

IPOs and SPOs: stimulating the stock market

As part of the task to reduce the Government's share in the economy, we continue to actively bring portfolio companies to IPOs and SPOs. Public offerings of portfolio companies' shares help not only to attract additional funds to the National Fund, but also to form a fair market valuation of assets. Openness to capital markets increases the efficiency of companies' operations, encouraging them to meet high standards of corporate governance and implement best practices.

Public offerings also contribute to the development of the domestic stock market, increasing citizens' involvement in investments and boosting their financial literacy. The growing number of retail investors makes the market more dynamic, and the population has new tools to multiply capital by investing in successful domestic companies.

Shares of 7 companies included in the Fund's Group (Air Astana JSC, KEGOC JSC, NC KazMunayGas JSC, NAC Kazatomprom JSC, KazTransOil JSC, Kcell JSC and Kazakhtelecom JSC) are traded on the leading stock exchanges: Astana International Financial Centre (AIX), Kazakhstan Stock Exchange (KASE) and London Stock Exchange (LSE). IPO and SPO conducted by Samruk-Kazyna JSC aroused significant interest of investors and gave impetus to the development of the stock market of Kazakhstan, confirming the effectiveness of the strategy to reduce the share of the state in the economy.

In continuation of the work on bringing large companies to IPO, it is planned to publicly place shares of JSC NC Kazakhstan Temir Zholy and NC QazaqGaz JSC.

Promoting the development of small and medium-sized businesses

GRI 3-3 We support the development of small and medium-sized enterprises (SMEs) and domestic entrepreneurship in Kazakhstan as this sector of the economy is a driver of innovation, employment growth and sustainable development.

The share²⁶ of SMEs in Kazakhstan at the end of 2024

38%

(36% in 2023)



GRI 3-3 The Fund's Group provides service support to SMEs by expanding their resource base, providing access to critical infrastructure, guaranteed off-takes, purchasing from local producers, and attracting investors.

For example, the realisation of major projects for new production processes creates conditions for SME development, forming new regional clusters. Our major transport projects provide new opportunities for SMEs by providing access to new trade routes and global markets. Together with the Atameken National Chamber of Entrepreneurs, we are increasing local content in the gas industry and creating a gas service industry almost from scratch.

GRI 3-3 We procure goods, works and services from local suppliers, which helps create new jobs, develop infrastructure, increase production capacity, develop supply chains and improve the competitiveness of local companies. This, in turn, contributes to regional economic development, increases people's incomes and reduces social tensions.

²⁶ Source: [Zakon.kz](https://zakon.kz).



GRI 203-2 In 2024, the amount of goods (works, services) purchased by the Fund totalled KZT 3,625 billion²⁷, and 97% of this amount – KZT 3,505 billion – was spent on goods purchased from domestic suppliers²⁸.

The share of in-country value in procurement increased in 2024 up to 82.5% (79% in 2023).

GRI 204-1 Share of goods (works, services) procured from local suppliers, %

	2020	2021	2022	2023	2024
Proportion of purchases from local suppliers	90	91	89	92	97

All procurements are carried out through the Fund's procurement web portal – zakup.sk.kz, information on all procurements is publicly available.

To ensure transparency, the Fund's procurement database is integrated with the databases of the Prosecutor General, Financial Monitoring Agency, Anti-corruption Agency, Supreme Audit Chamber, Agency for the Protection and Development of Competition, Atameken National Chamber of Entrepreneurs and the Government of the Republic of Kazakhstan.

The Fund and all portfolio companies have a Procurement Procedure regulating the procurement process. In 2024, the Fund's Procurement Procedure was amended to simplify the procurement process for domestic manufacturers.

In addition, KPIs have been set for managers of the Fund's portfolio companies to increase the share of off-take contracts at the level of at least 10% of the total procurement.

The Fund's procurement system has been favourably evaluated by the EBRD, ADB and OECD

In 2024, the Fund's procurement system was recognised by leading international financial institutions – the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank – as compliant with the best international standards and practices. In particular, the procurement processes are fully automated, transparency of procedures is ensured, the influence of human factor is minimised and pre-qualification of potential suppliers is provided for. Financing of the Fund's projects by international financial institutions is subject to procurement procedures in accordance with the Procedure and with priority given to Kazakhstani manufacturers.

A key instrument for supporting and developing local producers is the Import Substitution Programme, under which a producer undertakes to set up production of imported products and the Fund ensures long-term demand for these products.

As part of the implementation of the Import Substitution Programme, 91 new production projects were approved from 2018 to 31 December 2024, and 842 off-take contracts totalling KZT 306.6 billion were concluded with suppliers. At the same time, we concluded off-take contracts totalling KZT 191 billion in 2024, which is 10 times more than for 2023. These projects are expected to create 500 new jobs and attract over KZT 150 billion investments.

GRI 3-3 To encourage Kazakh producers to participate in the Import Substitution Programme, additional measures are being developed. For example, the possibility of concluding an off-take contract for up to 20 years if there is a shortage of domestic products. When concluding an off-take contract, the potential manufacturer will be given counter obligations to purchase raw materials and components from local producers.

Support for local producers is also provided for in our investment projects. For example, in the implementation of the Comfortable School national project, the participation of local producers is enshrined in legislation.

GRI 3-3 Seeking to support small businesses, the Fund's procurement system has been running an electronic shop (skstore.kz) since 2023. About 6,000 suppliers are already registered in it, of which more than half are sole proprietorships. There is a possibility to purchase in 1 day, i.e. there is no bureaucracy, besides there is an automatic selection of supplier, which reduces the risk of corruption. In 2024, the threshold amount for procurement through skstore.kz was increased from 4,000 to 20,000 Monthly Calculation Indexes (equivalent to KZT 74 million), which will facilitate greater access for SMEs to the Fund's procurement.

We integrate ESG principles into our procurement activities. In particular, in the review of applications from potential suppliers for projects under the New Production Facilitation Programme in accordance with the approved Procedure for the conclusion and execution of off-take contracts. In particular, projects are evaluated according to such criteria as the use of renewable energy sources at all stages of the product life cycle (including production of goods, procurement of raw materials, delivery, sale, use, utilisation, disposal) and the use of technologies to reduce the carbon footprint. Project evaluation is an important stage in the review of applications and directly affects the approval of the Fund's Commission for further conclusion of an off-take contract with the supplier.

²⁷ Amount includes procurement contracts for the current year only, excluding long-term contracts, including intra-group purchases.

²⁸ In accordance with the Fund's Corporate Standard, a domestic supplier is an organisation or person that provides goods, works or services to the Fund's Group and is located in the geographical market of the Republic of Kazakhstan. The indicator takes into account companies subject to the Fund's Procurement Rules.