



CAEPCO: 10 ENERGETIC YEARS



On December 20, 2018, a solemn event was held in Astana devoted to the 10th Anniversary of Central-Asian Electric Power Corporation JSC (CAEPCO). Employees of the Holding's Group of Companies and guests who came to congratulate their colleagues and partners with that significant date met for the festive evening.

During the event, the guests of honor made a welcoming address to the corporate employees. As part of the event, the best employees of CAEPCO JSC and its subsidiaries were awarded and distinguished.

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Achievements over

10 years:



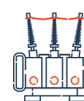
140,5 bln KZT

has been invested in the energy assets modernization



64,5%

share of updated power capacities



786 MW

overall power of installed turbine units



1 120 Gcal/h

overall power of installed boiler units



288 MW

installed electric capacity growth



210 Gcal/h

installed heating capacity growth



67,5 km

total length of constructed and reconstructed heating networks using pre-insulated pipes



45,3 km

total length of the replaced thermal insulation using a foamed polyurethane shell



1 508 km

total length of reconstructed power lines of 35 kV or more



1 408 km

total length of reconstructed power lines of 0,4-10 kV or more



6

social facilities have been installed and are being built in regions of Kazakhstan with the participation of CAEPCO and CAPEC

A NEW SWIMMING POOL AS A GIFT TO PAVLODAR PEOPLE

On December 12, 2018, a new 50-meter swimming pool of "Ertis OLYMPIC" was set up in the Usolka Microdistrict of Pavlodar. Central-Asian Power Energy Company JSC (CAPEC) and PAVLODARENERGO, its subsidiary, - were among the companies involved in the social project implementation.

As known from the Pavlodar Region Department for Physical Education and Sports, based on the pool, sportsmen will be able to engage in sports activities under conditions that meet international standards.

It is a reminder that in 2016, a memorandum on the joint social project implementation was signed between the Pavlodar Region Akimat and CAPEC JSC. In December of 2017, a 200 student capacity hostel was set up for students of the Pavlodar Installation College. In the summer of 2019, the construction of a high-rise residential building for employees of the PAVLODARENERGO's Group of Companies is to be completed.

The implementation of the memorandum confirms the status of PAVLODARENERGO as a socially responsible company, which pays attention to the development of the Pavlodar Region.



Photo by Vladimir Bugaev

"I am pleased to congratulate the Pavlodar people residents on the implementation of so necessary and significant project, - said Alexander Klebanov. - We are proud to have taken part therein, and do hope that the new pool will become an excellent place for the rest, recreation and health promotion of those people who live both in the Usolka Microdistrict and Pavlodar in general."

In Astana, the results of the Paryz 2018 business social responsibility competition were announced. SEVKAZENERGO JSC was declared winner in the nomination of "For contribution to the environment". The Chairman of the Board of Directors of SEVKAZENERGO JSC Dyusenbai Turganov participated in the awarding ceremony.

FIVE YEARS LATER – THE WINNER AGAIN



The Paryz 2018 business social responsibility competition was established by the President of the country Nursultan Nazarbayev in 2008, since then it has been held annually. It should be noted that in 2013, SEVKAZENERGO JSC became the winner of a republican competition in the nomination of "For Contribution to the Environment". Five years later, Paryz returned to power engineers again.

The SEVKAZENERGO JSC's Development Strategy of is aimed at improving not only production but environmental indices as well. The Company's environmental protection and safety policy involves the continuous improvement of the quality management system, the environmental impact minimization, and the improvement of production conditions. In 2007, SEVKAZENERGO JSC was among the first in Kazakhstan to be certified for the compliance with the requirements of the Kazakhstan standard of ST RK Series14000, and in 2017, the Company succeeded in the second recertification audit for the compliance with the requirements of international standards.

THE INSTALLED CAPACITY OF THE PAVLODAR CHP-3 HAS INCREASED UP TO 555 MW

The Pavlodar CHP-3 has completed a deep reconstruction of the Station Turbine Unit No. 6, as a result of which the installed turbine capacity has increased to 125 MW. The total installed capacity of the whole combined heat and power plant is 555 MW now. In the project implementation, technologies were used that made it unique in Kazakhstan and within the CIS.



"We started working on the project in 2016, - said Oleg Perfilov, General Director of PAVLODARENERGO JSC. - It was necessary, since the turbine unit had operated since 1977 and exhausted its economic life. The replacement of the turbine unit is the result of our joint work with the Ural Turbine Plant, the Novosibirsk Scientific and Production Association "ELSIB", GERB, a German company, and the Design Institute of Sevkazenergoprom."

A new unit is mounted on a steel frame weighing 358 tons on reinforced concrete columns. 12 GERB vibration insulators are installed between the steel frame and the columns. The uniqueness of this decision is that there are no such projects within the present-day Kazakhstan and the CIS countries. Under the supervision of engineers from Germany, installation and adjustment of all 12 vibration insulators have been completed, and spring elements have been installed under the turbine condenser. The turbine unit has been installed in recordingly short time – during five and a half months whereas 12 targeted months were specified.

CAPEC HAS PAID OFF COUPON BONDS: 79% WAS PAYMENTS TO JSC UNIFIED NATIONAL PENSION FUND

On December 7, 2018, CAPEC fully redeemed a 10-year bonded loan (NINKZ2C0Y10D307). The amount of redemption including payment of coupon remuneration was KZT 17 019 864 075, of which the amount of payment to Unified National Pension Fund JSC as a principal bondholder was KZT 13 471 735 000.

In 2008, CAPEC JSC successfully placed coupon bonds with a maturity of 10 years (the circulation start date - 02.12.2008). The sustainable development of the CAPEC Holding ensured the investment attractiveness to the placed bonds and involved a wide range of participants. The most principal bondholder was Unified National Pension Fund JSC (79% of payments). The amount of payments thereto to redeem the bonded loan of CAPEC JSC paying a coupon remuneration was equal to KZT 13 471 735 000. All obligations specified in the prospectus of bond issue were met. The total amount of attracted funds of the bonded loan was allocated to implement an investment program for CAPEC JSC's enterprises including support of modernization projects in the Kazakhstan power and heating energy sector. It should be noted that CAPEC JSC performs their financial obligations in a timely manner, within a specified time. Being aware of the high responsibility to its investors, the Company allocates the raised funds strictly for their intended purpose confirming the status of a responsible borrower aimed at a long-term cooperation.

WE ARE IN FACEBOOK

With a view to increase the accessibility and the openness to customers and partners, CAEPCO JSC has set up a page on the social network of Facebook. Current news, photos and videos about the activities of the Holding Company will be posted on the page as well as useful and interesting information on the energy sector.

Welcome to the CAEPCO's page:
<https://www.facebook.com/CAEPCO>

According to Kursiv Research, Central-Asian Power Energy Company JSC has been included in the rating of the 40 fastest developing companies in Kazakhstan.

CAPEC IS IN THE TOP-40

As the Publishing House notes, the rating was made by the relative growth of the Company's revenues over 2017 by 2014 and priority was given to the consolidated audit reports.

At the first stage of the calculation, a long list of companies was drawn up based on the List of Large Taxpayers to be monitored by the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan and Issuers of National Securities of the Kazakhstan Stock Exchange, of which 40 were selected by revenue growth over the past three years. CAPEC JSC ranks 37th in the rating.

"According to the Consolidated Financial Statement over 2017, the proceeds of JSC CAPEC amounted to 137,37 bln. KZT, which is 25,9% more than in 2014. And the Group's profit for the last year was 9,36 bln. KZT. The main factors that influenced the level of revenues are, first of all, the increase in the economic activity in Kazakhstan and the GDP growth as well as the updating of the Company's generating assets, - the Publishing House notes. - And the increase in the volumes of electric energy production due to the growth in demand of individual consumers is of importance."

PAVLODARENERGO AND SEVKAZENERGO ARE IN THE TOP-50

According to Forbes Kazakhstan, the subsidiaries of CAEPCO JSC - PAVLODARENERGO JSC and SEVKAZENERGO JSC have been included in the rating of the 50 largest private companies of the Republic of Kazakhstan ranking 18th and 33rd, respectively.



The rating includes those companies operating in Kazakhstan, in the capital of which the citizens of the Republic hold at least a 50% share. More than 300 companies are put on a long list, of which 50 have been selected by the level of revenues and the number of employees.

CAEPCO - NOMINEE OF ANNUAL REPORT COMPETITION

As part of the VIII Annual Competition, the Annual Report of CAEPCO JSC has become the nominee (third place) in the category of "The best disclosure of information on sustainable development". Moreover, the Company's Annual Report has been in the top-5 of the best reports in the non-financial sector for three consecutive years.



The competition is held by Expert RA Kazakhstan with the assistance of the Kazakhstan Stock Exchange JSC. In 2018, as part of the competition, 107 annual reports of Kazakhstan companies have been evaluated including 43 financial organizations and 64 non-financial ones.

"The business transparency implies the provision of stakeholders with information, which might allow them to take reasoned decisions. However, the openness is based not only on the amount of information disclosed but also on its qualitative characteristics such as clarity, reliability and materiality thereof. - notes the scientific project manager Vasilii Kalabin. - The winners of the competition were able to demonstrate that they could effectively communicate with their stakeholders through annual reports."

The study referred to as "The Annual Report of 2018: New Guidelines for Communication" prepared by Expert RA Kazakhstan notes that CAEPCO has been setting a good example of high-quality disclosure of information on sustainable development in accordance with the international GRI standards for several years. In addition, analysts have expressed a high opinion on the quality of the risk management information disclosure in the Company's Annual Report.



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Vladimir Baranov, Technical Advisor to the Akmola Electric Distribution Company, and Victor Barmin, Director of the Petropavlovsk CHP-2 of SEVKAZENERGO JSC were awarded a Medal of "Veteran of Labor". A Badge of "Honored Power Engineer" was awarded to Vladimir Shevtsov, Director of CHP-2 of PAVLODARENERGO JSC.



Sergei Kan, President of CAEPCO JSC, Dyusenbai Turganov, First Vice-President of CAEPCO JSC, and Oleg Perfilov, General Director of PAVLODARENERGO JSC, were awarded medals of "For the Contribution to the Energy Industry". The honorary title of "The CIS's Honored Power Engineer" was awarded to Vitaly Fesko, Deputy General Director for Production of North-Kazakhstan Electric Distribution Company. A Certificate of Honour of the Kazakhstan Electricity Association was given to Slushash Kabdykesheva, Chief Accountant of



Akmola Electric Distribution Company, and Amir Kakenov, Senior Foreman of the 10-0,4 kV High-Voltage Line City Service of North-Kazakhstan Electric Distribution Company. Svetlana Fyodorova, Director of AEDC-Energosbyt LLP, Anatoly Kazanovsky, General Director of North-Kazakhstan Electric Distribution Company, and Bagdat Oral, Vice-President for Energy Sales of CAEPCO JSC, were awarded the titles of the KEA's Honorary Power Engineers. The title of "The KEA's Honored Power Engineer" was awarded to Alla Yazovskaya, Vice-President for Economics and Finance of CAEPCO JSC, Nail Saifullin, General Director of Akmola Electric Distribution Company, Alexander Zinkevich, General Director of ASTANAENERGOSBYT LLP, and Nikolai Obyedkov, Head of the Service Centre No. 4 of ASTANAENERGOSBYT LLP. 57 employees of the Group of Companies were awarded certificates of honour and letters of thanks by CAEPCO JSC. As part of the event, a performance of the KVN (humour competition) was held, prepared by employees of the CAEPCO



JSC's subsidiaries. Following the performance, the winners were decided in four nominations:
 - "The Most Energetic Team" - the team of SEVKAZENERGO JSC;
 - "The Most Creative Team" - the team of Akmola Electric Distribution Company;
 - "The Most Artistic Team" - the team of PAVLODARENERGO JSC.
 - "The Most Music Team" - the team of ASTANAENERGOSBYT LLP;

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