

PRESS RELEASE

Almaty

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KASE has adopted the Exchange's Development Strategy for 2022-2024

On December 3, 2021, the Board of Directors of the Kazakhstan Stock Exchange (KASE, the Exchange) approved the KASE Development Strategy for 2022-2024 (Strategy). The main goal for the coming period is to achieve and maintain the status of the leading exchange market in the region and increase the value of the Exchange for stakeholders.

KASE's development strategy is based on four key areas: increasing liquidity in the exchange markets by expanding the range of financial instruments and services, establishing trade and clearing links with partner exchanges, expanding the circle of issuers and investors; developing a central counterparty as a key infrastructure element; modernizing external and internal infrastructure and introducing innovations; increasing the value of the Exchange for stakeholders.

As part of the Development Strategy for 2019-2021, the Exchange has implemented major projects to modernize trading and clearing systems, transfer to an electronic listing format, provide membership and accreditation of audit organizations, and also implemented a number of projects aimed at increasing the liquidity of exchange markets.

The implemented projects provided KASE with new opportunities for further development of the market, the growth of its liquidity and the growth of investor confidence in it.

In the direction of increasing liquidity, tasks will be implemented to attract and activate investors, as well as to create incentives for companies, in particular small and medium-sized businesses, to enter the organized market.

In order to attract local and foreign investors, it is planned to introduce new instruments, establish trade and clearing links to currency pairs, and provide access to liquid securities traded on other exchanges.

As part of the Strategy, it is planned to introduce additional incentives for small and medium-sized businesses to enter the stock market, which will allow growing companies to diversify sources of financing between the banking sector and the stock market, and will also contribute to the transparency and sustainability of their business.

Systematic attraction of retail investors to the stock market is one of the priorities within the framework of the new Strategy of the Exchange, including through the introduction of new tools and further development of the foreign securities sector of KASE Global, as well as the implementation of large-scale programs to improve financial literacy and the development of a mobile application.

Today, the green bond sector in the world is a promising and fast-growing segment of the global financial market, the placement of which is actively supported by foreign stock exchanges. The Exchange, being one of the promoters of ESG policy in the corporate market of Kazakhstan, consistently promotes ESG standards among its companies, and also creates opportunities for financing "green", social projects on its market.

The new Strategy also provides for the tasks of creating new products and services in the field of sustainable development and their application in the Kazakh financial market. The Exchange plans to continue holding events among existing and potential issuers of the Exchange to promote sustainable development issues and determine whether there is interest in ESG instruments.

On the basis of KASE, the institution of a central counterparty has been implemented and is effectively functioning in all exchange markets. The launch and development of the services of the central counterparty ensures the reduction of the credit risk of participants, the guarantee of the completion of settlements on transactions, the reduction of transaction costs of participants due to cross-ranking and

netting. The next stage will be to bring the services of the central counterparty in accordance with the best international practices and standards.

The Exchange, being one of the key infrastructure elements of the financial market, pays special attention to the introduction of advanced technological solutions in accordance with the best international practices. As part of the new Strategy, it is planned to continue bringing the exchange's IT infrastructure in line with international standards, including achieving its high fault tolerance, as well as improving technologies for detecting suspicious behavior of bidders. It is planned to implement pilot projects on the introduction of digital financial instruments.

The Exchange plans to continue its work aimed at increasing the value for its stakeholders. Within the framework of the new Strategy, it is planned to continue work on improving the level of corporate governance, improving management reporting, and applying a project approach to the implementation of strategic objectives. These events will contribute to the sustainable development of KASE and increase its investment attractiveness, strengthen the strategic and competitive advantages of the Exchange.

Successful implementation of the Strategy will contribute to the achievement of world industry standards by the Kazakhstan stock exchange market, will allow KASE to become an effective market for attracting financing by domestic companies, and will also lead to an increase in trading volume in all Exchange markets and increase the confidence of interested parties in these markets.

For reference

Kazakhstan Stock Exchange JSC (KASE) is the leading stock exchange in the Central Asian region. KASE ranks second among the CIS exchanges in terms of securities trading volume, and fifth in terms of capitalization of the FEAS stock market.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, money market operations - repo and swap, as well as derivatives. KASE is a member of the International Federation of Stock Exchanges (WFE), the Federation of Eurasian Stock Exchanges (FEAS) and other international and domestic professional associations, as well as a participant in the UN initiative "Stock Exchanges for Sustainable Development".

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