



NITEC

ANNUAL REPORT

2023



Dear colleagues and partners!

I welcome you on behalf of the Board of Directors of National Information Technologies JSC. We would like to present you the Annual Report of National Information Technologies JSC, which reflects the key results of the implementation of our Company's development strategy for 2023.

Last year was full of significant events and achievements.

One of the most important achievements that enhanced the international image of the country and the Company was the recognition of our products by the international community, which allowed us to export our IT solutions in the field of e-government development for the first time and to conclude licence agreements with the Republic of Tajikistan on granting permission to use the Smart Data Ukimet, the Single Platform of Government Agencies' Websites and the Smart Bridge platform.

The expansion of international partnerships continued, with a number of memoranda of understanding and cooperation signed in 2023, including with the Kyrgyz Republic, the Kazakhstan International Development Agency "KazAID", the Ministry of Foreign Affairs of the Republic of Kazakhstan and the Eurasian Development Bank. Under the framework of the Digital Almaty 2023 international forum, a memorandum was signed with the National Information Agency (NIA) of the Republic of Korea.

During the year we have successfully enhanced our products and services in response to new market demands and customer needs. Special attention has been paid to innovation and the development of advanced solutions that not only meet, but exceed the expectations of our users.

A significant contribution to automation has been reached through availability of more than 90% of public services in electronic format.

Another landmark achievement was the creation of the Qaztech platform along with development and data management tools, providing uniform standards at every stage of the life cycle of government information systems, significantly facilitating the creation, modernization and improvement of information systems.

I would like to emphasize that all our successes and achievements are the result of the effective and coordinated work of the Company's employees, the members of the Board of Directors, the Management Board, and our partners.

I would like to express my gratitude to all the employees of National Information Technologies JSC for their effective work, and to our partners for their trust and long-term cooperation.

Together, we are shaping a future where technology becomes a trusted tool for solving the most challenging tasks.

**Yours faithfully,
Chairman of the Board of Directors
National Information Technologies JSC
Almaz Amanzholov**

Dear friends!



National Information Technologies JSC plays a key role in the development of information and communication technologies in the country. The Company is engaged in the creation and implementation of various digital solutions and services for the public sector, which contributes to the automation of government processes and the improvement of the quality of services provided to the public.

International cooperation was actively developed during the reporting year. In addition to a number of memoranda of understanding signed with the Kyrgyz Republic, the Kazakh Agency for International Development (KazAID), the Ministry of Foreign Affairs and the Eurasian Development Bank, and the Republic of Korea, the Company concluded contracts for the supply of its products to the Republic of Tajikistan, which opened up new prospects for the Company's development. The Company also participated in Digital Bridge 2023 and Digital Almaty 2023, where it showcased its solutions.

The past year has been a time of challenges, opportunities and significant achievements for us. In the fast-changing world of digital technologies, we have successfully maintained and even strengthened our leading positions, thanks to the well-coordinated work of our team and the trust of our customers.

Thus, by the end of 2023, 12 new services were added to the eGov portal in the fields of land relations, transport and communication, finance and social security, a total of 342 services became available, over 32 million of services have been delivered and the number of portal users exceeds 90% of the economically active population. The "Digital Data" and "Surveys" components have been introduced to the eGov Mobile application, the "Digital Documents" component has been modified and the number of available digital documents is constantly increasing, the "Military Registration" section has been created, a total of 205 services are available, 12.8 million services have been delivered, 8.8 million users are registered in the mobile application.

Another success for the Company was the recognition of the Smart Data Ukimet project at the ADV conference held in Vienna, Austria, where it was among the TOP-5 projects and nominated for the Data Excellence Hero Award, given to professionals in the field of working with big data.

In fulfilment of the Head of State's address to the people of Kazakhstan, the Qaztech platform was created, a cloud solution with development, data management and security tools. As part of the launch of the QazTech platform, three information systems were migrated and one service was created: a single platform of government agencies' websites; a showcase of Smart Bridge services; the website of NITEC JSC; a service for limiting participation in gambling and/or betting, which is available in the Egov Mobile application.

To create a fault-tolerant infrastructure for GovTech, the Company acquired a new Data Center for 200 racks in Astana. The new Data Center provides a level of reliability – TIER3 Uptime Institute.

The Company is constantly working to improve the quality of its services, and in the reporting year it scored 4.44 out of a possible 5.00 points in a survey conducted by the Ministry of Digital Development and Aerospace Industry of the Republic of Kazakhstan on the quality of services provided by NITEC JSC to government agencies and local executive bodies. These activities help us to identify vulnerabilities and focus our attention on them.

I would like to acknowledge the contribution of each and every employee of the Company to our common cause. Your dedication, professionalism and commitment to excellence have become the foundation of our success. I would like to express my gratitude to the members of the Board of Directors and to the Sole Shareholder - our achievements are a collective achievement.

Together we will conquer all heights and I am optimistic about the future of our Company.

Yours faithfully,
Acting Chairman of the Board of NITEC JSC
Dmitriy Mun

List of abbreviations

NITEC JSC - "National Information Technologies" Joint-Stock Company

MDDIAI - Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan

DC - Data Center

e-Gov portal - e-Government portal

ICT - Information and communication technologies

EL–e-License

CSC IIS – "Citizen Service Center" Integrated Information System

IPGO – Government Intranet

SOC – Security Operations Center

NCA – National Certification Authority

RCA – Root Certification Authority

CA GA– Certification Authority of Government Agencies

TTP - Trusted Third Party

AI – artificial intelligence

IC platform – infocommunication platform

RP-regional representative office

IS – information system

EPIR – single platform of government agencies` websites

SDU – Smart Data Ukimet

IC service – infocommunication services

SB - Smart Bridge

RPEP - backup e-Gov platform

EPS – electronic postal system

EG – electronic government

IT – information technologies

SC GA – Server Center of government agencies

RDC – Regional Data Center

ETS GO – Government Intranet

Egov - e-Government portal

DS – digital signature

DB GA IS – database of government agencies` information systems

NEET - Not in Education, Employment or Training

ITU – International Telecommunication Union

SD - structural division

NATIONAL INFORMATION TECHNOLOGIES JSC



24 years on ICT market of RK



100% regional coverage



1,900 full-time units including branches

- **Operator of the e-Gov information and communication infrastructure**

- **Operator of the national artificial intelligence platform**

- **National operator (national administrator) of the system of electronic vehicle passports (vehicle chassis passports) and electronic passports of self-propelled vehicles and other types of equipment**

CORE AREAS OF ACTIVITY:

- ✓ ensuring operation of communication channels for government agencies
- ✓ operation of Data Centers
- ✓ maintenance of information systems (e-Gov portal, e-Licensing, CSC IIS, Government Intranet, etc.)
- ✓ information security (ISC, NCA, RCA, CA of GA, TTP)
- ✓ development of the e-Gov IC platform
- ✓ creation of a national AI platform

NITEC JSC DEVELOPMENT PLAN for 2024-2033

Approved by the Resolution of the Government of the
Republic of Kazakhstan as of December 19, 2023 No. 1145

COMPANY MISSION

Development and digitalization of e-Gov ecosystem to enhance the interaction between citizens, businesses and the state

COMPANY VISION

Operator of Digital Government ecosystem and IT solutions in the field of public administration

Strategic areas of activity

Area 1. Development of the e-Gov information and communication infrastructure

Area 2. Increase of the Company's role in implementation of automated functions and public services resulting from them by government agencies, digitalization of real-life and business situations

Area 3. Increase in the efficiency of the Company's activities and growth of business reputation level



The founder of the Company is the Government of the Republic of Kazakhstan represented by the State Property Committee under the Ministry of Finance of the Republic of Kazakhstan

The government agency exercising the rights of ownership and use of the state block of shares of the Company, as well as the Sole Shareholder, is the Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan

OUR COMPANY IN FIGURES

IMPLEMENTATION OF STRATEGIC KEY PERFORMANCE INDICATORS in 2023

* fact 2022 / plan 2023 / fact 2023

99.95 / 99.75 / 99.94

Accessibility index of Government Intranet, %

99.99 / 99.75 / 99.99

Data Center Availability Index (Government Server Center and Regional Data Center), %

99.93 / 99.75 / 99.89

Accessibility index of IS supported by the Company, %

4.48 / 4.42 / 4.44

Customer satisfaction index, score

17.8 / 10 / 14.64

Profitability, %

13.3 / 15 / 15.41

Share of revenue from cloud services, %

31 511 / 36 639 / 39 094

Labor productivity per 1 employee from among production personnel, ths. KZT

15.4 / 20 / 17.9

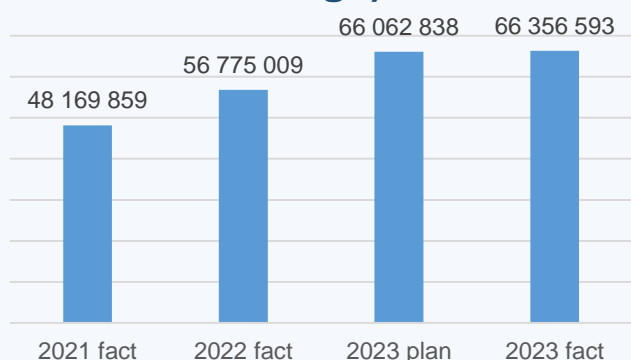
Personnel turnover, %

19.7 / 25 / 26

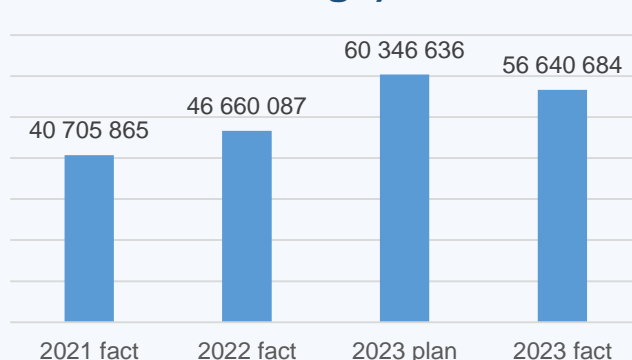
Increase in the percentage of women at the decision-making level up to 30% by 2030, %

EXECUTION OF FINANCIAL INDICATORS in 2023

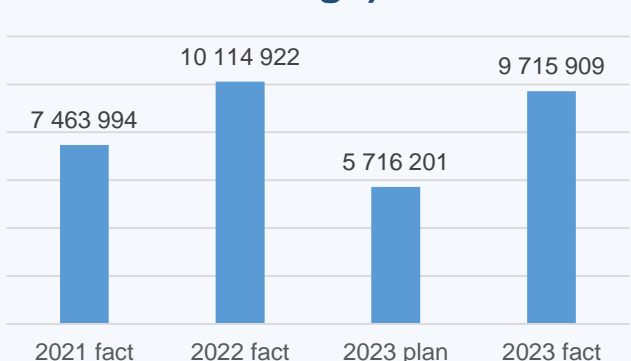
Revenue (thousand tenge)



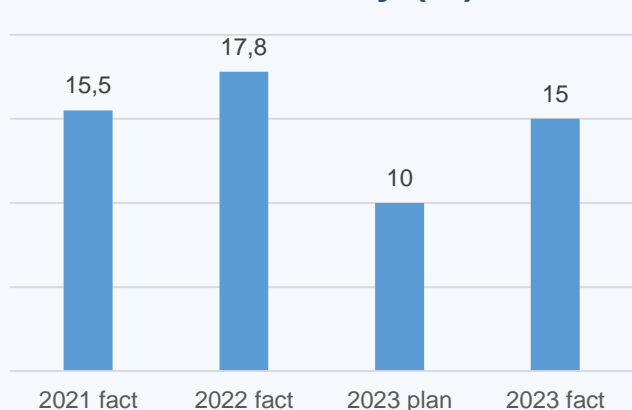
Expenses (thousand tenge)



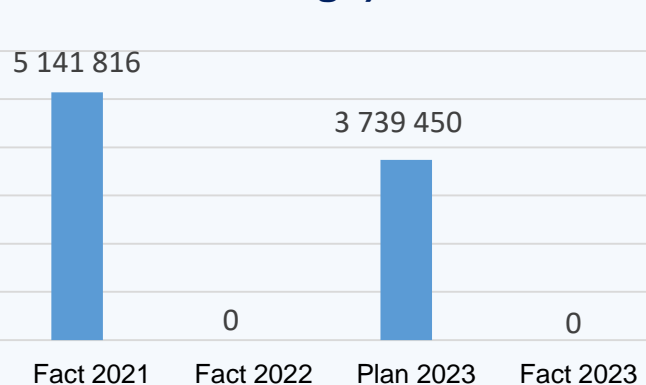
Net profit (thousand tenge)



Profitability (%)



Dividends paid (thousand tenge)



Number of shares, total

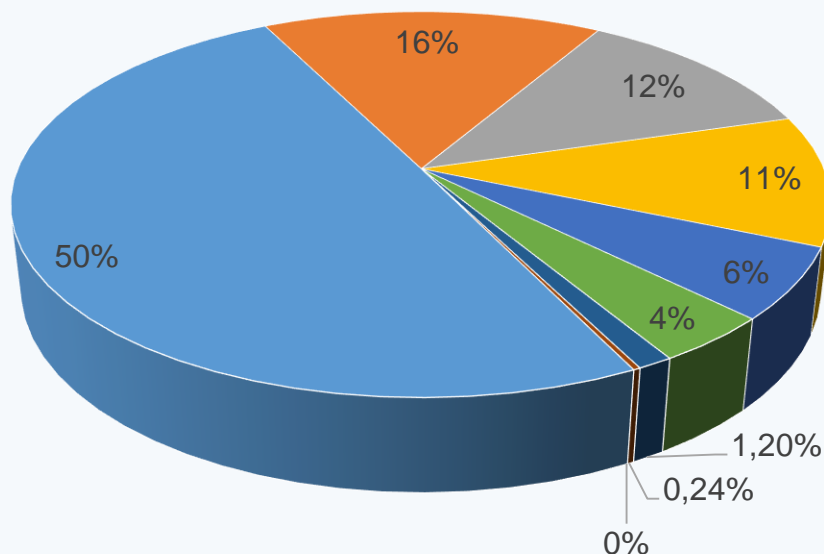
	Authorized	Outstanding
Ordinary	10,006,294	10,006,294
Privileged	-	-

Nominal value of one share, KZT

- 5,093,423 units of ordinary shares worth KZT 1,000 per 1 ordinary share
- 4,904,871 units of ordinary shares worth KZT 1,713.46 per 1 ordinary share
- 8000 units of ordinary shares worth KZT 1205.35 per 1 ordinary share

INCOME CONTRACTS OF NITEC JSC in 2023 IN THE CONTEXT OF SERVICES

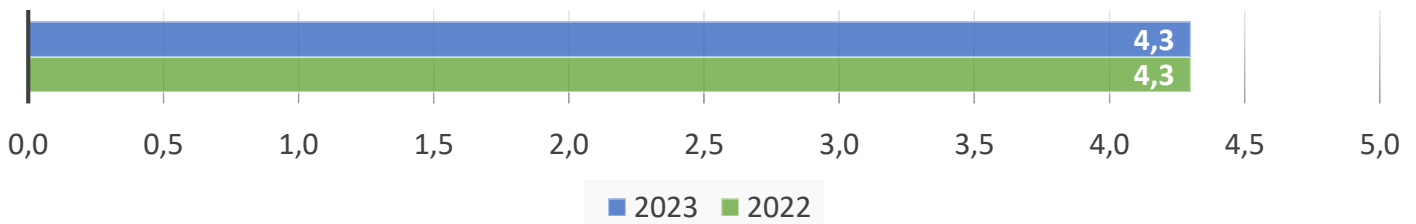
- Communication services
- Hosting, colocation, domains
- RP (own contracts)
- IS support
- IC services: EPIR, SDU,SB, RPEP, EPS, etc.
- System and technical maintenance
- Investment projects
- Information security
- Rent of the IC platform for EG (GovTech)



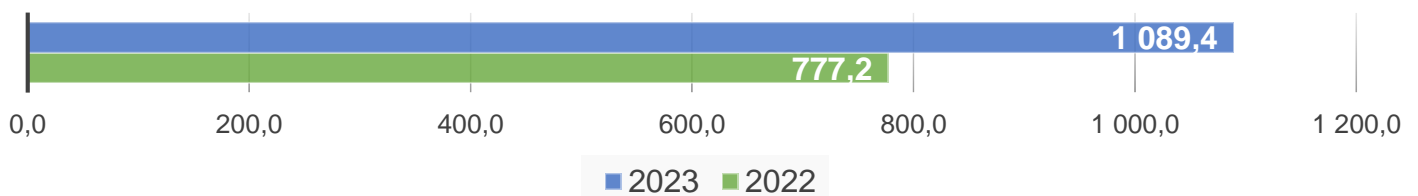
SERVICES	ths. KZT, including VAT	unit value,%
IS support	7,485,143	11%
System and technical maintenance	2,605,586	4%
Hosting, colocation, domains	10,811,661	16%
IC services: EPIR, SDU,SB, RPEP, EPS, etc.	4,159,435	6%
Communication services	34,708,683	50%
Information security	164,628	0,24%
RP (own contracts)	8,456,777	12%
Rent of the IC platform for EG (GovTech)	0	0%
Investment projects	845,837	1,2%
Total	69,237,750	100%

MARKET OVERVIEW AND REVENUE SHARE OF NITEC JSC

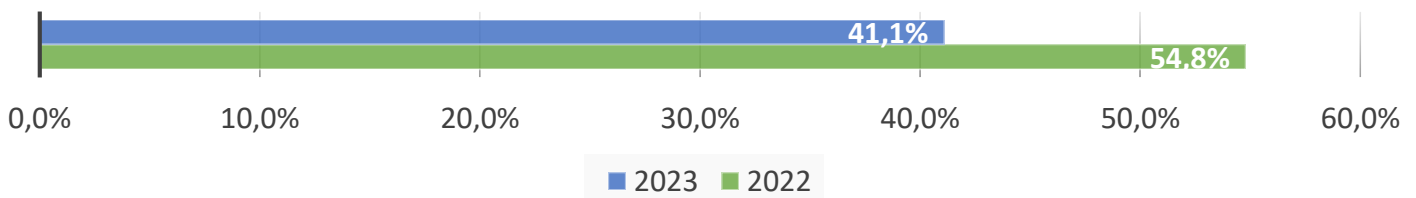
Share of the volume of production and sales of goods (services) of the information and communication technology industry in total GDP, in %



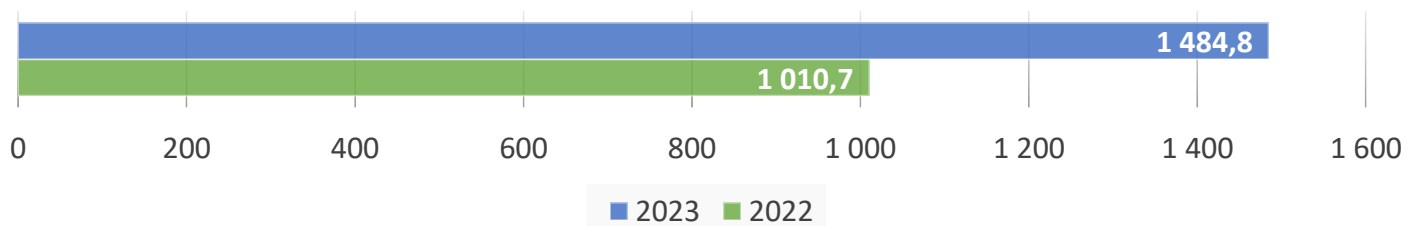
Volume of the IT market in the ICT industry, billion KZT



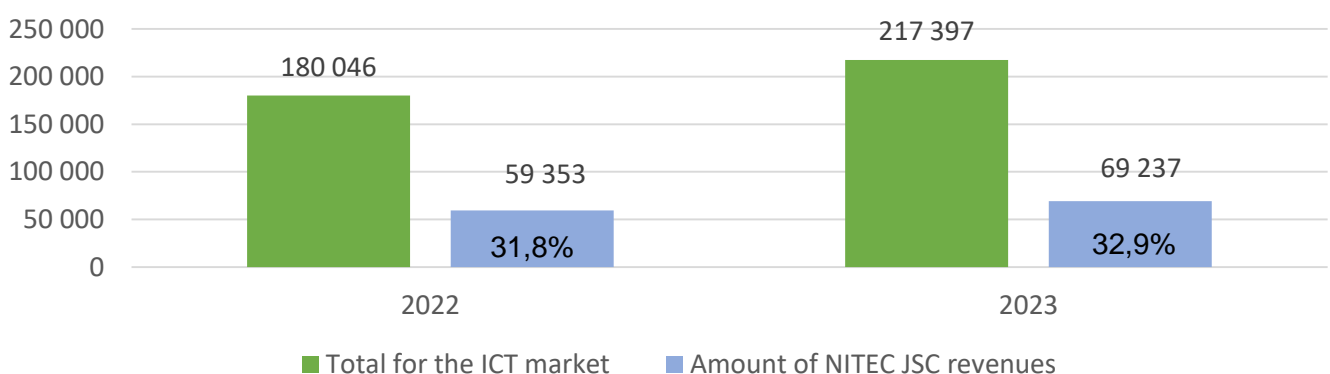
Share of IT services in the total volume of the IT market, in %



Volume of the IT services sector, million KZT



Volume of IT services provided to state-owned enterprises, million KZT

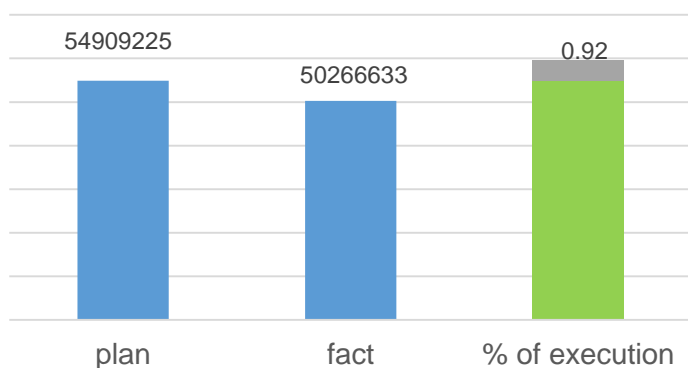


*Source of statistical data: www.investastana.kz, www.tadviser.ru, www.profit.kz, Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

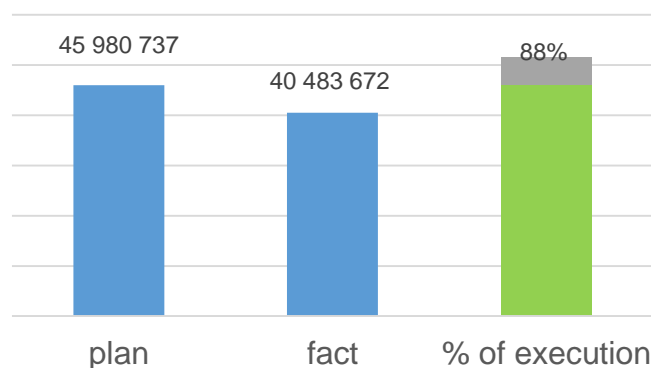
OVERALL INDICATORS

FOR 21 INVESTMENT PROJECTS in 2023 (fact)

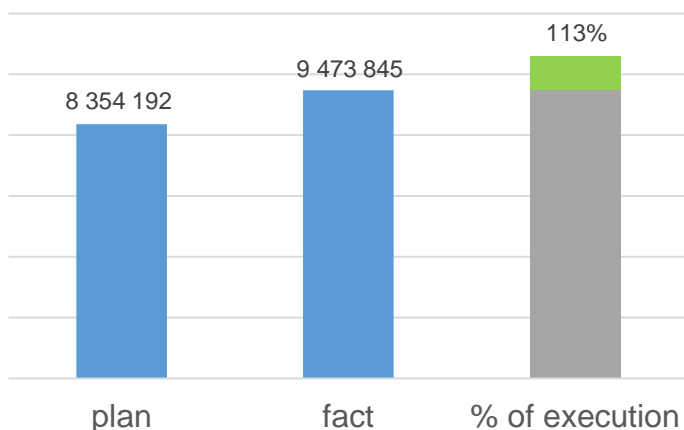
Revenue (ths. KZT, excluding VAT)



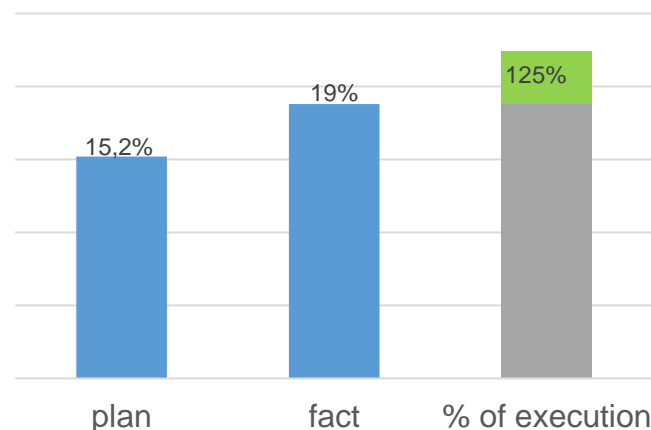
Expenses (ths. KZT, excluding VAT)



Net profit



Profitability (%)



Note: the plan data is presented according to the approved financial and economic models of investment projects
Performance data is presented taking into account internal income and expenses
Payment of corporate income tax in 2023 for investment projects other than ECM, Integrated Call Center, KazNedra (according to clause 2, Article 709 of the Code as a participant in the PIT Alatau FEZ) is excluded

STATEMENT OF FINANCIAL POSITION

AS OF December 31, 2023

in ths. KZT	Note	As of December 31, 2023	As of December 31, 2022
ASSETS			
Long-term assets			
Fixed assets	11	24,869,024	14,187,264
Right-of-use assets	10	1,070,009	4,866,232
Intangible assets	12	2,884,642	1,731,873
Total long-term assets		28,823,675	20,785,369
Short-term assets:			
Cash and cash equivalents	5	35,557,020	40,314,243
Short-term financial assets measured at amortised cost		-	100,119
Other short-term financial assets	6	109,136	115,299
Short-term trade and other receivables	7	1,411,047	703,713
Current income tax		489,668	348,379
Stocks	8	268,149	219,296
Other short-term assets	9	15,897,208	1,669,142
Assets (or disposal groups) held for sale		8,142	-
Total short-term assets		53,740,370	43,470,191
Total Assets		82,564,045	64,255,560
LIABILITIES			
Short-term liabilities			
Short-term trade and other receivables	13	22,065,918	16,000,992
Short-term estimated liabilities	14	1,928,289	654,245
Employee benefits	15	1,668,223	2,046,493
Short-term lease debt	10	956,995	4,657,373
Short-term contractual obligations of buyers		10,129	9,244
Other short-term liabilities	16	604,490	560,339
Total short-term liabilities		27,234,044	23,928,686
Long-term liabilities			
Deferred tax liabilities	25	906,950	31,534
Long-term lease debt	10	660,105	1,248,294
Total long-term liabilities		1,567,055	1,279,828
Capital			
Authorized capital	17	18,507,365	13,507,365
Retained earnings (uncovered loss)		35,255,581	25,539,681
Total capital		53,762,946	39,047,046
Total capital and liabilities		82,564,045	64,255,560

PROFIT AND LOSS STATEMENT

FOR THE YEAR ended December 31, 2023

(in thousands of KZT)			
<i>in ths. KZT</i>	Note	2023	2022
Revenue from the sale of goods, works and services	18	61,807,972	53,887,788
Cost of goods, works and services sold	19	(52 743 583)	(43 778 585)
Gross profit		9,064,389	10,109,203
Distribution costs		(1 255)	(810)
Administrative expenses	20	(1 583 404)	(1 648 572)
Financial income	21	4,401,753	2,569,958
Financial expenses	22	(447 496)	(889 506)
Other revenue	23	146,868	317,264
Other expenses	24	(133 783)	(292 585)
Profit before tax		11,447,072	10,164,952
Income tax expenses	25	(1 731 163)	(50 030)
Profit for the year		9,715,909	10,114,922
Other aggregate income		-	-
Total aggregate income per year		9,715,909	10,114,922

RESULTS OF 2023

KEY ACHIEVEMENTS



342 + 50
services

are available on the portal



more than
90%

of the economically
active population of the
country use the portal

34M

services delivered in
2023

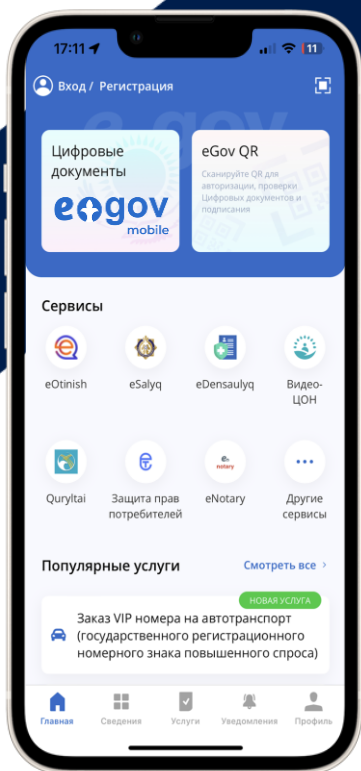
Twelve new services have been launched in the following areas: land relations, transport and communications, housing and utility services, finance and social security.

30 implemented proactive services

1. Assignment of state targeted social assistance;
2. Assignment of one-time payment for burial;
3. Assignment of benefits to a mother or father, an adoptive parent, a guardian (trustee) raising a child with a disability;
4. Assignment of the state social disability allowance;
5. Assignment of welfare benefit in case of disablement;
6. Assignment of state benefits to large families;
7. Placement (exclusion) into the waiting list for subsidized housing;
8. Assignment of the state basic pension payment;
9. Provision of exemption/deferral from military service;
10. Provision of hot meals to schoolchildren;
11. Assignment/extension of the Kandas status;
12. Notification of the unemployed about the opportunities for job search

etc.

RESULTS OF 2023 KEY ACHIEVEMENTS



1129
services

Services delivered
total: **62,5M**
in 2023: **12,8M**

users
Total: **8M**
in 2023: **1,2M**

2,8M
monthly active users
(MAU)



types of
digital documents

Total: **32**
for 2023: **7**

Information channel

- Total SMS: **741.4M**
in 2023: **225M**
- Total notifications: **14.5M**

eGov mobile now
Здравствуйте, ЮЛИЯ! Поздравляем с рождением ребёнка! Вы можете зарегистрировать рождение и получить пособие в eGov Mobile!

Connecting external portals of the government agencies



12 government agencies



Biometric identification
and DS issuance

50%

of all DS are issued via the
application



Signing of documents
using various options

total: **914.7K**
in 2023: **869K**



QR code (Mobile)



QR code (Desktop)



PUSH notification



In other application or browser

RESULTS OF 2023

KEY ACHIEVEMENTS



The **Smart Data Ukimet** project was nominated for the **Data Excellence Hero Award**, which is given to professionals in the field of working with big data, during participation at the **ADV Conference**, which took place in Vienna in April 2023. Following the presentation of the project to the expert jury, Smart Data Ukimet entered the **TOP 5** among more than 50 projects and was highly appreciated by international experts



Work has been carried out on the connection and maintenance of 83 databases of government agencies` information systems and the data in the databases of government agencies` information systems connected to the SDU IAS has been updated.

The analytical case "Analysis of citizens` registration in the waiting list to receive housing from the public housing fund or housing rented by a local executive body in a private housing fund" was implemented, thanks to which about 300 thousand people being illegally put on the waiting list were identified and the waiting time was potentially halved.

The following analytical dashboards were also implemented: "Monitoring the discrepancy of information in databases of information systems of government agencies", "Youth of the NEET category", "Monitoring the ecological state of the environment", "Analysis of the equity market of the Republic of Kazakhstan" and "Automation of jury selection".

Services for the proactive provision of benefits and allowances have been implemented.



The Company acquired a new data centre in Astana with a total area of 7,900 m². It has a capacity of 200 racks
The new Data Center provides fault tolerance at the TIER-3 Uptime Institute level.



Qaztech platform

In fulfilment of the Head of State's address to the people of Kazakhstan, the Qaztech platform has been created to provide uniform standards at every stage of the life cycle of government information systems. It is a cloud-based solution with development, data management and security tools. Facilitates the creation, modernization and improvement of IS.

Three information systems have been migrated and one service has been created:
Single Platform of Government Agencies` Websites(EPIR GO);
Showcase of Smart Bridge services;
NITEC JSC website;
Gambling and/or betting restriction service (Gambling restriction service is available in the Egov Mobile application)

RESULTS OF 2023

KEY ACHIEVEMENTS



Signing of a Memorandum of Mutual Cooperation between ITU and MDDIAI RK and NITEC JSC under the GovStack project

GovStack initiatives are aimed at sharing experiences of using digitalization products of participating countries

As part of the collaboration, it is planned to establish a GovStack support office in the region, which will act as a knowledge-sharing and technical support centre for states across the Central Asian and Caucasus regions

A GovStack development working group will be established to research the development of ICT in the region and promote the most popular and innovative projects.



Signing of a Memorandum of Cooperation between NITEC JSC and NIA

Signing of a Memorandum of Cooperation between NITEC JSC and NIA at the **Digital Almaty 2023**

Signing of the I Joint Statement of the Steering Committee. Defining the projects of the first year of cooperation

Study visit of the Kazakhstani delegation to Seoul (November 2023)

Conducting training on Data Management, Cloud IDC and AI



The following agreements were concluded under international cooperation in 2023:

Memorandum of Understanding between NITEC JSC and Infocom under the Ministry of Digital Development of the **Kyrgyz Republic**;

Memorandum of Understanding between NITEC JSC and **Kazakhstan Agency for International Development KazAID**;

Memorandum on mutual cooperation between the Investment Committee of the **Ministry of Foreign Affairs of the Republic of Kazakhstan** and the **Eurasian Development Bank**;

License agreements with the Ministry of Industry and New Technologies of the Republic of Tajikistan on granting non-exclusive property rights to permits (rights) to use the information and analytical system "**Smart Data Ukimet**", "**Single platform of government agencies` websites**", "**Smart Bridge Platform**" Showcase.

CORPORATE GOVERNANCE SYSTEM

National Information Technologies JSC (hereinafter – the Company) has established a corporate governance system in accordance with the requirements of the legislation of the Republic of Kazakhstan. The Company continuously improves its management approaches and principles to ensure that the rights of the Sole Shareholder and stakeholders are respected.

One of the major in-house documents of the Company is the Corporate Governance Code of National Information Technologies JSC.

The Company is guided by the Corporate Governance Code in order to systematize corporate governance, ensure transparency of activities and confirm the Company's readiness to follow the standards of good corporate governance.

The Company considers corporate governance to be one of the most important elements of responsible development and decision making that affects stakeholders.

In its daily practice, the Company strives to adhere to high standards of corporate governance and continually works to improve in this area, drawing on best practices.

In accordance with the Company's Corporate Governance Code, the Company's corporate governance is based on the following principles:

- principle of separation of powers;
- principle of protecting the rights and interests of the Sole Shareholder of the Company;
- principle of effective management of the Company by the Board of Directors and the Management Board of the Company;
- principle of sustainable development;
- principle of risk management, internal control and audit;
- principle of regulating corporate conflicts and conflicts of interest;
- principle of transparency and objectivity for disclosure of information about the Company's activities.

CORPORATE GOVERNANCE SYSTEM

BOARD OF DIRECTORS

The Board of Directors is the management body of National Information Technologies JSC, which carries out the general management of the Company's activities, except for resolving issues, which are under the exclusive competence of the Sole Shareholder and the Company's executive body according to the current legislation of the Republic of Kazakhstan and the Company's Charter.

The Board of Directors of National Information Technologies JSC ensures full transparency of its activities and reports annually on its activities to the Sole Shareholder.

The Board of Directors exercises its powers in accordance with the Laws of the Republic of Kazakhstan "On Joint-Stock Companies", "On State Property", the Charter and in-house documents of the Company.

The activities of the Board of Directors are based on the principles of reasonableness, efficiency, activity, integrity, honesty, responsibility, accuracy, professionalism, objectivity and regularity

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The composition of the Board of Directors as of January 1, 2023:



Askhat Orazbek
Chairman of the
Board of Directors



Bekbolat Moldabekov
Member of the Board of
Directors



Almaz Amanzholov
Member of the Board of
Directors



Rostislav Konyashkin
Member of the Board of
Directors



**Arman
Nurushev**
Member of the Board of
Directors
Independent Director



Viktor Pokussov
Member of the
Board of Directors
Independent
Director



**Nurmukhamet
Kanture**
Member of the Board of
Directors
Independent Director



**Ulan
Kairbekov**
Member of the Board
of Directors
Independent Director

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

At the end of 2023, the composition of the Board of Directors is as follows:



Askhat Orazbek
Chairman of the Board
of Directors



**Kairat
Myrzakhmetov**
Member of the
Board of Directors



**Rostislav
Konyashkin**
Member of the
Board of Directors



Arman Nurushev
Member of the Board
of Directors
Independent Director



**Ulan
Kairbekov**
Member of the Board of
Directors
Independent Director



**Gulzhan
Bekturganova**
Member of the
Board of Directors
Independent
Director

CORPORATE GOVERNANCE

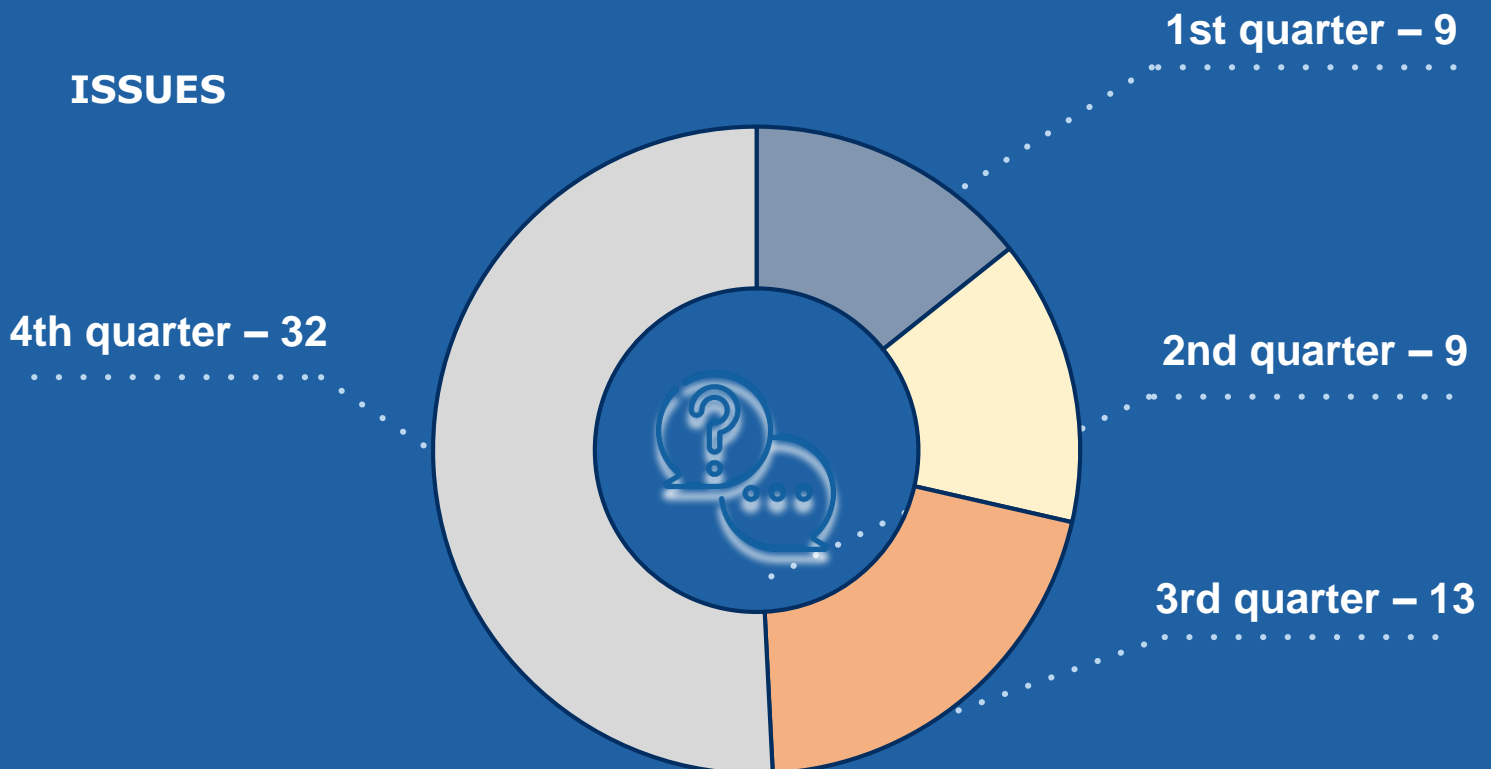
BOARD OF DIRECTORS

REPORT ON THE ACTIVITIES OF THE COMPANY'S BOARD OF DIRECTORS

The Chairman of the Board of Directors approved the Work Plan of the Company's Board of Directors for 2023, which was developed based on the principles of rationality, efficiency and regularity.

In 2023, 11 meetings were held, including 9 in-person and 2 in absentia. Following the 2023 results, the Company's Board of Directors reviewed and made decisions on 63 issues

ISSUES



CORPORATE GOVERNANCE

MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board of Directors is focused on addressing current tasks and issues within its competence. The list of issues and decisions are reflected in the relevant minutes and decisions of the meetings of the Board of Directors.

Participation of members of the Company's Board of Directors in meetings of the Board of Directors during 2023:

Members of the Board of Directors	The total number of meetings attended by a member of the Board of Directors	In-person meetings	In absentia meetings
A.Orazbek	11	9	2
B. Moldabekov	1	1	-
A. Amanzholov	-	-	-
K. Myrzakhmetov	5	4	1
R. Konyashkin	11	9	2
A. Nurushev	11	9	2
U. Kairbekov	11	9	2
N. Kanture	2	1	1
V. Pokussov	2	1	1
G. Bekturganova	9	8	1

*On June 22, 2023, by Order of the Minister of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan No. 204/NK, the powers of the members of the Board of Directors B. Moldabekov, A. Amanzholov, V. Pokussov, N. Kanture were terminated.

K. Myrzakhmetov and G. Bekturganova were elected to the Board of Directors.

CORPORATE GOVERNANCE

INDEPENDENT DIRECTORS

Pursuant to the Regulations on the Board of Directors of National Information Technologies JSC, at least half of the members of the Board of Directors should be independent directors.

During the reporting period, the Company's independent directors fully met the criteria for independence set out in the Law of the Republic of Kazakhstan "On Joint-Stock Companies".

According to the decision of the Winding-Up Committee of Zerde Holding JSC and the Order of the Minister of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan as of June 22, 2023 No. 204/NK, in 2023, the members of the Board of Directors, independent directors of the Company, were as follows:

- Arman Nurushev;
- Ulan Kairbekov;
- Nurmukhamet Kanture;
- Viktor Pokussov;
- Gulzhan Bekturganova.

CORPORATE GOVERNANCE

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to the Law of the Republic of Kazakhstan "On Joint-Stock Companies", Independent Directors – Members of the Board of Directors of the Company are paid remuneration and compensated for expenses related to the performance of their functions based on the the decision of the Sole Shareholder. The amount of such remuneration and compensation is determined by the decision of the Sole Shareholder of the Company.

In accordance with the procedure established by the Company, remuneration for the performance of duties of a member of the Board of Directors is paid for participation in meetings of the Board of Directors and Committees of the Board of Directors of the Company.

The total amount of remuneration paid to the members of the Board of Directors of the Company for the year ended December 31, 2023 amounted to KZT 17,077,500.

CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the Law of the Republic of Kazakhstan "On Joint-Stock Companies", Committees of the Board of Directors should be established in the Company to consider the most important issues and prepare recommendations to the Board of Directors.

The Committees of the Board of Directors consider the following issues:

- 1) strategic planning;
- 2) compensation and nomination;
- 3) internal audit;
- 4) social issues;
- 5) other issues stipulated by the Company's in-house documents.

The Committees of the Board of Directors consist of members of the Board of Directors and experts having relevant professional knowledge to work on a particular committee.

The Committee of the Board of Directors is headed by a member of the Board of Directors. Independent directors become the heads (chairmen) of the Committees of the Board of Directors and their responsibilities include consideration of the issues provided for in subclauses 1) to 4).

In accordance with the Corporate Governance Code of National Information Technologies JSC, Committees are established to conduct in-depth analysis and make recommendations on a number of important issues prior to their consideration by the Board of Directors. Pursuant to the decision of the Board of Directors of the Company, three Committees of the Board of Directors have been established and operate on a permanent basis in the Company:

1. Audit Committee;
2. Compensation and Nominating Committee;
3. Strategic Planning Committee

CORPORATE GOVERNANCE

ACTIVITIES OF THE BOARD COMMITTEES



STRATEGIC PLANNING COMMITTEE

During 2023, the Committee held 4 meetings and considered 14 issues.

The composition of the Committee as of January 1, 2023:

- Arman Nurushev, Chairman (member of the Board of Directors, Independent Director of the Company);
- Ulan Kairbekov, Committee member (member of the Board of Directors, Independent Director of the Company);
- Nurmukhamet Kanture, Committee member (member of the Board of Directors, Independent Director of the Company);
- Viktor Pokussov, Committee member (member of the Board of Directors, Independent Director of the Company).

The composition of the Committee as of December 31, 2023:

- Arman Nurushev, Chairman (member of the Board of Directors, Independent Director of the Company);
- Ulan Kairbekov, Committee member (member of the Board of Directors, Independent Director of the Company);
- Gulzhan Bekturganova, Committee member (member of the Board of Directors, Independent Director of the Company).



NOMINATION AND REMUNERATION COMMITTEE

During 2023, the Committee held 4 meetings and considered 21 issues.

The composition of the Committee as of January 1, 2023:

- Ulan Kairbekov, Chairman (member of the Board of Directors, Independent Director of the Company);
- Arman Nurushev, Committee member (member of the Board of Directors, Independent Director of the Company);
- Nurmukhamet Kanture, Committee member (member of the Board of Directors, Independent Director of the Company);

The composition of the Committee as of December 31, 2023:

- Ulan Kairbekov, Chairman (member of the Board of Directors, Independent Director of the Company);
- Arman Nurushev, Committee member (member of the Board of Directors, Independent Director of the Company);
- Gulzhan Bekturganova, Committee member (member of the Board of Directors, Independent Director of the Company)



AUDIT COMMITTEE

During 2023, the Committee held 7 meetings and considered 27 issues.

The composition of the Committee as of January 1, 2023:

- Nurmukhamet Kanture, Chairman (member of the Board of Directors, Independent Director of the Company);
- Arman Nurushev, Committee member (member of the Board of Directors, Independent Director of the Company).
- Ulan Kairbekov, Committee member (member of the Board of Directors, Independent Director of the Company).

The composition of the Committee as of December 31, 2023:

- Gulzhan Bekturganova, Chairman (member of the Board of Directors, Independent Director of the Company);
- Arman Nurushev, Committee member (member of the Board of Directors, Independent Director of the Company).
- Ulan Kairbekov, Committee member (member of the Board of Directors, Independent Director of the Company).

CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD OF NATIONAL INFORMATION TECHNOLOGIES JSC as of December 31, 2023

The Board manages the day-to-day activities of the Company and is responsible for implementing the Development Strategy and/or Development Plan and the decisions taken by the Board of Directors and the Sole Shareholder.

During 2023, 40 meetings were held and 131 decisions were made.



Rostislav Konyashkin

Chairman of the Board



Sayan Ashirbekov

Deputy Chairman of the Board



Assylbek Turganbekov

Deputy Chairman of the Board



Aray Urazova

Deputy Chairman of the Board



Dmitriy Mun

Deputy Chairman of the Board

CORPORATE RISK MANAGEMENT SYSTEM

The main goal of the current corporate risk management system of National Information Technologies JSC (hereinafter - Company) is to achieve an optimal balance between the growth of the Company, its profitability and risks, as well as to ensure sustainable development within the framework of implementation of strategic plans and achievement of established goals.

Risk management in the Company is regulated by the Risk Management Policy; Risk Identification, Assessment and Management Rules, as well as in-house rules and procedures developed in accordance with the best practices in the field of risk management such as ISO 31000 "Risk Management - Principles and Guidelines", ISO 9001:2015 "Quality management Systems. Requirements", ISO/IEC 27001:2013 "ISMS. Requirements" and ISO/IEC 20000-1:2018 "Information Technology (IT). Service Management".

Risk management is a management process and is integrated into all of the Company's business processes through the implementation and use of risk management models and tools and assignment in the Company's relevant regulatory documents of the responsibilities to the participants in the Company's risk management system and the procedure for carrying out work within the system.

THE CORPORATE RISK MANAGEMENT SYSTEM OF THE COMPANY IS A MULTI-LEVEL STRUCTURE:



First level - Sole Shareholder (makes strategic risk management decisions).

Second level - Board of Directors (determines the risk management policy). An Audit Committee has been established under the Board of Directors, which considers issues related to the control of the Company's risk management system.

Third level - Management Board (responsible for organizing an effective risk management system to ensure compliance with corporate policies).

Fourth level- Risk Management Service (responsible for organizing and coordinating the risk identification and assessment process).

Fifth level - structural divisions represented by each employee manage risks at the level of business process owners.

Internal Audit Service regularly evaluates the effectiveness of the corporate risk management system

CORPORATE RISK MANAGEMENT SYSTEM

In order to work effectively with risk factors and to stimulate the communication process in the Company, a **unified risk classification** has been introduced in the context of functional groups and subgroups of risks and their components, indicating the risk assessment:

Risk group	Characteristic	Risk assessment for 2023	Explanation
Strategic	Risk of losses resulting from changes or errors (deficiencies) in defining and implementing business and development strategies of the Company, changes in political environment, local economic conditions, industry downturn and other external system factors.	Average	The Company cannot allow strategic tasks to be disrupted as they are of national importance.
Financial	Risks related to the capital structure and reduced financial profitability: market risks (fluctuations in the prices for goods, works and services), liquidity risks, counterparty risks (fulfillment of contractual obligations)	Average	The Company is exposed to financial risks including price and liquidity risks. The Company may take minor financial risks as it has sufficient resources to respond to identified financial risks.
Project	The risk of deteriorating final indicators of investment projects/system software products caused by external and internal factors	High	In order for government programmes to be implemented, a number of project risks have to be taken on. Many programmes are driven by the strategic decisions of the Sole Shareholder, while some programmes carry significant project risks.
Operating	The risk of loss resulting from deficiencies or errors in the implementation of internal processes by employees (including personnel risks), the functioning of information systems and technologies (technological risks), information security, and from external events	High	The Company has sufficient resources to address the identified operational risks. Sufficient resources are available to cover minor operational risks.
Compliance	The risk of expenses (losses) arising as a result of violation of the requirements of the legislation of the Republic of Kazakhstan or inconsistency of practice with in-house documents, and in relations with non-residents of the Republic of Kazakhstan (legislations of other states)	Average	The Company does not tolerate non-compliance with existing legal and regulatory requirements.

THE COMPANY'S PERSONNEL POLICY

The full-time staff of the Company, including regional structural divisions, in 2023 amounted to 1,900 units

The Company is constantly working to improve its personnel policy:

IN 2023

- ✓ advanced training for 53 employees has been organized
- ✓ 179 employees benefited from non-financial employee incentives:



State awards - 2 employees



Departmental awards - 9 employees



Honorary certificates of MDDIAI - 18 employees



Recognition certificates of MDDIAI - 13 employees



NITEC JSC medals - 77 employees



Honorary certificates of NITEC JSC - 40 employees



Letters of appreciation from NITEC JSC partners and government agencies - 20 employees

- ✓ financial assistance was provided to 271 employees
- ✓ under cooperation with the country's universities, there are 37 memoranda with educational institutions
- ✓ 108 students have successfully completed on-the-job internship at the Company

SUSTAINABLE DEVELOPMENT OF COMPANY

The decision of the Board of Directors of the Company approved the Sustainable Development Policy No. 13 as of December 19, 2019 and the Action Plan for the Sustainable Development of the Company for 2023 No. 5 as of November 14, 2023. The foundations of sustainable development are to achieve the strategic goals of the Company without compromising its long-term sustainability, taking into account the interests of the various stakeholders. The Company's sustainable development policy takes into account all the aspects of the Company's activities, including economic, social and environmental aspects.

AS PART OF THE IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT POLICY AND ACTION PLAN, THE COMPANY HAS CARRIED OUT THE FOLLOWING WORK:

According to the 2023 results, 19 out of 24 tasks have been completed, 5 tasks have not been completed and 1 task has been postponed to 2024.

In implementation of economic aspects:

- Development Plan of National Information Technologies JSC for 2024-2033 was approved by the resolution of the Government of the Republic of Kazakhstan as of December 19, 2023 No. 1145;
- A separate accounting system has been introduced;
- Measures have been taken to monitor the quality of the services provided, to ensure the smooth functioning of the information systems and the e-Gov information and communication infrastructure, to train staff and users, to survey customers and to determine the level of satisfaction with the Company's services as part of improving the quality of the services provided by the Company;
- Agreements have been concluded with international companies for the Company's services (3 memoranda, 3 license agreements);
- An action plan as of February 23, 2022 has been developed and implemented to enhance and promote the image/reputation of the Company.

In terms of social aspects:

- 425 employees were employed, of whom 37 were postgraduate students (8.7%);
- In 2023, 45 team building and recreational events were held;
- On July 28, 2023, the Chairman of the Board approved an action plan for the implementation of a social support programme to improve housing conditions and compensate for kindergarten costs.

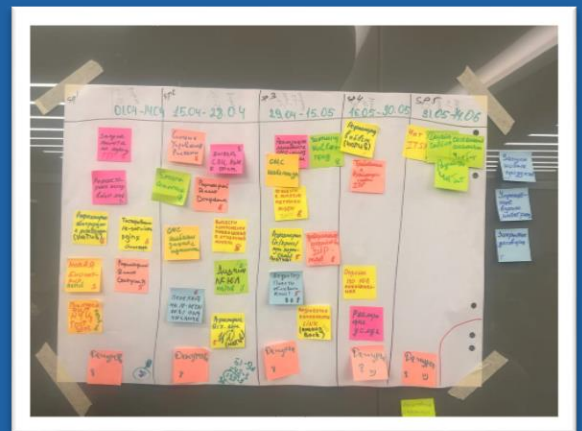
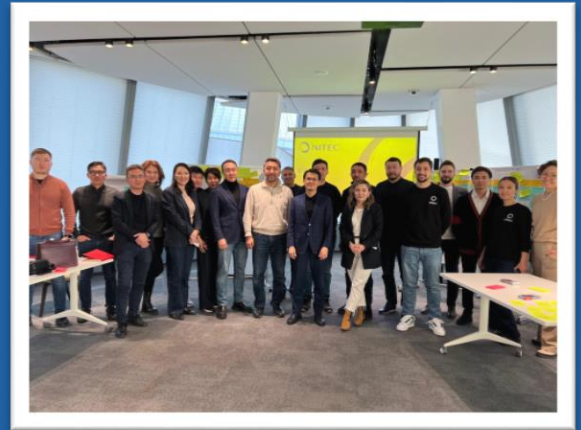
In terms of environmental aspects:

- The Company's employees took part in citywide environmental cleanups at the central and regional levels.

TRANSFORMATION PLAN

AREAS AND GOALS

The transformation process aimed at improving internal processes and operational efficiency of the Company was launched in 2023. Introduction of the Scrum methodology was one of the key steps. Two product teams and one cross-functional team were trained in December and began to actively use Scrum principles in their daily activities.



The results of the implementation will become visible in 2024, but the feedback from the training participants has been positive: there has been an improvement in the efficiency and quality of work, and an increase in inter-team interaction.

GOALS AND PLANS FOR THE FUTURE

AREAS AND GOALS

DEVELOPMENT OF THE E-GOV INFORMATION AND COMMUNICATION INFRASTRUCTURE



Development of Government Intranet



Development of data centers



Creation (development) of the e-Government information and communication platform

INCREASING THE COMPANY'S ROLE IN THE IMPLEMENTATION OF AUTOMATED FUNCTIONS AND THE RESULTING PUBLIC SERVICES BY GOVERNMENT AGENCIES, DIGITALIZATION OF REAL-LIFE AND BUSINESS SITUATIONS



Managing Data and AI



Ensuring reliable and safe operation of the e-Gov informatization objects placed on the e-Gov information and communication platform



Quality enhancement for online public services

INCREASE IN THE EFFICIENCY OF THE COMPANY'S ACTIVITIES AND GROWTH OF BUSINESS REPUTATION LEVEL



Increasing the recognition and attractiveness of the HR brand of NITEC JSC



Revenue growth and financial sustainability



Export



**THANK
YOU!**

2023