

A blurred background image of a business meeting. In the foreground, a person's hands are holding a tablet. In the background, another person is holding a smartphone. A large screen displays a line graph with the word 'EAS' visible. The scene is lit with warm, bokeh-style lights.

IPO – how to become a public company

IPO – primary official offering of shares among an unlimited range of persons

Platform KASE
the best choice
for IPO

IPO is a responsible and an important milestone in development of a company which seeks diversification of financing sources and also improvement of a level of its reputation.

In mid-term, **IPO** provides the company with a number of advantages:

- ◇ raised funds make equity capital of the company which does not entail an increase in the debt burden;
- ◇ stock market provides the company with an access to a broad range of investors;
- ◇ public company gains a market value which is usually higher than value of private companies;
- ◇ opportunity of transparent sale of shareholdings by current shareholders;
- ◇ application of the best practices of global governance.



History of IPO/SPO on KASE

2006

Volume:
12,2 bln KZT
Placement price:
25 000–33 000 KZT
Demand:
592%
Current price:
35 200,00 KZT

2006

Volume:
258,0 bln KZT
Placement price:
11 163,4 KZT
Demand:
100%
Current price:
excluded
from 10.05.18

2010

Volume:
2,7 bln KZT
Placement price:
658,0 KZT
Demand:
100%
Current price:
441,52 KZT

2012

Volume:
7,5 bln KZT
Placement price:
1 578,7 KZT
Demand:
260%
Current price:
3 026,59 KZT

2012

Volume:
27,9 bln KZT
Placement price:
725,0 KZT
Demand:
200%
Current price:
834,00 KZT

2014

IPO
Volume:
13,1 bln KZT
Placement price:
505,0 KZT
Demand:
130%
Current price:
1 492,0 KZT

2015
2017
2018

Volume:
359,6 mln KZT
Placement price:
19 843,0-21 827,0
KZT
Demand:
106%
Current price:
8 799,00 KZT

2016

Volume:
800,0 mln KZT
Placement price:
11 177,0 KZT
Demand:
370%
Current price:
6 489,25 KZT

2017

Volume:
6 500,0 mln KZT
Placement price:
1 150,0 KZT
Demand:
116,1%
Current price:
excluded
from 27.09.18

2019

Volume:
5,2 mln KZT
Placement price:
348,698 KZT
Demand:
0,2%
Current price:
excluded
from 23.01.20

2022

Volume:
137,5 bln KZT
Placement price:
8 406,00 KZT
Demand on KASE:
55,3 %
Current price:
12 999,0 KZT

2023

SPO
Volume:
18,7 bln KZT
Placement price:
1 482,00 KZT
Demand on KASE:
127 %
Current price:
1 492,0 KZT

2024

Volume:
49,2 bln KZT
Placement price:
1 073,83 KZT
Demand on KASE:
245%
Current price:
955,51 KZT

2025

**IPO history of
your company
can be here**

Note: prices of recent transactions with shares as of May 1, 2024 are set out as current prices

IPO PROCESS MILESTONES (I)

Phase I:

Selection of a **financial consultant**

Determination and **appointment of legal and other consultants** with assistance of the financial consultant

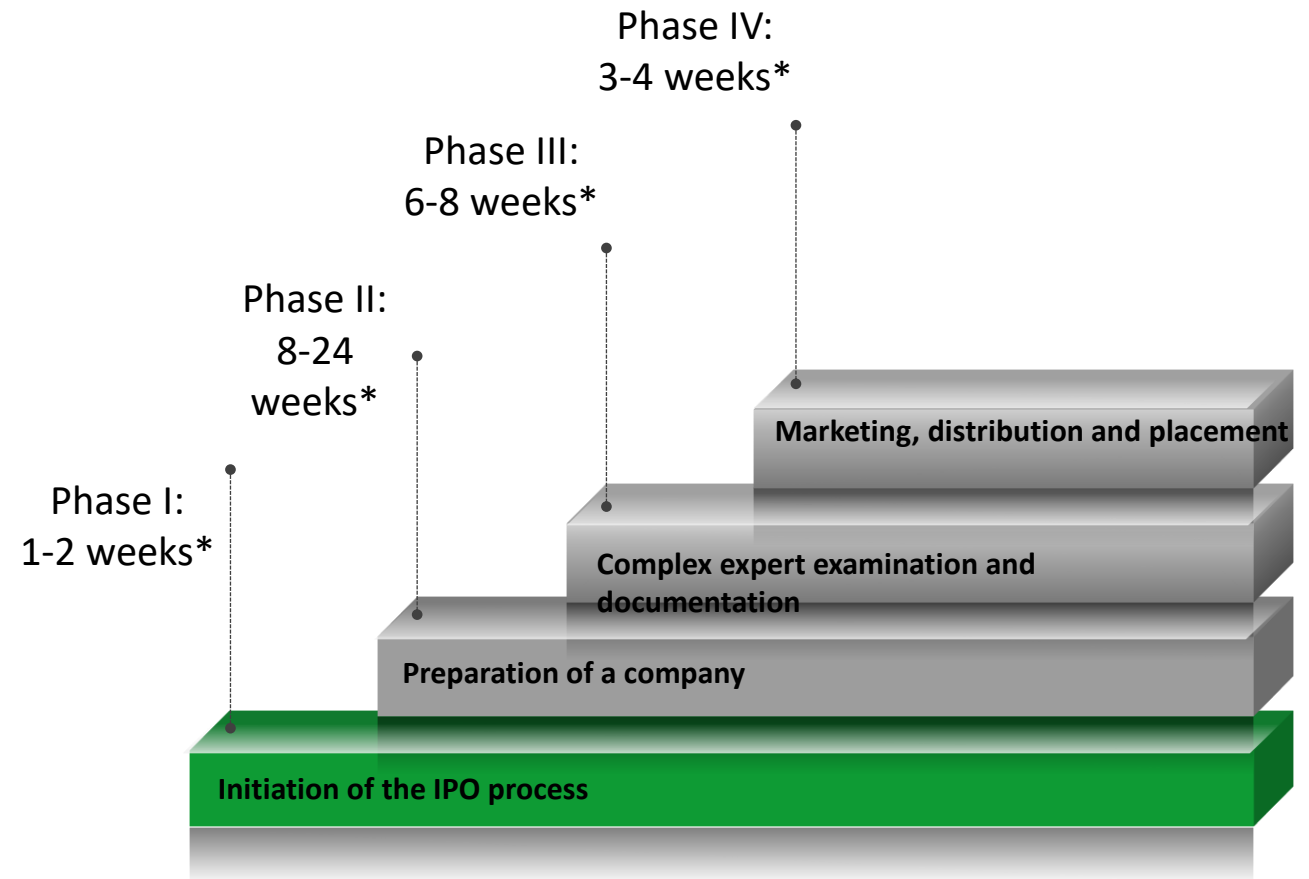
Analysis of IPO timeframes

- ✓ Preferences of the company
- ✓ Market "windows"/ Analysis of the market situation

Approval of placement type and size

- ✓ Public placement on KASE
- ✓ Total size of placement, including new shares and repeated placement of already existing shares
- ✓ Option of additional placement

Establishment of an **organization committee** and an **operating committee** to manage the IPO process



** Timeframes of each Phase can be adjusted after market is selected and IPO period is determined*

IPO PROCESS MILESTONES (II)

Phase II:

Formation of a business plan and forecast of current assets in the company

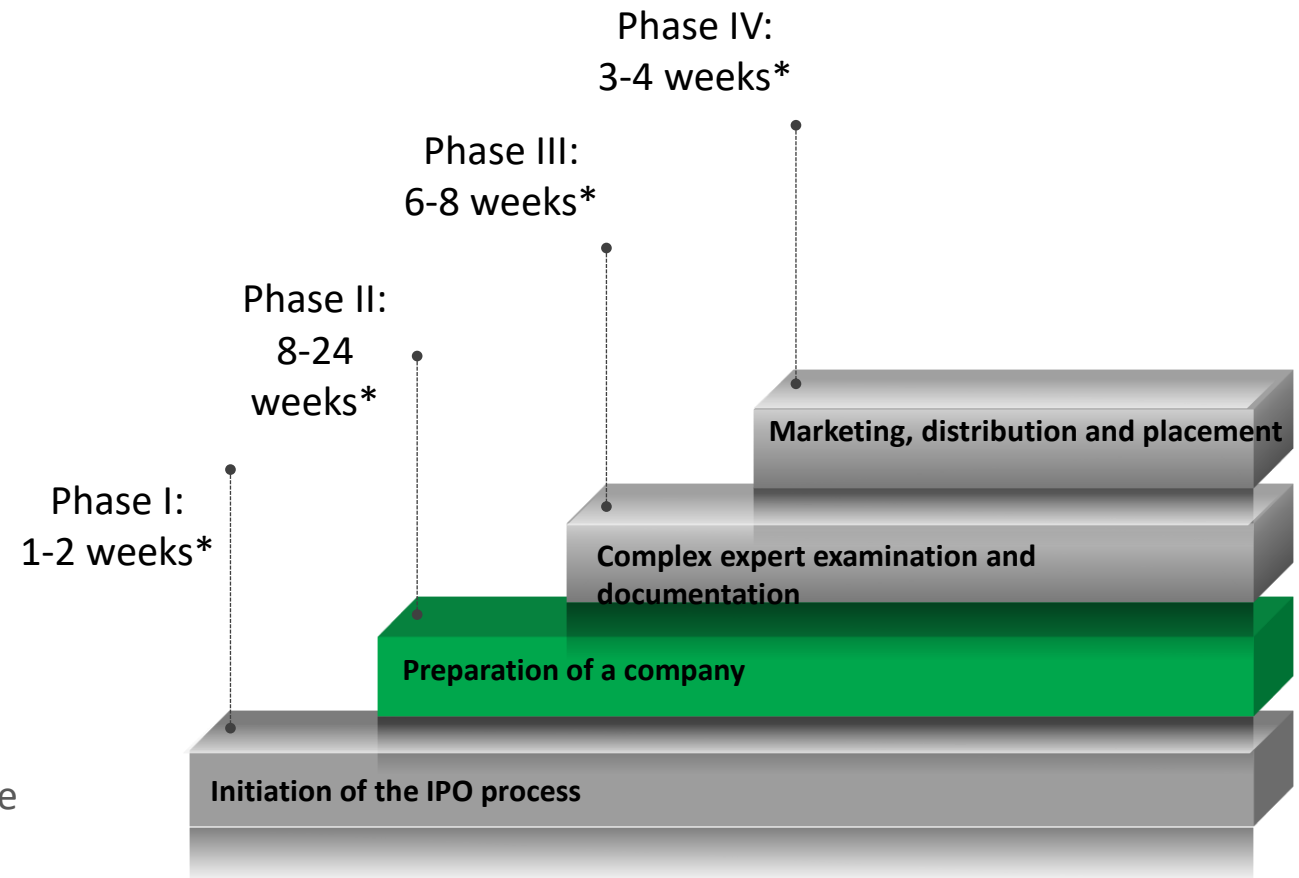
Completion of processes of corporate changes

Completion of an audit of statements of previous years

Introduction of principles of corporate management:

- ✓ Financial control and reporting
- ✓ Composition of the Management Board and independent directors

Instructions of legal consultant to members of the Management Board of the company with respect to duties, obligations and responsibilities of directors of the public company



** Timeframes of each Phase can be adjusted after market is selected and IPO period is determined*

IPO PROCESS MILESTONES (III)

Phase III:

Development of an investment history of the company together with the financial consultant

Meeting with an analyst of the financial consultant before execution of an analytical report

Preparation of a presentation of the company for potential investors

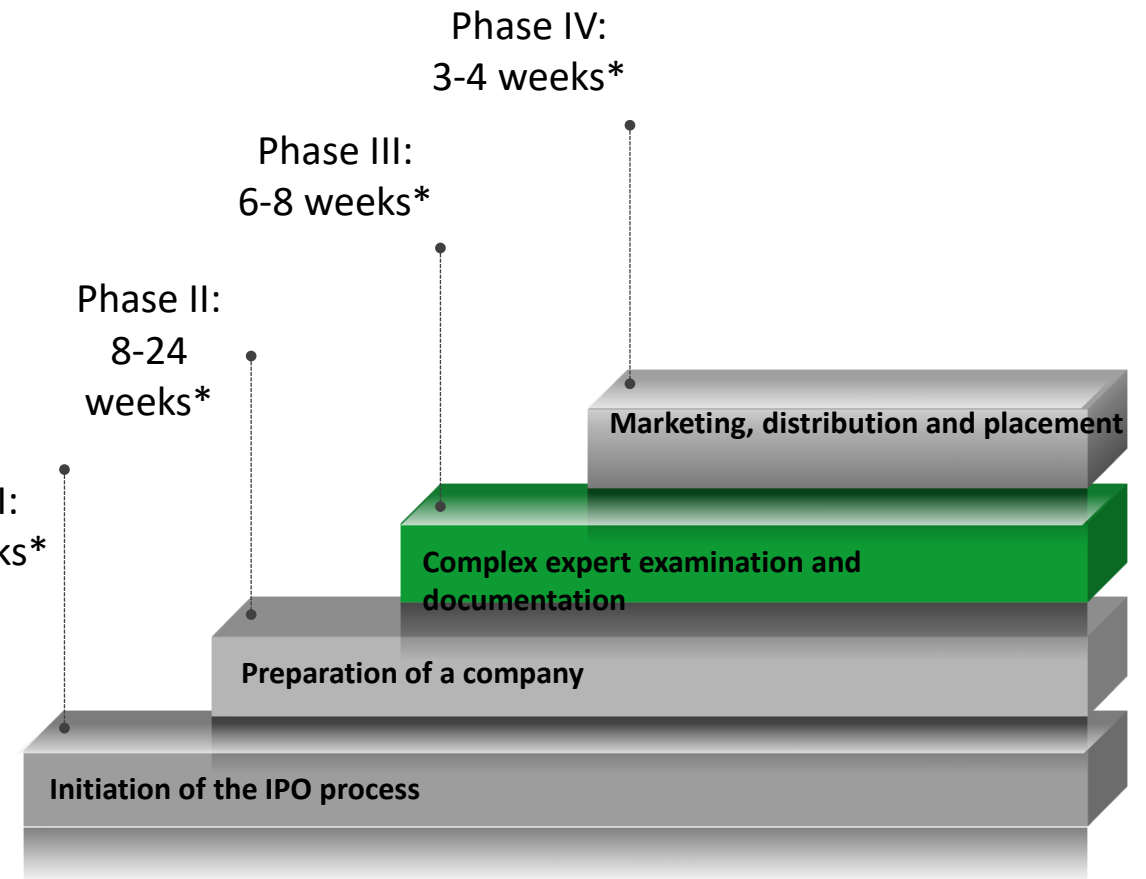
Assistance in preparing the Investment Memorandum / Prospectus of issue

Development jointly with a PR consultant of a PR strategy for Phase I: investors, general public and employees of the company (if 1-2 weeks* necessary)

Entry into an Underwriting Agreement

Approval of a target market (local/ international investors)

Passing a listing procedure
KASE listing









**Timeframes of each Phase can be adjusted after market is selected and IPO period is determined*

KASE criteria to include shares on the “Main“ platform

	MAIN	ALTERNATIVE
 Operating income (revenue)	not less than 3,0 mln MCIs for each of the 3 recent years	no
 Balance currency	not less than <u>2,55 mln MCIs</u> for each of the 3 recent years	no
 Period of existence of the issuer	not less than 3 years	no
 The issuer has a valid rating score*	not lower than "BB-"	no

* compliance with the first 3 criteria is not compulsory in case of compliance with this requirement

Basic KASE criteria for admission of shares



	MAIN	ALTERNATIVE
 Annual financial statements according to the IFSO or GAAP US (confirmed by an auditor's report)	not less than for the last 3 years	for last year
 Interim financial statements (confirmed by an auditor's report or revision report)	not older than 6 months before a date of filing an application (in cases fixed by LP)	not older than 6 months before a date of filing an application (in cases fixed by LP)
 Audit organization from a list of audit organizations recognized by the Exchange	by level 1	by level 1 or 2
 Accounting of securities with the Central Depository	yes	yes
 Availability of a corporate governance code <i>(except for small enterprises and issuers that issue bonds of private placement)</i>	yes	yes
 Charter and prospectus do not have restrictions on free alienation of securities	yes	yes

Requirements to include shares into the “Premium” category in the “Shares” sector of the “Main” platform

	Package of requirements 1	Package of requirements 2	Package of requirements 3
Holding IPO of shares	before a date of filing an inclusion request		
Number of shareholders	at least 300		
Market maker	required		
Size of equity capital	at least authorized capital and at least 15,0 bln KZT	at least authorized capital and at least 10,0 bln KZT	at least authorized capital and at least 5,0 bln KZT
Total volume of money raised from the IPO	at least 7,0 bln KZT	at least 4,5 bln KZT	at least 2,5 bln KZT
Volume of money raised from the IPO in the Republic of Kazakhstan	at least 3,5 bln KZT or at least 20 % of the volume of raised money	at least 2,25 bln KZT or at least 20 % of the volume of raised money	at least 1,25 bln KZT or at least 20 % of the volume of raised money
Net profit or positive net flow of operating cash	for 1 of the 2 recent years	for 2 last years	for 3 last years
Number of shares in free circulation	at least 10 %*	at least 15 %	at least 25 %
Number of declared ordinary shares	at least 1 000 000 pieces		
Number of declared preference shares	at least 10 000 pieces		

* In which case, for package 1 it is allowed to have a value of less than 10% provided that the total market value of ordinary shares in free circulation makes at least 100,0 bln KZT and/or number of shares in free circulation makes at least 5,0 mln pieces

Extra KASE requirements for listing of shares

		MAIN	ALTERNATIVE
		For shares	
	Number of declared ordinary shares (category "Standard")	at least 100 000	at least 100 000
	Number of declared preference shares (category "Standard")	at least 10 000	at least 10 000

For more details about listing requirements for shares please see the Listing Rules at https://kase.kz/files/normative_base/listing_rules.pdf

ADVANTAGES OF IPO ON KASE

Practical experience of holding such placements (classic IPO, "Public" IPO, privatization, sale of state shareholdings)



Opportunity to attract a broad range of **investors** from among individuals (enables citizens of Kazakhstan to co-own major companies of Kazakhstan)

Opportunity to include shares in the representative list of **KASE index**



Securities of KASE Index can be a **subject** of **automatic REPO** transactions which makes them an interesting financial instrument for more and more improves their liquidity



As the practice shows, **the highest liquidity of shares on the exchange** is ensured in particular due to class of retail investors which is clustered only on KASE



- number of accounts of individuals in the accounting system of the Central Depository exceeded 1,5 mln **accounts**
- the bulk of these accounts was **opened** in particular when holding **large-scale IPOs**

Tax preferences for investors



Fair market price for all stakeholders

KASE index is a **base asset** for derivative instruments (futures) and securities (ETF)



Transparency of holding the IPO

Today, KASE is ready to hold IPOs of companies for an unlimited range of investors and has everything necessary with this end in view

INFORMATION SUPPORT OF KASE DURING IPO



Information support

Use of KASE website to promote information about the company

Publication of marketing materials in KASE news



Road-show

Participation of KASE in "roadshows" held by the issuer and financial consultant



Marketing arrangements

Holding an official opening of trades

Organization and holding an "Issuer's" Day /Holding a briefing for mass media with participation of KASE, issuer and financial consultant

If you have any questions about listing, please contact:

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