMTF, due to production necessity, plans to purchase/lease dosimeters and train office staff and ship crews according to the courses of the Republic of Belarus and the Republic of Kazakhstan.

The license was obtained, further, for transportation by sea vessels outside the Republic of Kazakhstan within the framework of the international IMDG code, it was necessary to present the vessels to the classification society in order to obtain a certificate for the transportation of dangerous goods of class 7.

Based on the requirements and rules of the classification society "Appendices to the Manual on Technical Supervision of Ships in Operation" 2.3.2 Requirements for ships carrying dangerous goods of Class 7, vessels were prepared and equipped for the carriage of dangerous goods of Class 7.

- A "Justification for the possibility of transporting a vessel to dangerous goods of Class 7 has been developed, presented and approved.
- A certificate has been received from the classification society for the transportation of dangerous goods 7, based on the attached license and presentation of the vessel in port.

The "Barys", "Berkut" and "Sunkar" naval vessels are provided with an emergency radiation safety kit.

The certification of workplaces was carried out on the "Barys", "Berkut" and "Sunkar" naval vessels.

ENVIRONMENTAL PROTECTION

Hazardous waste

The KMTF waste management system includes organizational measures for tracking waste generation, control over collection, storage, disposal and their neutralization. According to the concluded contracts, all types of production and consumption waste are transferred to specialized contractors for further processing as they accumulate.

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

In 2023, the contractor ("West Dala" LLP, Вест Дала) organized the removal and disposal of hazardous waste.

Waste water

During the reporting period, all wastewater from ships was delivered to onshore receiving facilities to specialized contractors ("West Dala" LLP, Вест Дала) for further purification (disposal).

Analytical control of conditionally clean waters

Work has been carried out to control the quality of discharged conditionally clean waters from ship-wide systems and power plant systems of ships in the Caspian Sea. During the reporting period, in accordance with the concluded agreements No. 812051/2023/1 dated February 07, 2023, with "Center Expert Group" LLP, 4 stages of analytical control of conditionally pure waters discharged into the Caspian Sea from ships were performed. No exceedances of the maximum permissible concentrations were recorded.

Emissions from stationary sources

Emissions of pollutants into the atmosphere from stationary sources of pollution during the reporting period were within the established standards, no excess was recorded for any ingredient.

Environmental inspection on ships (EI)

The main purpose of the inspection is to determine the environmental condition of the vessel, the degree and nature of its impact on the environment, its compliance with the requirements of legislation, norms and rules in the field of environmental protection, international conventions.

In 2023, internal environmental inspections of 10 vessels were carried out according to identified checklists, the identified comments were eliminated qualitatively and on time in accordance with clause 12.5.01-ISM The company's Safety Management Manual.

In accordance with the Law of the Republic of Kazakhstan "On Compulsory Environmental Insurance" dated December 13, 2005 No.93-III of the KMTF Air Defense System, a compulsory environmental insurance contract was concluded, the object of which is the property interest of a person engaged in environmentally hazardous types of economic and other activities related to his obligation, established by the civil legislation of the Republic of Kazakhstan, to compensate for damage caused to life, health, property of third parties and (or) the environment as a result of its accidental pollution.

During the period of 2023, no insurance cases were recorded under the Compulsory Environmental Insurance Contract.

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

In accordance with paragraph 5 of the Rules for the Formation and Maintenance of the State Energy Register, "NMSK Kazmortransflot" LLP, as a subject of the State Energy Register, annually submits information on the consumption of energy resources of the SER subject for the reporting period to the National Institute for Development in the Field of Energy Conservation and Energy Efficiency Improvement by April 1.

SAFETY OF SHIP OPERATION

One of the main principles of KMTF's work is to ensure safe, efficient and economical operation of ships in compliance with the requirements of international standards by implementing them into the company's existing management systems.

In order to strengthen the KMTF's leading position in the marine industry, ensure competitive advantage and sustainable development, one of the KMTF's annual main tasks is to improve the effectiveness of the Safety Management System (hereinafter referred to as 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 Safe Operation of Ships and Pollution Prevention (hereinafter - ISP Code).

In this direction, during 2023, the KMTF carried out appropriate activities:

Tanker fleet

- Preparation and presentation of oil tankers for passage to the SIRE vetting inspection was carried out, within the framework of the TCO cargo transportation agreement. Dates of SIRE inspections: "Aktau TC - January 26, July 17 and December 28, 2023, Astana" - March 21 and October 23, 2023. The results of the inspections were found satisfactory by the customer in the person of TCO;
- Work has been carried out on the preparation of the "Taraz" and "Liwa" vessels for inspection by the Bureau Veritas Maritime Classification Society and the commissioning of vessels into commercial operation. In the process of preparation, radio licenses, certificates of flag, ownership and minimum composition were issued for the vessels, an agreement was signed with the emergency response service, ship identification and long-range tracking systems (LRTS).

Dry cargo fleet

- Preparation and presentation of oil tankers for passage to the SIRE vetting inspection was carried out, within the framework of the TCO cargo transportation agreement. Dates of SIRE inspections: "Aktau TC - January 26, July 17 and December 28, 2023, Astana" - March 21 and October 23, 2023. The results of the inspections were found satisfactory by the customer in the person of TCO;
- Work has been carried out on the preparation of the "Taraz" and "Liwa" vessels for inspection by the Bureau Veritas Maritime Classification Society and the commissioning of vessels into commercial operation. In the process of preparation, Radio licenses, Certificates of flag, ownership and minimum composition were issued for the vessels, an agreement was signed with the emergency response service, ship identification and long-range tracking systems (LRTS).

Offshore fleet

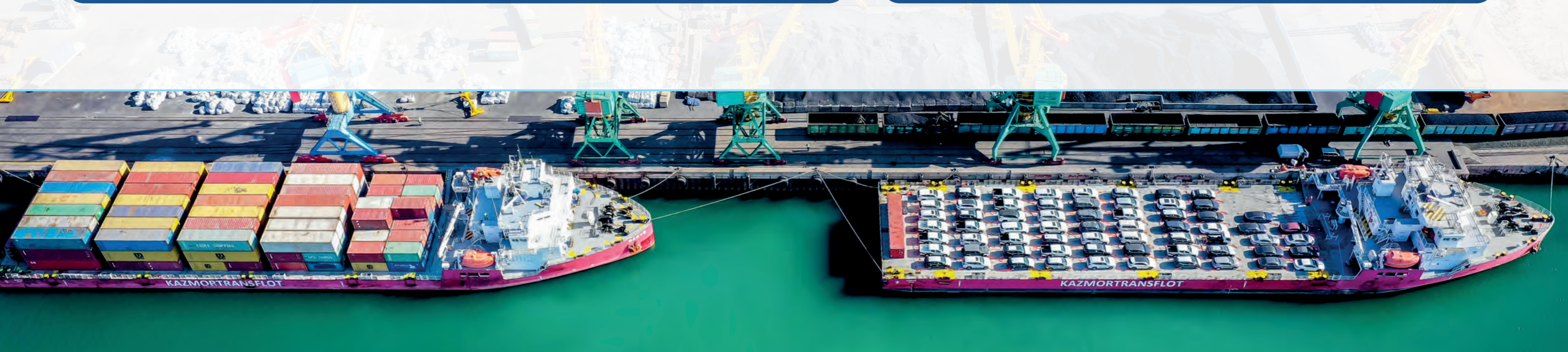
- Development of an Action Plan to ensure the safe parking of the tugboat Irgiz for the period of 2023, coordination with the MAP of the Republic of Kazakhstan and the Classification Society "Russian Maritime Register of Shipping" (hereinafter – RMRS);
- Within the framework of the project on the haul of tugs "Talas", "Emba" and "Irgiz", an analysis and staffing of vessels was carried out in accordance with their navigation area, including special rules for the independent passage of the GDP of the RF, as well as the passage of ships through waters with an increased risk of piracy;
- As part of the sale of the KMG 105, 106, 107 and 108 barge sites, an inventory was carried out, the transfer of goods and materials to a warehouse in the port of Bautino, the preparation of documents, acceptance certificates and further transfer of barges to the buyer; Control of the loading of ionizing radiation Sources in the Aktau seaport together with a specialist in radioactive materials for transportation under the "Zhenis" project, consideration and approval of the necessary documents for dangerous goods.

Security management System

- In the period of 2023, the following SMS procedures were updated for the ships "TC Aktau", "Astana" and "Almaty": SOLAS procedure, Procedure for pumping petroleum products from ship to ship, Procedure for lifting a person out of the water, Updating the procedure of SMS 02-ISM "Ship Safety Management Manual" to comply with TMSA standards regarding the safety of navigation;
- As part of the commissioning of the "Taraz" and "Liwa" vessels into commercial operation, in order to comply with the ISM Code and SOLAS, such procedures were developed as: A practical guide to SOLAS, a procedure for pumping petroleum products from ship to ship, an emergency towing booklet, a procedure for lifting a person out of the water, a Mooring system Management Plan, a system maintenance services;
- Development and approval of the SOLAS training manual procedure for "Beket-Ata" and "Turkestan" bulk carriers;
- Making corrections to the Practical SOLAS Manual for the Barys vessel;
- Ship-to-shore exercises were conducted with the vessels "Aktau TC", "Astana", "Almaty", "Beket-Ata", "Berkut", "Sunkar" and "Barys". A total of 7 ship-to-shore exercises were conducted on the following topics: Fire fighting, Abandonment, Ship collision and stranding, Emergency ship management, "Man overboard" and "medical evacuation".

Interaction with the Flag Administration, classification Society

- Assistance was provided to the crew of ships in passing by port control inspectors when entering the ports of the Russian Federation, Azerbaijan and Iran. In total, 25 PSC (Port State Control) inspections were carried out on the company's ships during the period 2023. According to the results of the inspections, no shortcomings were identified that could serve as a reason for the detention of ships;
- Obtaining a certificate from the RMRS Register for the transportation of radioactive cargo for the general cargo "Barys";
- Permission has been received from the Flag Administration of the Republic of Kazakhstan for the temporary transfer of tugs "Irgiz", "Talas" and "Emba" under the flag of the Commonwealth of



PERSONNEL, YOUTH AND SOCIAL POLICY

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



In 2023, the staff of the KMTF amounted to **130** units

of which: Administrative staff (AS) **64** units
Production staff (PS) **66** units



The actual number of employees as of December 31, 2023 was **93** units

of which: Administrative staff (AS) **53** units
Production staff (PS) **40** units

The actual number of full-time employees as of December 31, 2023 KMTF	Total	up to 30 years old	from 31 to 50 years old	over 51 years old
The total number of employees	93	12	70	11
• of them men	63	8	49	6
• of them women	30	4	21	5

- The largest proportion of KMTF employees is between the ages of 23 and 50, which is 88.17% of the total KMTF staff, of which 26.8% are women;
- The average age of KMTF employees is 41 years;
- The average length of service of employees in the marine industry is 12 years;
- Staff with two higher education accounts for 35% of the actual number, graduates of the master's degree - 11%.

The recruitment of KMTF personnel was carried out in accordance with the KMTF STP.026 "Rules of competitive selection for vacant positions and adaptation of personnel of "NMSC "Kazmortransflot" LLP, so in 2023, 10 people were hired at KMTF, of them: AS - 6 people, PS - 4 people.

During the reporting period, employment relations with 9 employees were terminated, of which: AS - 7 people, PS - 2 people.

13 people have been awarded various awards by KMG and JSC "NWF Samruk-Kazyna" (hereinafter referred to as the Fund), of which: A commemorative badge – 5 people, Certificates of Honor - 8 people.

The Ministry of Industry and Infrastructure Development (Ministry of Transport) of the Republic of Kazakhstan has 8 people, including: A medal - 1 person, a badge - 5 people, a Certificate of Honor - 2 people.

Staff turnover in 2023 was 10.4%, of which: AS – 8.1%, PS - 2% against staff turnover in 2022, which amounted to 16.8%, of which: AS - 9.3%, PS - 6.9%.

Staff training and development

The training, retraining and advanced training of KMTF personnel was carried out in accordance with the Rules of Training and Development of KMTF Employees.

Nº	Topics of seminars and trainings held	Number of people
1	Procurement in accordance with the Procurement Rules of "Samruk-Kazyna" JSC. Work in the e-procurement system of EPIS 2.0, taking into account changes for 2023	4
2	Planning of prices for goods in purchases of the Fund of JSC "Samruk-Kazyna"	2
3	Training "Risk management»	1
4	Contract law	1
5	MARINE INSURANCE & CLAIMS Certificate	1
6	ICA Certificate on Sanctions Risk Management	1
7	"Project Management with Microsoft Project 2019"	2
8	ISM Internal Auditor according to ISO 9001, 14001, ISO 45001 and ISO 19011	1
9	Head of the AES / Administrative and Economic Service	1
10	"New in IFRS: recent changes and practical aspects"	1
11	Modular training program within the framework of the "HR School", 7 modules	1
12	Protection of the marine environment (MARPOL 73/78)	1
13	Radiation safety and radiation control	5
14	The program of additional professional education in accordance with the requirements of international conventions	4
15	ESA training course "Audit and related services" Registration for the ACCA exam "Audit and related services" ACCA Annual subscription 2024	1
16	Diploma Chief Compliance Officer (Sanctions risk management, Anti-corruption compliance, Corporate risk management)	1
17	Corporate finance. Financial literacy.	1
18	The Environmental Code of the Republic of Kazakhstan. Environmental Impact Assessment (EIA)	1
19	Head of Security Service (1 module)	1
20	New procurement procedure in the "Samruk-Kazyna" JSC Group of Companies	1
21	"Labor legislation of the Republic of Kazakhstan, taking into account amendments and additions from 2020-2021 and 2023"	1
22	Labor legislation for members of the Conciliation Commission	6
23	Regulation of labour relations within the framework of the Maritime Labour Convention, 2006 (ILO Convention)	1
24	Occupational safety culture	4
25	Fire-technical minimum	75
26	Occupational safety and health	43
27	Change management and risk management	30
	TOTAL:	194

Organization of student practice

Nº	Name of the educational institution	Name of the type of practice	Specialization	Name of the department	Number of interns
1	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Navigation"	GC «Berkut», GC «SUNKAR» и GC «BARYS»	12
2	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Navigation" and "Operation of marine power plants"	TC "Almaty", "Astana", "Aktau»	6
3	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Navigation"	GC «SUNKAR»	1
4	Caspian State University of Technology and Engineering named after S.Yesenova	pre-graduation	"International relations»	HR Department	1
5	Kazakhstan Maritime Academy (KMA) at the CSUTE named after S.Yesenova	swimming	"Operation of marine power plants" and "Navigation"	TC "Almaty", "Aktau»	6
6	NAO "Kazakh Agrotechnical University named after Sakena Seifullina"	pre-graduation	"Logistics in transport»	Commercial Fleet	1
7	"Kazakh University of Technology and Business" JSC	production	"Oil and gas business»	Corporate Affairs Department in Astana	1
8	Suleiman Demirel University	production	"Information systems»	Information technology sector	1
9	Federal State Budgetary Educational Institution of Higher Education "SUMRF named after Admiral S.O.Makarov	swimming	"Navigation»	TC "Almaty»	1
10	Federal State Budgetary Educational Institution "SUMRF named after Admiral F.M.Apraksin"	swimming	"Operation of marine power plants"	TC "Almaty"	1
11	JSC "International University of Information Technologies"	production	"Network Security»	Business Development Service	1
12	«De Montfort University Kazakhstan»	production	"Business Management"	HR Department	1
13	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Navigation»	GC «SUNKAR»	1
14	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Operation of marine power plants"	GC «BARYS»	1
15	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Navigation»	GC «Berkut», GC «SUNKAR»	3
16	Kazakhstan Maritime Academy (KMA) at KBTU	swimming	"Operation of marine power plants"	TC "Astana»	1



Social policy and stability

In order to improve the socio-psychological climate of the KMTF, according to the Regulations of the KMTF unified internal communications system, reporting meetings of the CEO (Chairman of the Board) of the KMTF with the KMTF workforce were held every six months.

Also, for a closer discussion of work processes and timely elimination of emerging problems, the heads of KMTF functional units held quarterly meetings with employees of supervised departments.

In order to motivate and financially stimulate, by the decision of the KMTF Supervisory Board dated March 07, 2023 (Protocol No. 01-23/SB), starting January 01, 2023, a salary increase of 9.5% was made to KMTF administrative, managerial and production personnel.

Along with this, according to STP KMTF.093 "Rules of remuneration for administrative, managerial and production personnel", holiday bonuses were paid to all KMTF personnel on time, and a bonus was also paid for the 25th anniversary of the KMTF. Quarterly bonuses were paid in accordance with STP KMTF.067 "Rules for evaluating the activities of administrative and production personnel".

In its activities, KMTF actively participated in socially significant events in the region, KMG and KMTF in general, including:

- senior specialist of the Administrative and Economic Department Esniazova A.S. took part in concerts in honor of the opening and closing of the "Uzdik Maman-2023" competition (Best Employee - 2023) among employees of the KMG group of companies;
- in the annual Spartakiad among the KMG Group of companies, in such sports as: volleyball (women's and men's teams), swimming, table tennis, chess, tug of war (arkan Tartu);
- congratulations to WWII veterans in Aktau in honor of the Victory Day celebration on May 9;
- holding a clean-up day in the coastal zone of Aktau;
- participation in the competition of the "Club of the Cheerful and Resourceful" among such companies as JSC "NC "Aktau Commercial Sea Port", "Port Kuryk" LLP, "Aktau Marine Northern Terminal" LLP and the representative office of JSC "KTZ Express" in Aktau in honor of the 60th anniversary of JSC "NC "Aktau Commercial Sea Port";
- organization of volleyball competitions in honor of the 25th anniversary of the KMTF among such companies as JSC "NC Aktau Commercial Sea Port", "Port Kuryk" LLP, "Aktau Marine Northern Terminal" LLP, "Teniz-Service" LLP;

In order to create favorable conditions for the employee, as well as to establish social and labor relations, various types of financial assistance were provided at KMTF, annual medical insurance of employees and their family members was carried out, the children of employees were provided with New Year's gifts.

In August 2023, 38 children of employees, accompanied by 2 KMTF employees, were sent to the "Arman Dala" children's health camp in the Almaty region.



CORPORATE SECURITY

The KMTF corporate security system is designed to support the corporate culture and values of the company, to ensure the protection of employees, financial and technical means, property, technologies, processes of production, management and commercial activities from various threats.

KMTF undertakes obligations to conduct business involving the implementation of production activities in full compliance with international requirements, the requirements of the legislation of the Republic of Kazakhstan and Policies in the field of economic, internal, physical and information security (cybersecurity).

Internal security

In terms of corporate security compliance, the KMTF has expanded the internal video surveillance system, upgraded the building access control and management system. Admission to the KMTF building is carried out by means of biometric data (face recognition), admission of cars to the parking lot – by recognition of state registration plates.

Information security

In order to comply with and monitor information security, KMTF continuously monitors compliance with legislative requirements and international standards in the field of information security, checks workstations for malicious software, and updates information about users in Active Directory;

- The issue of connecting to the Internet through a Single Internet Access Gateway (ESDI) planned in 2023 has been worked out;
- The centralized Electronic Document Management System (KMG EDMS) "Directum" has been implemented;
- The ORDA project has been successfully implemented in terms of combining the KMG domain architecture into a single system with connection to a single data transmission network.

KMTF provides:

- **economic security**
through the implementation of preventive measures to combat fraud and corruption, especially in the field of procurement, preventing theft and misuse of funds, abuse and abuse of official authority, negligence, etc.;
- **internal security**
through systemic prevention and prevention of internal threats;
- **physical safety**
in accordance with legal requirements;
- **information security**
by preventing losses and damage from cyber attacks, preventing unauthorized access to information resources, functioning and improving the effectiveness of the information security management system implemented in the Company based on the Cyber Shield project.



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 functioning, the structure and methods of the organization. The main purpose of the corporate risk management system is to achieve the company's operational goals through regular analysis and assessment of production and non-production risks, development of risk management action plans, as well as control and maintenance of an acceptable level of risk appetite. The development of the risk management system is based on international standards such as COSO "Risk Management of organizations. Integrated Model", ISO 31000:2018 "Risk Management. Principles and guidelines", and ISO 31010:2011 "Risk Management. Risk assessment methods".

The KMTF conducts regular and one-time events aimed at preventing risks or minimizing the likelihood of their implementation. The priority areas are: maritime safety, monitoring of global freight markets, modernization and renewal of the fleet, planning and implementation of environmental protection measures, monitoring of regulatory changes in maritime transport, and improvement of personnel policy.

COMPLIANCE AND ANTI-CORRUPTION

As part of the implementation of paragraph 3 of Article 16 of the Law of the Republic of Kazakhstan "On Combating Corruption" by the decision of the KMTF Supervisory Board No.03-22/SB dated May 24, 2022, a separate full-time compliance officer unit was introduced into the KMTF structure, whose task is to build an effective compliance system that provides reasonable assurance that significant compliance and corruption risks of the company properly managed.

The Compliance officer is called upon to ensure compliance with the anti-corruption legislation of the Republic of Kazakhstan, the adoption of compliance policies, as well as the formation of an internal corporate culture based on the principles of transparency and reliability in accordance with legislation and best international practices. The function of the Compliance Officer is regulated by the Regulation on the Compliance Officer.

The main task of a compliance officer is:

1. ensuring the implementation of tools for the prevention and prevention of corruption offenses by the KMTF and its employees;
2. effective implementation of the system of anti-corruption measures in the KMTF;
3. ensuring that the KMTF conducts an internal analysis of corruption risks;
4. ensuring compliance with the legislation of the Republic of Kazakhstan by KMTF structural units, including compliance with external regulatory requirements and international compliance practices, including anti-corruption and fraud, compliance with internal rules, moral and ethical standards;
5. interaction with regulatory authorities and the KMG compliance service;
6. development and control of the Program execution/Compliance plan on an annual basis;
7. development and updating of standards and policies in the field of compliance;
8. conducting, together with interested structural divisions and structural units, a comprehensive audit of counterparties;
9. implementation of the initiative information line;
10. communication and implementation of compliance policies;
11. supervision and control of compliance directions;
12. conducting investigations in case of violations of compliance policies;
13. conducting investigations on reports received by the initiative information line.

The degree of fulfillment of compliance plans

1 Communication with KMTF employees is constantly carried out (sending news digests and other information on compliance with anti-corruption legislation)

2 Internal regulatory documents regulating the prevention and combating of corruption have been developed and approved, namely:

- The Code of Business Ethics of March 20, 2023 (Protocol No.02-23/SB);
- Anti-Corruption Policy dated March 07, 2023 (Protocol No.01-23/SB);
- The policy of resolving conflicts of interest among KMTF employees and officials and its amendments dated March 07, 2023 (Protocol No. 01-23/SB);
- The policy of verification of the reliability of KMTF counterparties and its SO to March 07, 2023 (Protocol No. 01-23/SB);
- Sanctions policy dated February 24, 2023 (Protocol No. 04);
- Compliance program dated June 26, 2023 (Protocol No. 04-23/SB).

3 Explanatory work was carried out with the participation of employees of the anti-corruption service on anti-corruption legislation

4 Explanatory work was carried out with the participation of employees of the tax service on the issues of universal declaration of income and property of individuals

5 Agreements have been signed for the adoption of anti-corruption restrictions by KMTF employees

6 In order to implement financial control measures, KMTF employees have provided a declaration of assets and liabilities, as well as income and property to the authorized body

7 Work has been carried out to review and coordinate purchases from a single source in accordance with the Procurement Procedure of the Fund

8 Explanatory work has been carried out on the prevent of giving and receiving gifts at the workplace

9 Explanatory work has been carried out on the Code of Business Ethics

10 Explanatory work has been carried out regarding hotlines

11 A seminar on anti-corruption in the KMTF was held

12 Monitoring and internal analysis of corruption risks have been carried out

13 An internal analysis of corruption risks was carried out, as a result of which:

- 4 risks have been identified;
- developed recommendations 14, of which 10 have been implemented, at the approval stage 4

14 13 candidates were checked, of which 1 did not pass the security check (no decision on employment was made on it)

15 Employees were informed about the work of the "Hotline»

16 Work has been carried out to familiarize newly hired employees with the regulatory documents regulating the prevention and combating of corruption – 10

17 100% submission of tax returns by KMTF employees is ensured;

18 25 potential suppliers have been verified for reliability

19 There were no requests through external and internal channels of proactive information (Hotline, E-Otinish and others)

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



THE PROCUREMENT SYSTEM AND THE DEVELOPMENT OF LOCAL CONTENT

100 %

Execution of the procurement plan for 2023

All goods, works and services provided for in the plan have been purchased.

In 2023, conducted

234 purchases

of goods, works and services for a total amount of

15 819 million KZT

including by the following methods:

- 36 open tenders for the amount of 7 860 million KZT;
- 91 purchases by requesting price offers in the amount of 89 million KZT;
- 24 purchases from a single source in the amount of 667 million KZT;
- 95 purchases by other means (OP and EM) in the amount of 7 203 million KZT.

For comparison,

in 2022 were carried out

174 purchases

of goods, works and services totaling

12 111 million KZT

including by the following methods:

- 32 open tenders in the amount of 9 757 million KZT;
- 76 purchases by requesting price offers in the amount of 86 million KZT;
- 48 purchases from a single source in the amount of 1 701 million KZT.

In 2021 were carried out

247 purchases

of goods, works and services totaling

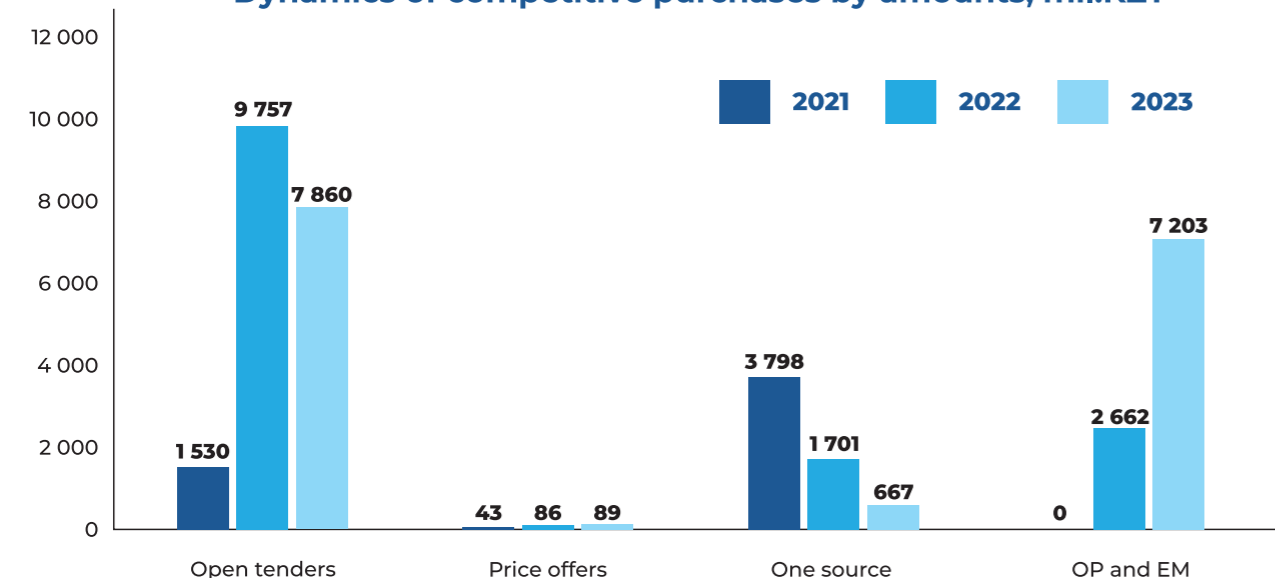
9 764 million KZT

including by the following methods:

- 15 open tenders in the amount of 1 530 million KZT;
- 42 purchases by requesting price offers in the amount of 43 million KZT;
- 64 purchases from a single source in the amount of 3 798 million KZT.

As follows from the analysis, there is a tendency to significantly increase competitive purchases, both in quantity and in amount, and vice versa, a decrease in the number of purchases from a single source, which is a positive result in the activities of KMTF, taking into account the requirements of both the Fund and KMG, since, among other things, motivational indicators are achieved for procurement activities and corporate KPIs are carried out.

Dynamics of competitive purchases by amounts, mil.KZT



In 2023, as well as in 2022, there are no regulations of the Fund on violations of procurement activities.

It should be noted that in 2023, in order to improve the quality of planning and procurement, develop technical specifications, minimize violations of established procedures and strengthen personal responsibility, KMTF internal documents regulating the procurement process in KMTF were updated, the responsibility of Administrators of budget programs was strengthened, coordination of all purchases from one source and using a special procedure with a compliance officer of the KMTF.

The total share of local content in the procurement of labor in 2023 was 85%, including 95% in goods and 75% in works/services.

INTEGRATED MANAGEMENT SYSTEM

Verification, analysis and evaluation carried out by the company

In order to maintain an integrated management system (IMS), a safety management system (SMS) and verify the activities to ensure compliance of the Company and ships with the requirements of ISO, the International Code for the Management of Safe Operation of Ships and Pollution Prevention (ISM), internal audits of IMS and SMS were conducted in KMTF units responsible for IMS and SMS and on KMTF vessels, according to the Audit Schedule for 2023, as well as technical inspections on KMTF vessels according to the OVPQ questionnaire.

Test results (external and internal according to ISO and ISMC)

The integrated management system of KMTF is currently certified by "URS-Kazakhstan" LLP for compliance with the requirements of the following international and national standards:



ISO 9001
Quality Management System. Requirements



ST RK ISO 9001
Quality Management System. Requirements



ISO 45001
Occupational Health and Safety Management System – Requirements and recommendations for use



ST RK ISO 45001
Occupational Health and Safety Management System - Requirements and recommendations for use



ISO 14001
Environmental Management System - Requirements and application guidelines



ST RK ISO 14001
Environmental Management System - Requirements and application guidelines

The KMTF safety management system is certified by the Classification Society Russian Maritime Register of Shipping (RMRS), Bureau Veritas (BV) for compliance with the requirements of the ISM Code.

First-party audits in KMTF units

According to the requirements of ISO 9001 Quality Management System, ISO 14001 Environmental Management System - Requirements and application guidelines, ISO 45001 Occupational Health and Safety Management System – Requirements and recommendations for the use of KMTF should conduct internal audits (inspections) at scheduled intervals in order to establish that the quality management system:

- corresponds to the planned events;
- requirements of the ISO 9001, ISO 14001, ISO 45001 standards;
- ISU requirements developed by the KMTF;
- effectively implemented and kept up to date.

The procedure for conducting an internal audit is presented in the internal regulatory document "Internal Audits".

The internal audit of the ISU was conducted in accordance with the audit schedule approved by the CEO (Chairman of the Management Board) for 2023. The order appointed auditors and heads of audit groups from among KMTF employees with the necessary competencies. The audit of the first party was conducted in the divisions located in the office at Aktau, 14 microdistrict, building No. 70.

During the audit, it was established: the availability and relevance of objective evidence of compliance with the requirements of ISO 9001, ISO 14001, ISO 45001.

According to the results of the audit of the first party in 2023, 1 discrepancy and 7 observations were revealed in the divisions.

Deadlines, corrective actions to eliminate and/or prevent the occurrence of inconsistencies and observations are agreed with the Quality Management Sector.

The audit results were compiled into single summary files and posted on a network resource for the convenience of analyzing and storing information.

Lists of identified inconsistencies and measures to eliminate and/or prevent them, agreed with the heads of the audited departments, as well as the measures actually taken, will be evaluated for effectiveness in future audits.

Audit of the first party on KMTF vessels

The main objectives of the audit are: Verification of the implementation of the procedures and instructions of the SMS, including the implementation of navigation safety procedures for navigation, the implementation of safety procedures for cargo operations.

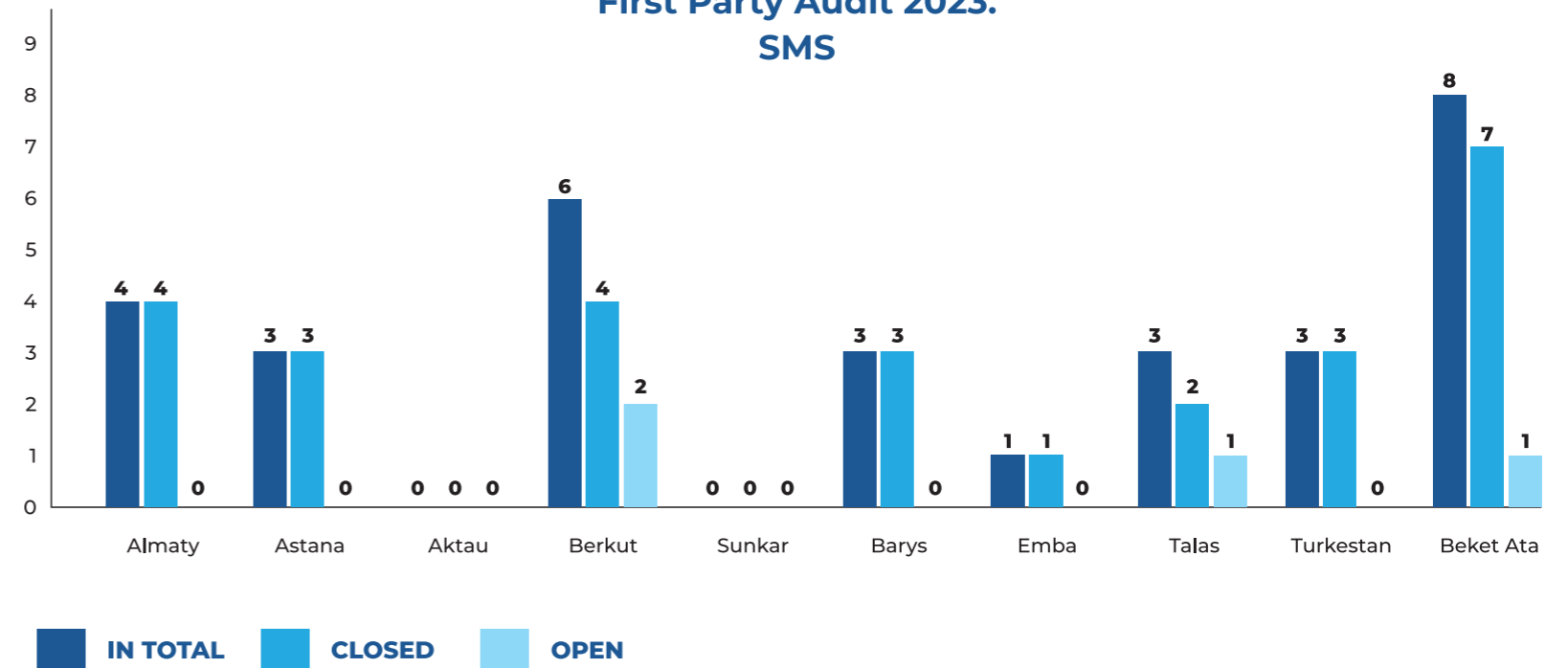
The captain of the vessel must eliminate the identified inconsistencies at the prescribed time and report this to the CC Sector.

The management level is considered satisfactory if all the services on the ship perform their duties without comments affecting the safety of the vessel.

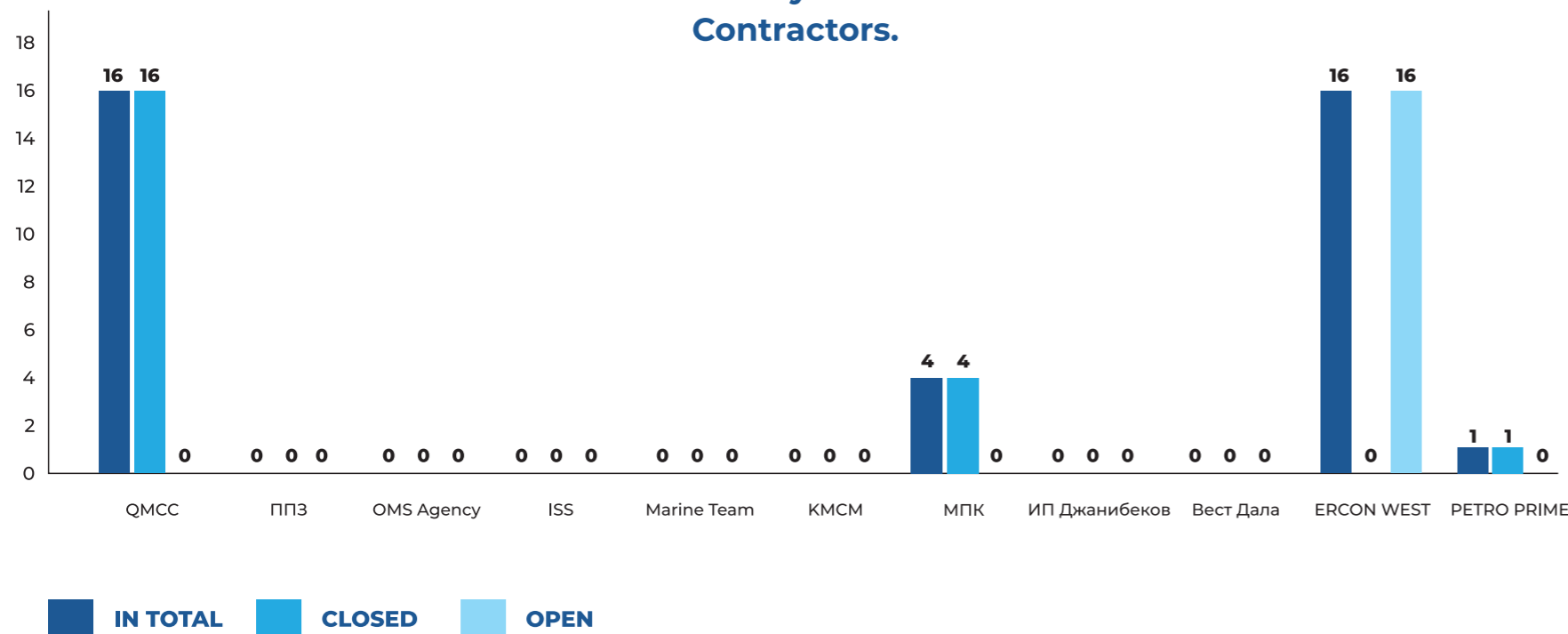
The management level is considered unsatisfactory if at least one of the services on the ship does not perform their duties as required and there are comments affecting the safety of the vessel.

The closure system includes a set deadline for corrective actions, informing the KMTF of the implementation and confirming the KMTF.

**First Party Audit 2023.
SMS**



**Second Party Audit 2023.
Contractors.**



Audit of the second party in KMTF contractors

In accordance with the requirements of KMG, the Fund, the Legislation of the Republic of Kazakhstan, international/state standards and recommendations of the IOGP, policies and CM, in the field of occupational safety, industrial safety and environmental protection (OC, IS and EP), the KMTF has a "Corporate standard for interaction with contractors in the field of occupational safety, industrial safety and environmental protection" (Standard). The purpose of the Standard is compliance by Contractors/Subcontractors in the performance/provision/delivery of the Standard.

During the course of the work/the provision of services by the Contractor is organized and periodic inspections (audits) are carried out, according to the Schedule of inspections approved by the CEO (Chairman of the Management Board) for 2023, compliance of their activities with the requirements of OC, IS and EP. The frequency of inspections is at least 1 (one) time per year.

Third Party Audits (KMTF)

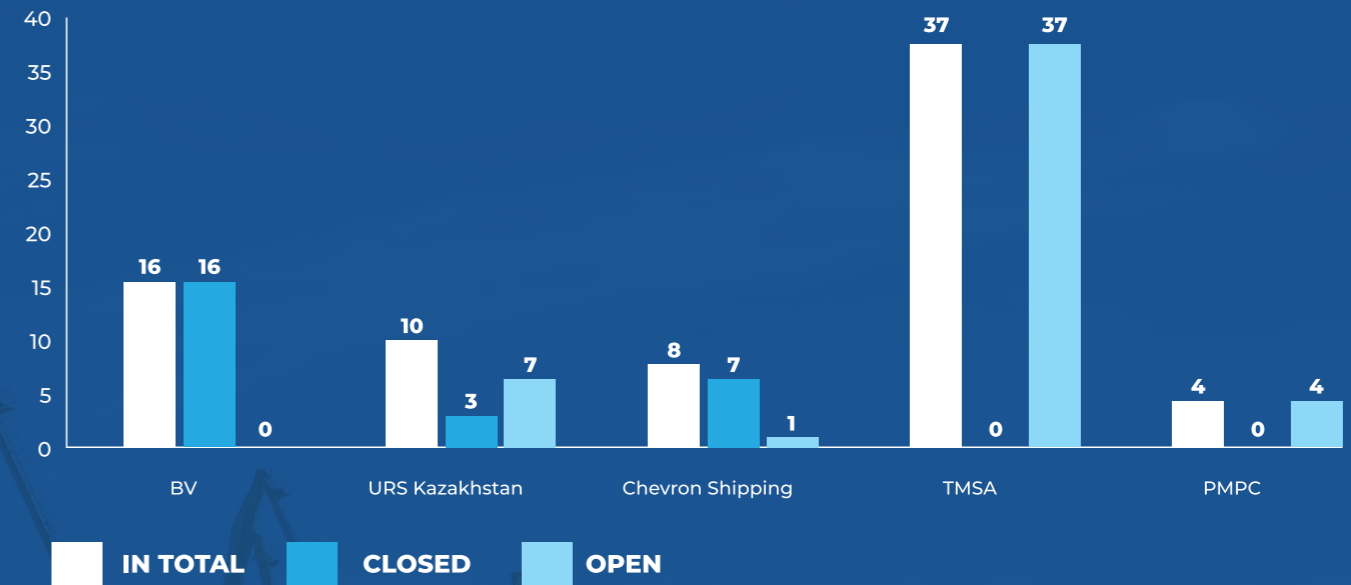
In the period 2023, third-party inspections were carried out at the KMTF.

In September 2023, KMTF conducted an external inspection audit for compliance with the requirements of international standards ISO 9001, ISO 14001, ISO 45001 and a recertification audit for compliance with the requirements of state standards ST RK ISO 9001, ST RK ISO 14001, ST RK ISO 45001 of the Integrated Management System of KMTF LLP "URS-Kazakhstan".

The audit revealed 10 minor inconsistencies and 6 observations. Of the inconsistencies: 7 to 9001, 2 to 14001, 1 to 45001.

In June 2023, the KMTF Safety Management System was inspected by Bureau Veritas. 16 inconsistencies have been exposed and closed.

Third Party Audit 2023.
The company.

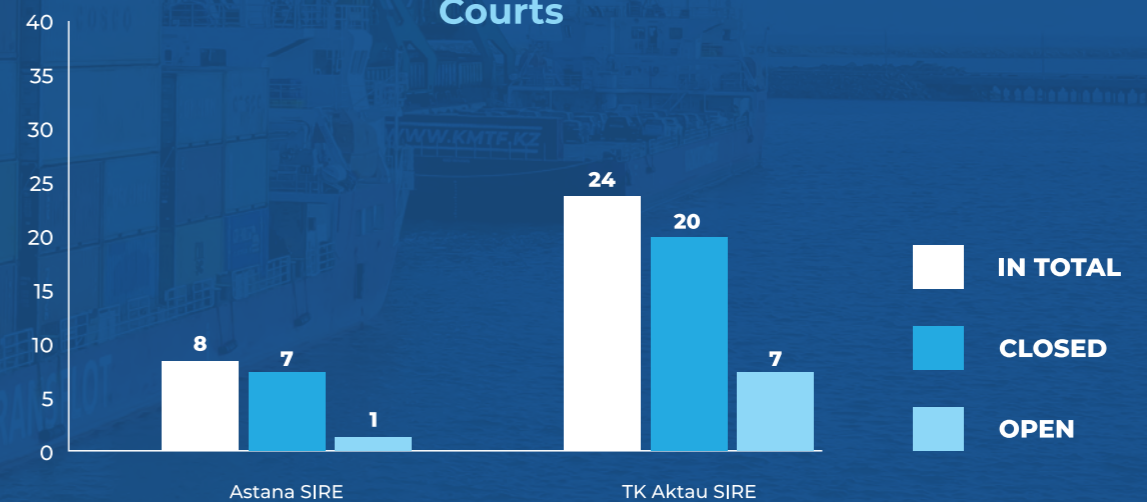


Audits of third parties (Courts)

In the period 2023, third-party inspections were carried out on KMTF vessels.

As part of the comments made during the audits of the first party, the audit of the second party and the audit of the third party of the company and KMTF vessels, as well as technical/environmental/navigation/labor protection inspections, corrective and Preventive Action Plans have been developed aimed at ensuring timely elimination of comments and the development of preventive actions in order to avoid repetition and improving the quality and safety of KMTF.

Third Party Audit 2023.
Courts



AUDIT REPORT FROM ERNST & YOUNG



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Independent auditor's report

To the Management and Participant of "National maritime shipping company "Kazmortransflot" Limited Liability Partnership

Opinion

We have audited the consolidated financial statements of "National maritime shipping company "Kazmortransflot" Limited Liability Partnership and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated 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 consolidated financial statements* section of our report. We are independent of the Group 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 ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of management and the Supervisory Board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken 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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board 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.

Ernst & Young LLP



Dinara Malayeva
Auditor

Auditor qualification certificate
No. МФ-0000323 dated 25 February 2016

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower
21 February 2024



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2023

<i>In thousands of Tenge</i>	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	5	40.901.925	43.337.826
Right-of-use assets	6	95.003	-
Investment properties	7	455.842	468.427
Intangible assets	8	55.155	62.683
Investments in a joint venture	9	7.120.046	-
Restricted cash	10	1.000	1.000
Advances paid for non-current assets		-	33.152
Other non-current assets		50.671	42.382
		48.679.642	43.945.470
Current assets			
Inventories	11	1.289.679	1.224.194
Income tax prepaid		431.886	169.451
Trade and other accounts receivable	12	9.714.515	18.995.013
Cash and cash equivalents	14	11.164.460	8.753.374
Restricted cash	10	-	1.061.616
Other current assets	13	1.516.538	1.236.313
		24.117.078	31.439.961
Total assets		72.796.720	75.385.431
Equity and liabilities			
Equity			
Charter capital	15	18.625.721	11.575.721
Foreign currency translation reserve		7.601.423	8.088.782
Retained earnings		36.725.464	27.674.093
Total equity		62.952.608	47.338.596
Non-current liabilities			
Lease liabilities	17	15.910	-
Provisions		65.261	56.972
Deferred income tax liabilities	26	588.967	833.266
		670.138	890.238
Current liabilities			
Current portion of loans received	16	-	11.929.893
Lease liabilities, current portion	17	77.730	-
Trade and other payables	18	8.550.278	14.701.974
Income tax liability		176.824	79.113
Other current liabilities	19	369.142	445.617
		9.173.974	27.156.597
Total liabilities		9.844.112	28.046.835
Total equity and liabilities		72.796.720	75.385.431

General Director
Finance Director
Chief Accountant


A. Y. Orzhanov

R. G. Suleimenov

A. O. Bekzhanova

For the year ended 31 December 2023

<i>In thousands of Tenge</i>	Note	2023	2022
Revenue from contracts with customers	20	134.578.827	120.389.035
Rental income	21	7.279.263	5.615.166
Revenue		141.858.090	126.004.201
Cost of services rendered	22	(125.560.503)	(103.602.787)
Gross profit		16.297.587	22.401.414
General and administrative expenses	23	(2.704.666)	(2.862.734)
Selling expenses		(1.023.283)	(935.683)
Impairment loss	5	(895.216)	(1.801.374)
Other operating income	24	731.243	595.109
Other operating expenses	24	(416.143)	(376.353)
Operating profit		11.989.522	17.020.379
Finance income	25	337.715	149.030
Finance costs	25	(175.641)	(756.386)
Share in profit of jointly controlled entity	7	48.279	-
Foreign exchange difference, net		(34.862)	181.105
Profit before tax		12.165.013	16.594.128
Income tax expense	26	(3.113.642)	(4.223.242)
Profit for the year		9.051.371	12.370.886
Other comprehensive income			
<i>Amounts of other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Exchange differences on translation of foreign operations		(487.359)	1.022.314
Other comprehensive (loss) / income for the year, net of taxes		(487.359)	1.022.314
Total comprehensive income for the year, net of tax		8.564.012	13.393.200

General Director
Finance Director
Chief Accountant


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