KZ Listed

Investor Relations and Kazakhstan's Battle for Capital.

Ramon Pedrosa



Kazakhstan is the great connector between East and West • In today's markets, the winner is the one who masters the narrative • Investors do not buy the past, they buy the future • Kazakh listed companies need to become global in the way they communicate with investors.

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To Aitana and Alen:
Everything's in order in a black hole.

You get a wonderful view from the point of no return, wrote Terry Prachett.

FOREWORD

A working document from a market in transition

Laurie Havelock
Editor of IR Impact

At IR Impact, much of our work pivots around watching and monitoring the horizon for what comes next in the investor relations industry, more often than not from the meeting rooms and conference halls of major global financial centers.

At our events in New York, London, Hong Kong or Singapore – and across the pages of this publication, once the most venerable magazine in the IR universe, now an online intelligence platform – discussions increasingly focus on automation or AI-driven analysis. We debate whether future technologies will intensify reporting cycles, how language models will change the way issuers disclose and what progress might come from algorithmic drafting or sentiment-based message optimization.

However, amid all this enthusiasm for technological acceleration, it is easy to lose sight of a fundamental truth: that investor relations is primarily a leadership function, one where capital markets communicators can shape the future of their organizations through strategic input.

As I read the pages of the book you have in your hands, penned by IR and financial communications expert Ramon Pedrosa, I become increasingly aware that while global markets debate automation and predictive technology, the opportunity in frontier markets, such as those of Kazakhstan and Central Asia, is real. The local market is entering an age of growth where the way information reaches investors will be the difference between trust and distrust, between market life and market death.

Pedrosa, a founder of Definition, the largest IR company in the region, is a veteran with more than 20 years of experience in Asia. After all these years, as a foreign correspondent covering China and Asian markets, he is convinced that Central Asia is the "next big story."

But what sets him apart in this market is his technical rigor: trained at the prestigious Investor Relations Society in the United Kingdom, he

holds both a certificate and a diploma in Investor Relations, among the highest accreditations in the field. It is this combination of understanding of how global communication flows operate and British financial orthodoxy that makes him the ideal guide for this journey.

The book describes a market, Kazakhstan, with macroeconomic fundamentals that – on paper – should attract massive flows of smart capital. Through his eyes, we do not see a "frontier market" in the pejorative sense, or a region that poses incalculable risks, but rather a dynamic economy with enviable debt levels, a unique geostrategic position as the great connector between East and West and a home to companies that are true engines of value creation.

Organized communication with investors and top-tier narratives are critical elements that can elevate frontier markets to a different league. For those professionals working in financial markets with a longer tradition (London, Paris, New York or Zurich, for example) it is finally developing in other markets like Central Asia.

Investors already know this: frontier and emerging markets are where future opportunities lie and, among them, the chance to communicate correctly to institutional and retail investors alike.

As you turn the pages of this book, you will undoubtedly get the feeling that you are witnessing the prologue to a golden age of growth for Central Asian markets, which today have the same latent potential that China, Hong Kong and other Asian markets once showed. You don't need me to tell you that those have since become global capital powerhouses.

However, this text makes it clear that this destiny is neither automatic nor inevitable: Kazakhstan will only be able to follow this trail of success if it radically opens up to establishing world-class processes, while also committing to professionalising its investor relations industry to the level of its international peers.

This is where the author Pedrosa comes in as a necessary anomaly. What he is doing goes far beyond what is in his contract: he brings understanding and professional rigor cultivated in the West to a frontier market where most issuers still have no analyst coverage, for example, but suffer from endemic low liquidity and limited visibility.

Pedrosa writes with profound respect for Kazakhstan and its market players and is now devoting his time to analyzing and observing, as well as offering advice. He is not a tourist in Central Asian financial markets, but someone who has put in the hours required to truly understand them.

This book reads instead as a working document from a market in transition. It is pragmatic and direct, but also very conscious of both its constraints and its possibilities. What emerges is less a manifesto and more a diagnosis. He wants companies, regulators and investors to treat communication not as formality, but as infrastructure.

He is proving that if you do things right, the market responds. He is clearing the way for those who come after him with his work. His insistence on excellence, his rejection of shortcuts and his commitment to financial truth are laying the foundations for what the capital market in Central Asia should be.

As I said at the beginning, communicating successfully with investors is not just about tech, but about ideas. Kazakhstan and Central Asia have those in abundance. Now we just need the investor relations community to take them on board.

Laurie Havelock is the Editor of IR Impact, the ultimate editorial authority on all things Investor Relations. Previously, he was acting business editor at the i newspaper and deputy business editor at The Daily Telegraph.

FOREWORD

The Kazakh Discount in the Rear View Mirror

Benjamin Mark Cole
Financial Journalist and Author

As the 2020s track towards their conclusion, the world is waking up to an emergent nation, a land that seeks not strife but cooperation and progress, a crossroads that connects East to West and North to South.

Kazakhstan, with its signing of the Abraham Accords in 2025, became firmly established in the global geopolitical and economics spheres as a nation seeking commerce, while eschewing ancient battles and confrontations.

For a world glutted with capital and weary of war and failed states, Kazakhstan offers hope and inspiration. And for investors, a land and enterprises to ponder, to help build, and yes, in which to make a lot of money.

Global money managers have been yearning for new opportunities, as witnessed by expanding "alternative" investment markets and the booming less-regulated private-capital boom of the 2020s. Fund chiefs lay sleepless, worried about how to post yields above the competition, when everybody everywhere scours the same copious information flows.

The S&P 500, generally an index of mature companies, routinely trades at 20 times earnings or more, a daunting level that anticipates few, in any, wrong turns for years to come.

In sharp contrast, Kazakhstan offers world-class listed companies that trade, on average, near eight times earnings.

That is the "Kazakh discount," and global investors would be well-advised that this particular bargain will likely evaporate by the 2030s. A generational buying opportunity is on the world stage.

And not just in Kazakhstan's well-managed resource companies, but in airlines, banks, IT, oil refining, transportation and other enterprises with proven track records of black ink followed by more black ink. And fat dividends, just the elixir for investment gurus sometimes besotted with wild growth stories.

Why the K-discount? Wall Street, London, Frankfurt, Hong Kong, and investors everywhere seek clarity, reassurance, constant comfort.

And investors everywhere receive such treatment by global blue-chips, that issue streams of digestible information constantly. That is part of investor relations (IR).

But in IR, Kazakh enterprises, so skillful at operations, have often fallen behind the times. In many ways this is understandable. Kazakhs, like business operators everywhere, love the trade and craft, and seek substantial and real results—and are inherently wary of glib talkers. Yes, talk is cheap.

Deep in the culture of this vast Central Asian nation, of glacial winters and relentless summers, is a reverence for results that translate into survival. A friendly, cooperative, but no-nonsense culture. Proud workhorses and not show-horses.

However, Kazakhstan's listed companies must accept this: IR on global Wall Street is not easy sales talk, but rather the necessary art of communication and instruction, just as vital as providing buyers the blueprints and specifications on heavy industrial equipment. And notices of upgrades, to keep customers coming back and well-informed.

Kazakhstan's listed companies must embrace, and then excel at, telling their enterprise narratives to the world, just as the capital city of Astana has signaled it offers a hospitable playing field for global diplomacy and commerce.

This superb book, "The Pending End of the Kazakh Discount," by financial-markets veteran and Kazakhstan expert Ramon Pedrosa, is a confident, accessible and optimistic introduction to the art of IR, which will inevitably come to enhance Kazakh financial markets, for the benefit of shareholders, enterprises and the nation.

It is not a matter of if, but when Kazakh listed companies practice

better IR. Every nation and financial market evolves towards greater sophistication, transparency and clarity, or inevitably stagnates. And Kazakhs are far too practical a people to choose torpor.

To encourage Kazakh enterprises and management to face the new, digitized global Wall Street, Pedrosa calls upon listed companies to radically improve their IR departments and operations, so that quarterly and annual reports meet international standards, and are smartly written but easily accessible to analysts, fund managers and investors worldwide.

Of course, required financial reports are the most basic element of IR, but much more is needed, including meeting with equity analysts, better-written product and business news releases, and addressing global financial media regularly and often.

Kazakh listed companies are fortunate in having the Kazakhstan Stock Exchange (KASE), a sophisticated and technologically advanced trading floor to reach domestic and international investors. But instead of taking advantage of this tremendous digital highway, many companies have become delisted for lack of proper filing—the most fundamental of obligations, notes Pedrosa.

Indeed, even Kazakh listed companies with solid dividend performance—an admirable feature—often, through sheer obscurantism, make it difficult for investors determine that fact, among many other shortcomings.

"If you are a domestic Kazakh company and you are listed, KASE puts you on the global map, connecting you to international platforms, terminals, Bloomberg, Reuters, and FactSet. It enables the distribution of information. But if, upon clicking, the investor finds themselves in the digital graveyard, with quarterly reports that are 'machine-translated English' or, worse still, radio silence, then the ally (KASE) has been betrayed" advises Pedrosa.

But the KASE must also up its game, and even assume an evangelical leadership role, not only assigning a ticker but also demanding stricter standards for reporting and IR work. This is especially important because retail investors account for 70.7% of the trading volume in shares on KASE, meaning some IR must be geared toward conversations for small investors, even when institutional backing is courted.

The biggest challenge—and opportunity—is Kazakhstan's classification as a MSCI "Frontier Market." Kazakhstan needs to upgrade and graduate to the "MSCI Emerging Market" status, which Pedrosa dubs the "Trillion-Dollar" upgrade.

Kazakhstan as a MSCI Emerging Market would gain the near-immediate inflow of untold billions of dollars from global passive funds (ETFs and index funds) that are mandated to replicate the Emerging Market index. The criteria for this upgrade is not industrial or public-sector innovation, but size, free float, and market liquidity. Crucially, MSCI also looks at qualitative data, including the ease of capital movements and whether company reports are published in English.

Pedrosa has clearly marked out a pathway to greater prosperity for Kazakhstan the nation, its people and enterprises, and investors, domestic or global.

The world's money-managers are aching for risk-adjusted greater returns, which in fact exist in Kazakhstan, as proven by returns stretching back decades for listed companies on the KASE.

From its inception in 1997 to the end of 2023, the KASE index (price) generated an annualized return of approximately 15%, while the MSCI Emerging Markets benchmark index, including dividends, rose by only 7.5% per year over the same period.

The beat goes on: For the five years through late 2025, the KASE index grew by 20.5%, annually compounded.

Only the fear of the unknown—the inability to gauge risk in Kazakh

enterprises, due to inadequate investor relations efforts—is preventing global Wall Street from kicking down doors to finance and own Kazakhstan enterprises.

Few, if any, modern nations have prospered without robust and liquid capital markets, and large exchanges of publicly listed companies. Even communist China has yielded to the necessity.

The time has long come for Kazakhstan to join and excel in global capital markets, to have an active, liquid and growing KASE, and to build larger and more-prosperous enterprises, for the benefit all Kazakhs.

Benjamin Mark Cole, a legendary business reporter and was the author of the Wall Street West from Los Angeles, is the author of *The Pied Pipers of Wall Street: How Analysts Sell You Down the River* (Bloomberg Press, 2001) and *The New Investor Relations* (Bloomberg Press, 2003). He lives in Thailand.

FOREWORD

Therein lies the beauty of the Kazakh opportunity

Zachary Freeman
American Political Media Expert

There are a great number of countries and people on our planet who were tasked with crawling out from underneath the rubble of the former USSR. Few crawled out cleaner, and with more vision, purpose, and potential, than Kazakhstan.

Of course, the battle against ignorance is waged every day, in many places, and over many issues and causes. The things that people don't know, or refuse to acknowledge, often hurt them, or in a best case, simply deprive them of real benefit. But ignorance of Kazakhstan falls into another category, as illustrated perfectly by Mr. Pedrosa Lopez.

Everyone should be experiencing FOMO here.

The story of Kazakhstan is the foreshadowing of an investors' fairy-tale. What investor doesn't dream of investing in a land defined by stability and opportunity – companies guided by sound fundamentals, ruled by stable governments, with almost no competition?

No one is avoiding it; they just don't know it exists. Kazakhstan is a beautiful country, filled with lovely people, but you'd be hard-pressed to find a place in the world – other than the obvious isolationist powers such as North Korea and Iran – visited by fewer people than Kazakhstan.

In fact, only one European country, Germany, cracked the top five list of tourists traveling to Kazakhstan in 2024. And the United States falls even further down on the list, with only 47,000 Americans visiting the country in that same period. Imagine personally knowing 7,000 people and finding out that not even one of them has ever been to Kazakhstan. That's what the math says.

But therein lies the beauty of the Kazakh opportunity.

Many countries, like Iceland for example, have bought into an IR model to attract investment, and had great success. The idea was simple: once people visit, the uncomfortable becomes comfortable. And the unattainable, attainable.

Solid financials alone are not enough to attract investor attention in a world full of opportunities. As Mr. Pedrosa Lopez describes, it isn't enough to simply say that Kazakhstan is a land of resources. Investors must be courted and attracted. Solid, hospitable, replicable Investor Relations programs are key determinants to the question of whether Kazakhstan becomes a modern-day investment monolith.

Rare earths, oil and gas, a burgeoning financial sector – it's all there and ready for those willing to open the atlas. Being at the center of the East and the West carries its advantages – and the West would be prudent to follow along with a checkbook.

Zachary Freeman is the CEO of Imperial Media in Seattle, Washington. He is best known for his job as a top Republican media consultant. He advises political figures in America and the United Kingdom.

1 The Cost of Explaining Kazakh Companies

Investors are ever cautious when it comes to markets less understood, and hitherto that has defined Kazakhstan financial markets and institutions.

But institutional investors globally are hunting above-average risk-adjusted yield and returns, and growing more enamored of alternative investments and new financial horizons. There is a sense that assets on major capital markets are fully priced, and then some—witness the S&P 500 routinely trading at more than 20 times earnings, a caution in and of itself.

Kazakhstan beckons, and on solid fundamentals, and its location as the crossroads of Eurasia in a world in which hospitable investment environments are perhaps becoming scarcer.

However, the Kazakh narrative remains under-appreciated and has been since the day its first stock exchange was founded, in 1993. Some efforts were made to tell the tale of central Asia's largest empire and investment opportunity, but erratically, underpowered, and never sustained.

Investors want constant comfort and reassurance, the way fish want water.

In fact, beyond dispute, Kazakhstan has been one of the most profitable equity markets in the world, and that claim can be made not on national hubris but rather three and a half decades of documented values of listed public companies. Enterprises listed on the Kazakhstan Stock Exchange (KASE) exhibit some of the strongest fundamentals on the planet, and that boast measured by real returns, not promises.

From its inception in 1997 to the end of 2023, the KASE index (price) generated an annualized return of approximately 15%, while the MSCI Emerging Markets benchmark index, including dividends, rose by only 7.5% per year over the same period. Numbers talk, don't they?

Nor have Kazakh equities been resting on their laurels. For the five years through late 2025, the KASE index grew by 20.5%, annually compounded.

However, the relationships between Kazakh public companies listed on KASE, AIX, LSE, HKEX or Nasdaq and the global investment community have long been underdeveloped, even uncertain.

After years of shuttling from this vast nation to global financial capitals, I find I have to explain the fundamentals of a Kazakh company, and every time I do, I start by putting up a map of Asia. I have to mark a point and a line.

The point marks the geographical location: perhaps the center of the world, with Russia to the north, China to the south, Europe to the west, and the world's most populous and now-ascendant nation, India to the south. But also a line, tracing the fastest route between China and Europe by land. And all investors understand that.

And that's where the confusion begins. The paradox. Because while I'm showing the map, I'm also talking about one of the most profitable markets in the world. Companies listed on KASE have some of the strongest values in the world, considering their assets, the subdued price-earnings ratios, the quality of management, and the responsive host government.

So why do I need the map? Why the need to start with *basic geography*?

Well-executed investor relations (IR), supercharged by today's technology, digital applications, and artificial intelligence (AI), is the single biggest lever for growth in a country's valuation and economy. This is true for Kazakhstan, as well as for other frontier or emerging markets, such as Brazil, Argentina, and Vietnam, among others.

The reality is that Kazakhstan pays a massive premium for a simple problem of explanation and understanding. The most important

question of all—What is Kazakhstan as a market?—still does not have a clear answer. You cannot explain a Kazakh company without explaining the market that supports it.

Being able to answer that question would generate enormous benefits for the country. The narrative may begin with a map, but it cannot—and should not—end there. The risk Kazakhstan faces is not political or financial risk, but the peril of being seen as a lesser known, a puzzle, uncertain, or even worse, opaque. Remember, investors crave reassurance…and clarity.

Kazakhstan has been one of the most profitable equity markets in the world, and that claim can be made not on national hubris but rather three and a half decades of documented values of listed public companies.

And to answer institutional investor needs, Kazakhstan needs to strengthen the way it manages its IR, professionalizing the communication flows between global capital and Kazakh public companies, and Kazakh regulatory agencies.

My theory, which I have practiced—and defended—for years, states this: Investor Relations is what enables business to happen and ultimately shapes the world we live in. We may not notice it, but there would be no industrial society without a system that organizes the two-way communication that occurs between companies, public, or private that desire listing, and those who ponder whether to back the enterprise with their money.

Investor Relations is a two-way communication process. A communications highway you build and operate between your company and the financial markets. The process through which you, as an issuer of securities, convey a narrative and reliable information that will allow investors to make informed decisions about the fair value of your shares, your future, and you as a leader.

In a sense, Investor Relations is the process by which we persuade individuals with financial resources to fund our activities or initiatives. We can make it more sophisticated, and we will make it much more sophisticated, but I want you to remember this idea: Investor Relations is about exchanging words, vows, and earnest prospects and plans, for money.

Investor Relations is a two-way communication process: a communications highway you build and operate between your company and the financial markets.

Without reaching out to obtain money in exchange for a narrative, a track record, or a promise of profitability, and without that someone being thoroughly convinced, the world as we know it would not exist. Decisions always follow a story and the intuitions, the logic and emotions a narrative evokes.

Financial communication is the process of explaining to those who own capital why they should bet on a company, an initiative—in the most encyclopedic sense of the term: "to start something difficult"—is as old as the economy itself and has been wired into capital markets since the first stock exchanges were founded in 17th century Europe.

Convincing investors can mean the difference between growth or stagnation. And here's the gap: in Kazakhstan, some professionals have "Investor Relations" in their job title, but ultimately, they don't have a deep understanding of the financial world. Above all, they don't have access to international best practices in communication flows, narrative development, and strategy.

Kazakh listed companies, overshadowed by the dazzling glare of the Union Jack, Rule Britannia, and the London Stock Exchange, have left the most strategic IR roles in the hands of somewhat removed, continental experts who neither know the Kazakhstan nor understand the mentality of the Kazakh investors, and look down on Central Asia as if it were another former colony. Quite an assertion, coming from someone (me) who was educated in the UK and holds Winston Churchill in highest regard, but that's for another time.

Just an anecdote to point out the long historical relation between Kazakh companies and London markets. The first local company to go public in the City, in the early 1900s, was the Spassky Copper Mine. That company was a predecessor to the Kazakhmys, an enterprise so vast that soon after it went public in 2005, its market capitalization grew so much that it joined the FTSE 100.

However, that is but a flare these days. I might be European by birth (but not home), but I believe nations have a right and obligation to develop their own national capital markets.

Thanks to the rapid development of technology, digital applications, and artificial intelligence, professionally managing these flows is now the most significant opportunity for a country's valuation to grow. This is true for Kazakhstan.

To answer that question, what is Kazakhstan as a market?— we need to strengthen the way we do IR in Central Asia and globally.

Stay with this idea: We need to do IR the Kazakhstan way. In a style that explains globally who our companies are, their assets, activities,

and what they represent, as well as who is at the helm, while also respecting retail investors and striving to educate them.

Because IR is everything, IR is the process that convinces someone with money to finance what we do, or what we want to do with a lot of money or a little money.

Listed companies in Kazakhstan don't have an economic problem. Their companies do not need more resources, but visibility. They do not have an information problem. They do not have an asset or valuation problem, and indeed the KASE Index trades at under 10 times earnings, arguably too low by almost any metric.

What Kazakh companies have is an explanation problem.



"The expenses are mostly in explaining where Kazakhstan is."

2 What is Kazakhstan as a market, really?

After having slogged through the trenches in some two dozen national financial markets, it has become clear to me that listed companies are inseparable from the market in which they operate. The national brand is so strong that it is impossible to separate one idea from the other.

KazMunayGas, Air Astana, Halyk, Kaspi, and Fincraft are many things. But above all, they are Kazakh companies. They are global ambassadors to a country that is still relatively unknown in the West and the East, and the way they behave reflects the market's overall opinion of the nation.

Being a Kazakh company has its advantages and disadvantages from a market perspective. To begin with, Kazakh companies are players with strong fundamentals and interesting assets, although they generally have very little liquidity, with a couple of notable exceptions.

The flip side of the coin is that Kazakh companies pay a very significant market premium for being Kazakh companies. This is the cost of the explanation.

The same company, operating in another market and listed on a different stock exchange, would likely command higher price-earnings ratios and access to capital on more favorable terms. There are analysts in the United States and Europe, with whom I have had numerous hours of conversation, who assign a price to the lack of clarity and equate Central Asia with incomprehensible risk. So, they simply decide to pass.

The flip side of the coin is that Kazakh companies pay a very significant market premium for being Kazakh companies.

Kazakh companies, for better or worse, are shackled by a stereotype. Perhaps 99% of investors who look at the map see three things:

One: Geopolitical risk ("It's right next to Russia and China. Danger!"),

Two: A "Stan" (a word that, to Western ears, sounds like desert, camels, and chronic instability), even though it's -35 degrees celsius in Astana in winter and the country is more financially stable than many Western economies. In fact, Kazakhstan's national debt to GDP ratio, at about 25%, is far below that of developed nations such as Great Britain, the U.S. or France.

And three: Commodities ("Ah, yes. Oil. Gas. Uranium. Coal. Cobalt. A cyclical and boring petro-state. There's no money to be made here").

Kazakh listed companies, KASE, and AIX need to trumpet a completely different story. The market has to stop simply shouting through a megaphone that "we have oil and gas and uranium. We have a lot of resources." We already know that, thank you.

The full answer to "What is Kazakhstan?" cannot be "a country with resources." That message is losing its grip and no longer convinces anyone. We have repeated it ad nauseam. I have personally repeated variations of that narrative to the New York Times, the Financial Times, and funds around the world, but it is no longer sufficient.

For good and for bad, in an ocean of 50,000-listed companies globally, KASE-listed issuers need a powerful equity story to stay relevant. In the markets, narratives must bolster the numbers and hard facts.

What needs to be conveyed is that Kazakhstan is a dual economy: a high-growth logistics and digital hub, anchored and financed by a massive cash-flow engine of strategic resources, in a nation rapidly improving its infrastructure. And Kazakh listed companies are players in that market, responsible for its success and growth.

The map narrative, Kazakhstan as a crossroad, is engaging, but we must build on that and start explaining that the nation is an inevita-

ble bridge. In an increasingly fractured world where macroeconomic conditions are complex, Kazakhstan's listed companies have become the essential, stable, and fastest logistics route between Asia and Europe that bypasses Russia.

As Peter Zeihan wrote in The End of the World Is Just the Beginning, geography is the only permanent thing; everything else is temporary. Or something like that.

What needs to be conveyed is that Kazakhstan is a dual economy: a high-growth logistics and digital hub, anchored and financed by a massive cash-flow engine of strategic resources, in a nation rapidly improving its infrastructure.

It is true that, according to MSCI, Kazakhstan has been classified as a "frontier market," a designation that considers factors such as average free float, foreign ownership paperwork requirements, and daily trading value in relation to peer frontier averages.

Our market is a strong one, filled with companies with solid fundamentals. Most operate within real economy sectors, and investors can choose among more than 1,500 instruments, including over a 1,000 security issues.

The country has strong corporate governance rules, and its own Institute of Directors, called QID (Qazakstan Independent Directors); and its free zone, the Astana International Finance Centre (which

operates under Common Law and British justices) which is ranked as the best financial centre in Eastern Europe or Central Asia (ahead of Istanbul, Warsaw, Prague or Moscow) by the Global Financial Centres Index.

Having said that, Kazakhstan sometimes feels bound by some kind of unfulfilled market potential, characterized by international invisibility, lower-than-reasonable valuations, limited Liquidity, minimal media coverage, insufficient analyst coverage, and not enough free float and real trading.

But we cannot simply accept that rating. "Frontier" is a toxic word in the financial world. We have to be a connection market, where Kazakhstan's listed companies are the pieces that make the connection between East and West work so well.

Kazakh companies—both listed and state-owned—have become a significant source of cash flow. They have high operating margins and a history of dividend distribution. What we need to explain is that our companies offer financial profitability, operational independence, and real governance.

Many of them belong to strategic sectors such as mining, energy, metallurgy, and banking, and are entities with solid structures and significant physical assets. They generally maintain low levels of debt, are conservative in their financial management, and are capable of delivering consistent profits and dividends even in the midst of cycles of international volatility.

Two realities must be the cornerstone of a new narrative. The first is the geopolitical story: we are connecting markets; the second is the Value Story, known as the Dividend Machines.

Instead, the story of this market must be "we are machines that generate predictable dividends." Investors do not dislike Kazakhstan. Really, they don't. They simply do not have the time or context to comprehend a foreign land, one that has been until recently, terra incognita.

Much worth noting, and a very positive development, is that Kazakh Eurobond issuances have been very successful. Financial markets can clearly see that, in addition to extracting commodities from the ground, Kazakhstan has innovative business and financial sectors, and the nation is endowed with financially prudent leadership.

This next sentence is worth reading twice: "Kazakhstan has every chance to become a full-fledged financial hub. We offer unique digital services that are ahead of many European and U.S. counterparts. But the potential of our market is still enormously undervalued by the world," said Timur Turlov, one of the current key representatives of the Kazakh market, and who presides over Freedom Holding, one of the most significant market players in Central Asia, with a strong presence in the United States.

I cannot believe that only local bankers can be convinced that the market is undervalued.

Here's some data. In 2025, the dividend yield of the S&P 500 companies was approximately 1.2%, while the MSCI Emerging Markets Index was more than 4%.

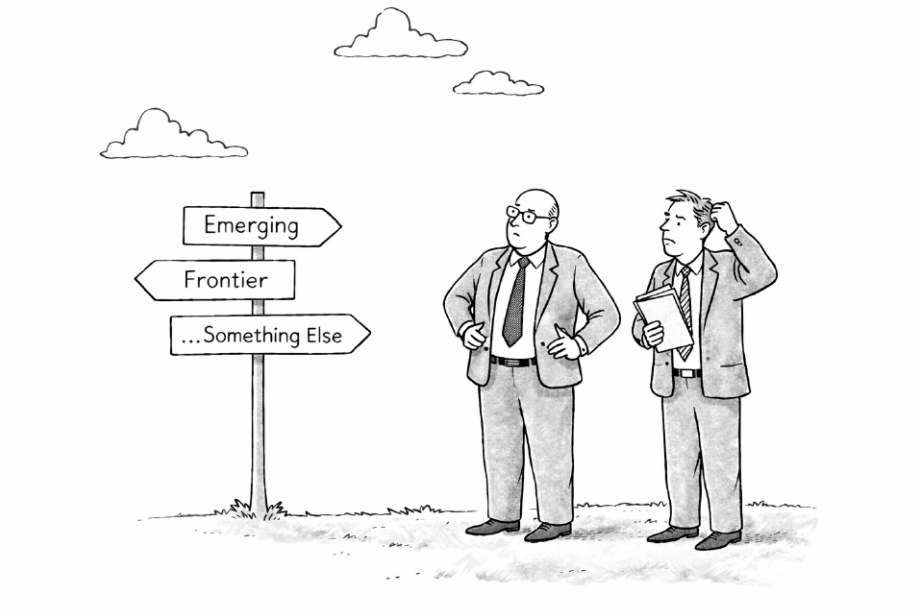
In late 2025 the well-run Halyk Bank offered a spectacular trailing yield of near 16%, while the ultra-secure Kazatomprom offered 4.5%. Air Astana's dividend yield is 6.2%.

The narrative has to stop simply shouting through a megaphone that "we have natural resources." What global institutional investors need to know is that Kazakh companies offer financial profitability, operational independence, and real governance.

Kazakhstan's blue chips behave like cash-generating heavyweights. Companies that behave like macrocaps, despite relatively small size.



"We don't price what we can't see."


Emerging
Frontier
...Something Else

3 The Invisibility Tax Kazakh Companies Pay Every Day

In Kazakhstan, we have an appealing market story, where first-rate fundamentals combine with solid business narratives, managements with a proven ability to deliver profits, and industries that operate in stable environments.

Nevertheless, Kazakh companies face an 'Invisibility Tax' due to poor external communications.

We have a history of a dual economy, of technology and high-tech mining, oil or gas drilling. A history that could be that of a mature market, such as Sweden, or a growing market, like Brazil. We hold a geopolitical position as a "connector" market, which many other emerging markets envy. And yet, the market applies a devastating "information cost" to both listed companies and state-owned enterprises.

Why? Why the Kazakh premium? Why is there such a big difference between the fair value of Kazakh companies and their market value?

The answer lies in the difficulties management has had in obtaining or deploying expert external communications. Both towards the global media, perhaps as a result of decades of Soviet propaganda influence, and towards investors. In addition, the Kazakh culture reflects a practical "just do it" attitude, not aligned with marketing.

Yes, results speak for themselves in some circles, but not always on global Wall Street.

For three decades, Kazakh enterprises have mistaken investor relations for a disorderly and watered-down version of media relations. At best, they have been treated as a glorified translation department. No one has organized them. No one has put them where they deserve to be: exactly at the center of corporate financial strategy.

In Kazakhstan, we have allowed Investor Relations (and, in a sense, Public Relations too) to become a reactive and primarily administrative function that does not actively seek to attract genuine investor

interest. Capital has arrived, yes, but purely due to the gravitational pull of the country's natural resources, not because of a professional, transparent, and conscious narrative.

If we have attracted capital, it is not because of the quality of our investor communications, but despite it. And we have paid a price for this in the form of discounted valuations and an unnecessarily high cost of capital. This has made it difficult for smaller, private companies to gauge the opportunities of being listed.

If we have attracted capital, it is not because of the quality of our investor communications, but despite it.

Kazakh listed companies have failed to take seriously the task of building a credible channel of communication with global capital. So much so that we often find ourselves facing an impenetrable wall that makes our very own blue chips vulnerable to Western short-seller attacks, and renders most issuers unable to operate under negligible free-float conditions.

The cost of explanation becomes painfully clear when we see IPO soap operas, and surely the most recent example of unfulfilled promises is that of Air Astana, Kazakhstan's national carrier, which went public on the LSE, AIX, and KASE in February 2024.

Air Astana is a magnificent, world-class airline, with extremely comfortable seats, a great in-flight program, and most importantly, solid fundamentals.

Despite that, after its initial somewhat confusing roadshow, its Global Depositary Receipts (GDRs) fell 6.3% on their first day of trading in London. Their KASE shares were trading more than 7% below their IPO price just 30 days after being floated. And this left a bitter taste not only for its shareholders, which include the national sovereign wealth fund, Samruk-Kazyna, the European Bank for Reconstruction and Development and BAE Systems (which was one of the airline's co-founders). Additionally, for the country, which considers this IPO a global recognition of its international standing, Air Astana is viewed in the same way that Dubai views Emirates Airlines, or Singaporeans look at Singapore Airlines. It is the national flagship, by default.

This, unfortunately, was not a temporary bump. As of November 2025, more than 20 months later the stock remains punished. Its GDRs in London, which were listed at $9.50 USD, are trading today at around $8.10 USD. On KASE, shares listed at 1,073.8 KZT are struggling to stay above 915 KZT, or 15% below their IPO price. This should have never happened.

This is an IPO hangover in its purest form: a top-tier company that did not know how, or was unable, to build a post-IPO narrative to attract and support the same retail investors it had seduced; all this while leaving the story in the hands of volatility and speculation.

Perhaps nobody realized that, in the end, it is retail investors who regulate the stock price, not institutional funds, and that in every client, there could be a potential shareholder.

That Reuters headline from February 9, 2024, "Air Astana shares fall 6.3% in London debut," still hangs over the company's listed shares, which I trust will nevertheless take flight, pun intended, in the not too-distant future.

A company without a narrative is an invisible company. Silence in the markets is punished, and the price of not telling your story well is a discount that is paid every day in the market, and it is paid very dearly.

An investor from New York, London, or Singapore, with thousands of options for investing their money, approaches the digital door of a Kazakh company or its physical documentation and simply walks away out of sheer frustration.

In the end, it is retail investors who regulate the stock price, not institutional funds, and that in every client, there could be a potential shareholder.

Many companies listed on Kazakh markets, such as those listed on KASE or AIX, still fail to produce earnings reports that are comprehensible to Western, Asian, or Middle Eastern investors. The reporting is often written in Russian, when English is the international language of commerce. The information is confusing and incomplete. There is investor fatigue from trying to decipher poorly conceived and then poorly translated PDFs.

Investors turn away, but so do analysts, sales desks, and the financial media.

I have always said that a reasonable investor-relations strategy must come directly from the CEO, the board, and the CFO of the company. It is a function so important that it cannot be left in the hands of amateurs.

Good communication with the market helps investors recognize a company's value (and, yes, increase the stock price) while also defending the company when sharp-toothed players are out for blood. And many times, that is precisely what they come to Kazakhstan to do: carnage.

A prime example of a Kazakh company's vulnerability was the short-seller attack by Hindenburg Research against Kaspi, one of the world's most innovative fintech entities — a masterpiece in engineering and a backbone of the national payments system.

Hindenburg is another one of those short-sellers, or activists, whose name inspires fear. A bit like Cthulhu or Bill Ackmann when he's woken up in a bad mood. And they seem to be fixated with Kazakhstan (they say they find opportunities here).

In January 2024, Hindenburg published a report alleging accounting irregularities and dubious related-party transactions by Kaspi. The report, titled "Kaspi: The Quick and the Dead," caused the stock to plummet 11% on Nasdaq, erasing several billion dollars of market value in one morning, in a perfect storm from which it has still not fully recovered.

Kaspi's reaction that day was ill-advised. They released a market notice calling the report 'misleading' and 'full of serious errors,' instead of putting their top executives out to explain why the company's future is critical for an entire economy, why the company has a future as a unicorn in the world of electronic payments, and how it has reinvented the way money moves at levels Europe sometimes cannot even dream of.

As of late November 2025, about 10 months later, the stock continues to fall, down almost 25%, and is trading at 2022 prices. Doing things right in terms of communication (there is a specific methodology for responding to short-seller attacks, especially if they are unfounded) would have saved the company several billion dollars in market capitalization.

Even better, possibly Kaspi could have anticipated and pre-empted the Hindenburg Report, with several releases and well-devised—and true—of its narratives of its own.

There is an international language of financial communication. It is a language created over the course of a century in the markets of New York and London, and which the stock exchanges of Hong Kong, Tokyo and the Far East, Southeast Asia and Latin America have already adapted.

It is a clear, direct, transparent, comprehensive, and above all, visual language. It may seem that our IRs not only lack the financial toolkit to explain their companies but also make a point of ignoring international markets. And that series of tactical failures projects an image of opacity, apathy, and amateurism.

There is a simple language problem, but also more than that. It is not a matter of national pride, but rather a desire to attract investors in exchange for their investment. It is not just that the primary information is in Russian or Kazakh. Global investors accept that. The problem is that the English or Chinese version (because China, and specifically Hong Kong, is the market with the most real interest in this), when it exists at all, is clearly an afterthought.

It is more often than not machine-translated English, full of grammatical errors and incomprehensible jargon. What we are clearly saying is, "You, Mr. Investor, are not important to us. We have written this report because we are legally obliged to do so, not really to communicate with you."

And that is disrespectful towards global capital markets, which should be treated with utmost respect.

I recently spoke with a New York investment banker of Central Asian origin, a successful and knowledgeable individual. His thesis was that information asymmetry makes the Central Asian market very diffi-

cult to invest in, though lucrative for those who know the ropes. In a sense, what should be an orderly collection of actionable data has become a digital graveyard.

Most Kazakh listed companies offer impenetrable barriers rather than clarity and best accepted investor relations practices. When it comes to digital repositories, there is legislation in the U.S., Europe, and the UK that details what a listed company's website must include. Here, the usual experience, with a little luck, is that the company accumulates impossible 200-page PDFs, quarterly reports in formats that are not machine-readable, and press releases posted haphazardly.

That's in the best-case scenario. In the worst case, companies expect investors to dive into the stock exchange website to find semi-hidden and often incomprehensible material.

An October 2023 article in Kursiv, one of the country's leading financial media outlets, was titled "Why listed companies left KASE." It explained that "Since the beginning of 2021, a total of 43 stocks have been delisted from KASE: 17 of these were delisted this year, 13 were delisted last year, and the same number were delisted in 2021."

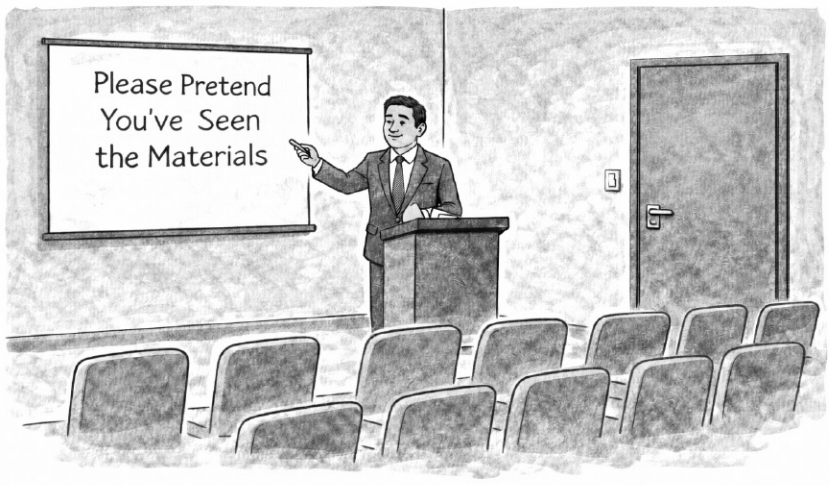
Is this lack of liquidity a consequence of a lack of activity or a result of not being able to explain values to the market?

We live in the age of smartphones, and even that will evolve soon. A contemporary fund manager will quickly review data on his or her mobile phone while on the go.

Market players want data, a dashboard with key KPIs, and the ability to download at least an Excel spreadsheet containing a financial model they can operate with. Instead, we offer them a scanned PDF from 2019 and require the analyst to spend hours finding information that should be staring them in the face. They will not do it. They will simply close the tab. They will go and invest in Malaysia or Mexico. Or Uzbekistan.

As far as we can see, there is generally no common thread. There is no clear equity story. No one has bothered to connect the dots. No one tells the investor: “These are our five key points. This is our strategy. This is how our financial results demonstrate that strategy.” The investor is expected to be an archaeologist, reconstructing the story from the fragments.

As an experiment, I timed how long it took to find the current dividend policy on the IR websites of five of the largest KASE companies. The average time was over seven minutes. One company had it buried on page 148 of a scanned 2022 annual report. A New York analyst would have given up in 30 seconds.



"I never got to the company."

4 The Gap Between What Companies Say and What Markets Hear

The problem is not one of will. Kazakhstan has some of the best-trained executives in the world. The problem is conceptual, a disconnect between two business languages.

For decades, the Kazakh economy, one of the richest in the world in terms of natural resources and mining, has measured success and value with a set of objective metrics: size, production volume, tons extracted, or physical assets.

No one doubts that Kazakh companies are undoubtedly world-class, run by highly trained engineers who know perfectly well how to manage complex operations and extract value from the ground. And that has been passed on to digital companies, airlines, and banks.

Because there is a fundamental disconnect between what we want to say and what the market really wants to hear and understand, global capital respects production capacity but does not invest in it

Global investors do not ask, “How much do you produce?” but rather, “How much return do you generate for every dollar I invest in you?” I like to jest that I have made my theoretical contribution to the field of IR. It is what I call the “gap theory.”

Global investors do not ask, “How much do you produce?” but rather, “How much return do you generate for every dollar I invest in you?”

The gap theory posits that the disparity between a stock’s market price and its fair value, as determined by analysts’ consensus, is largely a matter of misaligned communication. If the originator of the message is the company and the audience is the investors, the gap

between those two prices arises from not delivering the right message through the proper channels within a defined context.

When the market has access to reliable information from your (Kazakh) company—shared consistently, transparently, and with credibility—naturally, investors will allocate capital to your shares or bonds. In the end, markets operate according to relatively simple logic.

The value of solid IR is real, not abstract. Ultimately, it comes down to an idea: an effective investor communication strategy narrows the distance between the market price of a stock and its fair value, aligning with market expectations. It enables faster and more efficient access to capital, building a retail and institutional investor base capable of shielding the company from hostile takeovers.

The problem we have in the financial communications industry in Kazakhstan is neither a factory problem nor a production problem. It is a problem of understanding that the market demands strategic financial literacy. It is as if investors have been asking about an automobile's speed and destination, and our answer has been about the quality of the motor, which is more than capable of the trip. But the trip itself is left undefined.

To this end, there are three elements that Kazakh listed companies must commit to implementing, and to doing at world-class levels.

In this order: the Equity Story, the Annual Results Presentation, and Analyst Relations.

The Equity Story is a fundamental strategic document. You cannot communicate the value of a company, whether listed, state-owned, or private, without clear documents explaining the company's market narrative.

This document is not the company's corporate history or the "About Us" section on a website. The global market invests in prospects and

growth. Could you please explain to me how your company plans to improve as a better bank, airline, or mining company next year? Many Wall Street-listed companies give “guidance” and anticipated earnings per share for the coming quarter and fiscal year.

You cannot communicate the value of a company, whether listed, state-owned, or private, without clear documents explaining the company's market narrative.

The Equity Story is not a marketing document, nor is it a document intended to dictate to journalists what to write about us. It is the company’s core strategic document, articulated not around what we are, but what we are going to be as a result of the capital we have raised and our own talent. What sector we work in and why we are here, what our competitive advantage is, how we manage our resources, and how we will continue to do so in the future.

It is the way in which investor relations experts present the corporate image of a company to the markets as we want it to be perceived. It is our economic narrative. It is not just a matter of dumping Excel spreadsheets and numbers into a poorly designed PowerPoint presentation, but of explaining the context behind the decisions and identifying the decision-makers. As I once said to an analyst in Manhattan, “Investors would pay much more attention to you if, in addition to dumping Excel spreadsheets, you told them about the experience of the decision-makers.”

IR is more important than PR, and public relations teams should be subject to the key messages emanating from those in charge of the share price and market valuation. Unlike Public Relations, Corporate Communications, Social Communications, or whatever you want to call it, IR is not about seducing anyone to buy. IR is highly regulated, and professionals must be experts in the market. In a listed company, all communications must first meet the market's information needs.

All listed companies, as well as those that issue debt or aspire to go public, need an equity story. Don't be fooled by investment bankers who leave everything in the hands of endless prospectuses that no one reads. The financial markets will all but collapse the day we let lawyers write press releases full of acronyms, parentheses, and incomprehensible phrases.

When an investor puts money into your stock or bond, they cannot put that money into another company. Choosing a stock is like selecting a spouse or a dance partner. You had better be clear about why you are investing. An Equity Story can be a PowerPoint presentation or a 10-line web page, but it must explain the company's predictable future based on its existing resources and past decisions.

Many shareholders bet on companies and remain shareholders for years because they want to be part of a story. As we have already mentioned, enterprises in Kazakhstan possess a unique asset that companies in many other markets do not: a powerful national narrative that adds value in itself.

Which brings me precisely to my next point. The presentation of annual results by companies listed on KASE or AIX does not meet the standards of other mature markets. That is why there is no way we can escape the "frontier market" category. There is simply no way to understand the underlying value of our companies.

A good annual results report (published alongside its younger sibling,

the ESG Report) from a British or U.S. company is often a work of art. In fact, there are international awards for the best results reports.

Annual reports are developed over weeks and months to provide the market with a clear explanation of why certain actions are being taken and what figures support the success of their managers. They are not sycophantic documents that talk about everything and nothing, but clear documents that explain the distinction between a company's work and its financial success.

Most companies produce some kind of annual report because they are required to do so by regulation, but that does not mean that these reports are impossible to read and understand for investors who have to review many companies and do not have time to dig into the numbers of a company on the other side of the world.

This annual document, which serves as a compass for the market, must be accompanied by machine-readable open models so analysts can run simulations and understand the future of the stock price. Finally, they must serve as a beacon for explaining the company's narrative: visually appealing, published in multiple languages (I believe in Chinese and English, at the very least), and distributed globally.

The market must demand much stricter standards from companies when it comes to preparing their reports, so that they fulfill their legal but also moral obligation to provide an accurate picture of what is happening in their daily work.

This also applies to the famous ESG report. It is often delegated to press departments, which lack the capacity to do so, as a "social responsibility" initiative, involving activities such as planting trees, philanthropy, and sustainability reports filled with smiling photos. It is seen as a "cost center" to look good. Work such as that done by CAIER to advance ESG reporting in Kazakhstan is unique in Central Asia and should be promoted and supported.

Global investors do not view ESG as a marketing tool, but rather as a means of managing financial risk. And many international funds are unable to invest in companies that lack an environmental rating. Investors don't ask about trees. They ask whether assets are at risk from climate change, or what the cost would be in millions if a carbon tax were imposed tomorrow, whether there are risks in relations with local communities, who makes key decisions, or how independent is the audit committee of the Board of Directors.

Having the best production and financial results is useless if companies do not make the effort to establish channels and organize moments of financial intensity to attract the interest of various analysts and ensure their coverage.

The relationship with analysts is a key element in the life of a publicly listed traded entity. Analysts are the unsung heroes of the market. The primary challenge facing companies in Kazakhstan—and many emerging markets—is their lack of analyst coverage, which renders such enterprises opaque, even vaporous, in the eyes of global investors.

Investors cannot invest in companies that do not exist. And in my meetings in New York, London, or Paris, when I talk about Kazakhstan, I always hear the same comment: "I don't know anything about that market, sounds fascinating." Or something similar.

To break out of invisibility, you need the help of those whom the market listens to analysts. The good ones. This is not a matter of opinion, but a procedural reality. Those who have been independently

analyzing companies' operations for decades, who understand the industries, and know which direction the market is moving in.

Having the best production and financial results is useless if companies do not make the effort to establish channels and organize moments of financial intensity to attract the interest of various analysts and ensure their coverage. Communicating with analysts is critical to truly understanding why a stock is priced the way it is. It means that your company is strong enough to be studied, analyzed, and scrutinized by some of the most thoughtful and intelligent people in the market.

To break out of invisibility, you need the help of analysts. The problem is that, for global capital, the majority of the Kazakh market is an informational wasteland.

I did the exercise: The 10 leading companies listed on the KASE Index are covered by local brokers, who usually publish their reports in Russian and do not distribute them outside their client base. MiFID II doesn't apply in this case, and there is no sponsored research.

However, that's where the story ends. Global, or even regional, banks typically only cover those few companies that have paid the toll of a costly dual listing in London or the NASDAQ, such as Kaspi, Kazatomprom, Freedom, or Halyk Bank. The rest of Kazakhstan's blue chips, the national giants, are invisible.

It is as easy as checking Bloomberg, Refinitiv, or Yahoo Finance, for that matter, to understand that Kazakh companies only have analyst consensus when they have a foreign ticker and are dual listed on foreign exchanges. Something that, at the moment, mostly occurs in New York or London (companies operating Kazakh assets listed in Toronto or Australia are not the subject of this reflection at this moment, you shall excuse me).

Kaspi, Kazatomprom, Halyk, and Air Astana appear to have banking analyst coverage, but purely local stocks appear without consensus data.

The majority of our blue chips are invisible. It as if national giants like Bank CenterCredit, Kcell, KEGOC, Kazakhtelecom, and KazTransOil do not exist. For global capital, they are stock market ghosts, and we cannot find a single research report from JPMorgan, Citi, or BofA for them. Zero. Nothing.

This is a failure, but also a consequence of many years of deficient analyst relations, which is a key element of this trade.

The IR page of PKO Bank Polski (the "Halyk" of Poland), for example, lists coverage from 11 top-tier banks, including Morgan Stanley, Goldman Sachs, and JP Morgan. Its competitor, Bank Pekao, is covered by 20 analysts. This, while being a totally local player.

In an FTSE Russell interview, Marek Dietl, CEO of the Warsaw Stock Exchange (GPW), explained their success: "We did not wait for foreign investors to come to us. We went to them. We spent years in London, in New York, explaining our rules, our companies, and proving that our market was transparent."

Issuers focused on the domestic market, like KEGOC or KazTransOil, typically lack coverage from global investment banks. Their monitoring primarily comes from Kazakh brokerages, including Halyk Finance, BCC Invest, Freedom Finance, Centras, and others, through reports in Russian/English aimed at the local public.

An example is Polymetal International, which was previously widely covered by more than 12 international analysts (including J.P. Morgan, Morgan Stanley, and VTB) but lost virtually all of its Western analyst coverage after delisting from the LSE to relocate to the AIX.

This local coverage, although more limited in scope, offers fundamental analysis (including quarterly results and valuations) and investment recommendations on local platforms.

It shouldn't be this way. We must work to get analysts to cover the Kazakh market regardless of whether its listing is purely local or dual.

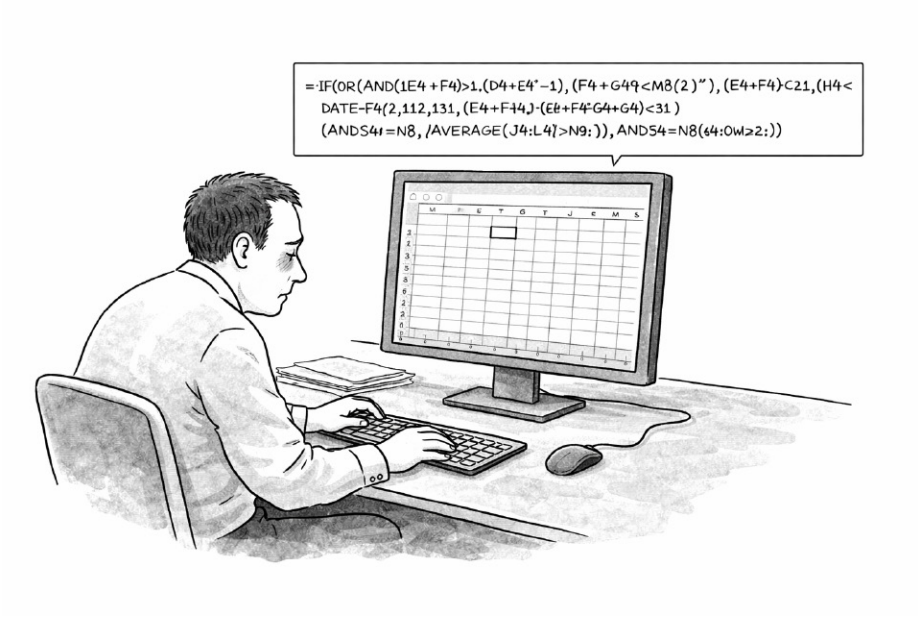
Because, of course, the aggregators, like MarketScreener, Yahoo Finance, or Seeking Alpha, show nothing, because there is almost nothing.

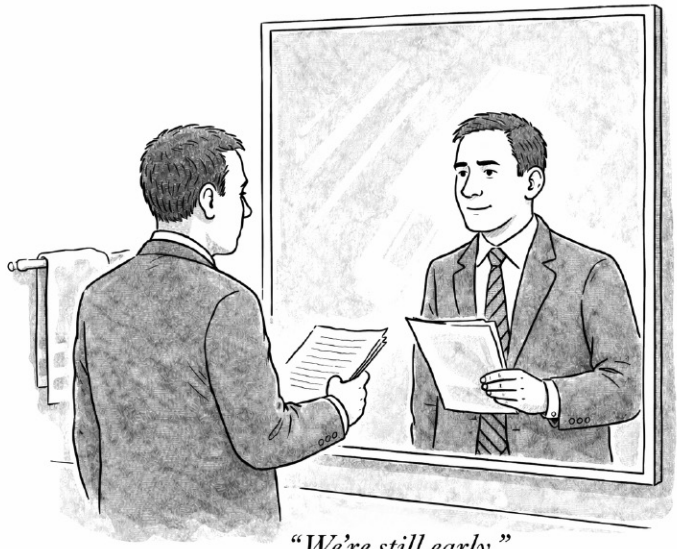
Good analysts have established procedures to ensure their opinions on companies are widely known via FactSet, Bloomberg, or Reuters terminals. Without at least one analysis of its stock, a company can't attract investors. And it is perfectly valid to enlist the help of sponsored analysts (this has been the practice in Europe since MiFID II came into force).

If the analyst community does not cover a company, it nearly does not exist. You cannot demand respect if you cannot explain yourself. And to attract analysts' interest, it is vital for companies to clearly define the biographies of those who manage them and strive to provide "guidance." In the words of Robert J. Shiller, "ultimately narratives are major vectors of rapid culture change, in zeitgeist and in economic behavior."

If the analyst community does not cover a company, it nearly does not exist.

Investors don't buy the past. That price is already discounted. Investors buy the future. Providing guidance (on revenue, EBITDA, Capex) is not a promise set in stone. The market understands volatility perfectly well. Providing guidance is proof of confidence. In other words, "We are in control of our business. We have done our homework. And this is what we expect to happen."


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"We're still early."

5 KASE Gave You the Ticker, Now Tell the Story

Kazakh listed companies have an extraordinary ally in KASE, with its understanding of financial markets and the potential for Kazakhstan to become a gateway to international capital seeking to enter Central Asia. KASE is a modern market, comparable to many international markets, from which public companies can iterate to achieve global preeminence.

Because one of the things KASE offers, and that markets provide, is a ticker. The ticker is the most crucial gateway to the platforms where investors consult information to make buying and selling decisions. The ticker is the ticket to Bloomberg terminals and Reuters screens.

And KASE, which has fulfilled its part of the bargain by building this digital highway, now faces a fundamental problem: it has delivered the "ticker," but companies don't know what story to put behind it.

The ticker is, in effect, the ticket to the exam room.

When an investor in New York or Singapore types a company's code into their terminal, presses "Enter," and hopes to find the "Universal Language of Value" we discussed in the previous section. What KASE offers is connectivity. What the company must offer is narrative.

What KASE offers is connectivity. What the company must offer is narrative.

If you are a domestic Kazakh company and you are listed, KASE puts you on the global map, connecting you to international platforms, terminals, Bloomberg, Reuters, and FactSet. It enables the distri-

bution of information. But if, upon clicking, the investor finds themselves in the digital graveyard, with quarterly reports that are "machine-translated English" or, worse still, radio silence, then the ally (KASE) has been betrayed.

However, if the platform works, the ticker works, and there is no free float, with valuation stalled, then what's broken is the message. KASE has built a first-class fiber optic pipeline over the past three decades, but many investors are not recognizing its value, especially abroad.

Markets are driven by digital, and IR is not an exception. In the near future all your investors, and the media will get to know you online and will trust artificial intelligence systems and large language models, many of them custom-designed, to make decisions about who you are. We will see "finfluencers" act as market prescribers, and all IR strategies will have to become digital-first strategies.

This failure is even more glaring as new platforms emerge. Going public is the fastest way to raise funding for growth, distribute wealth among investors, finance further expansion both internationally and domestically, build a corporate reputation, increase visibility and reputation, attract and retain employees, and accelerate liquidity. But once you're public, you're public. Period.

My friend Chingiz Kanapyanov, CEO of ITS, one of the largest multilateral trading facilities (MTS) in Asia, once told me, "Our mission is to provide retail investors from the region with direct access to the global market, but this only works if those investors are empowered with world-class information."

KASE must take on an evangelical leadership role and become the strategic partner that not only assigns a ticker, but also demands how companies must report, what standards they should follow, and how IR work should be done. A good exchange is a lighthouse, but also a leader, a mentor, and a supervisor. Never underestimate the power of exchanges to connect companies and capital.

Never underestimate the power of exchanges to connect companies and capital.

KASE has the capacity to be the institution that leads financial literacy not only for investors, but also for its own listed companies, setting the "gold standard" for what it means to "speak the universal language of value" from Kazakhstan.

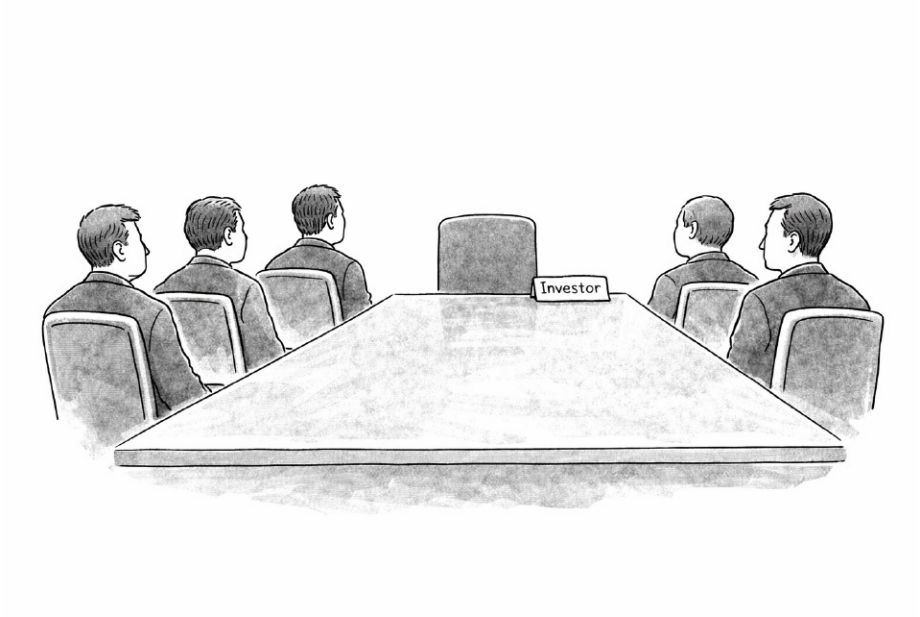
This specific exchange has proven its capacity to become a more or less active supervisor of the narrative quality of the conversation with the market.

As of May 2024, retail investors represented 70.7% of the trading volume in shares on KASE, compared to 16.9% for broker-dealers and 0.8% for banks.

Precisely because the Kazakh stock market is primarily a retail market, investor relations should include a certain degree of retail-oriented activities, geared towards conversations on the street, rather than being exclusively restricted to institutional actors. In doing so, KASE protects local and international investors, maintains the market's functioning, safeguards its own interests, and benefits the country. It ensures—and this is important—that tickers are a gateway to a history of professional investing.

It should be both a legal and a moral obligation for issuers to make an effort to tell their companies' stories to the small players in the local market. The market encompasses more than just the experts, brokers, and executives. In practice, this reinforcement involves creating compliance and reward mechanisms.

KASE has a unique opportunity to link the privileges of listing with the responsibility of transparent, world-class communication. The country should be proud of having such a market platform.


Investor



"Liquidity will follow."

6 What New York Analyst Expects to Find in Almaty

The stock market is not just a place where a company's shares are bought and sold; it is also a platform for investors to engage with companies. It is the symbolic place where messages are transmitted to those who want to participate in today's economic narrative. When a company goes public, regardless of its size, it must make a structural and mental effort: it enters a different arena. A sport with shareholders, regulatory obligations, and a constant battle for engagement.

Any IR Plan is basically about responding to eight key questions.

1. Who manages the company, and how does it operate? Who are the shareholders behind it?
2. How much liquidity does your company have at any given moment?
3. Does the company have a long-term strategy in place?
4. How much cash can it accumulate in the short term?
5. What can it do to manage its near-term expense levels?
6. What actions can it take to ensure its viability?
7. How does it plan to protect its key assets for the foreseeable future?
8. How does it generate profits and drive innovation?

Look at the questions. They are the same that any CEO is asked by their Board, or by an analyst, or by a financial journalist. They are basic, but put together, they tell a real story of future earnings and expectations.

On this playing field, successful management is worthless if it is not appropriately communicated to the market. But it is worth even less if a good relationship with investors is not established and the company's progress is not expressed in an intelligent and serious manner. When a listed company creates the right message and distributes it

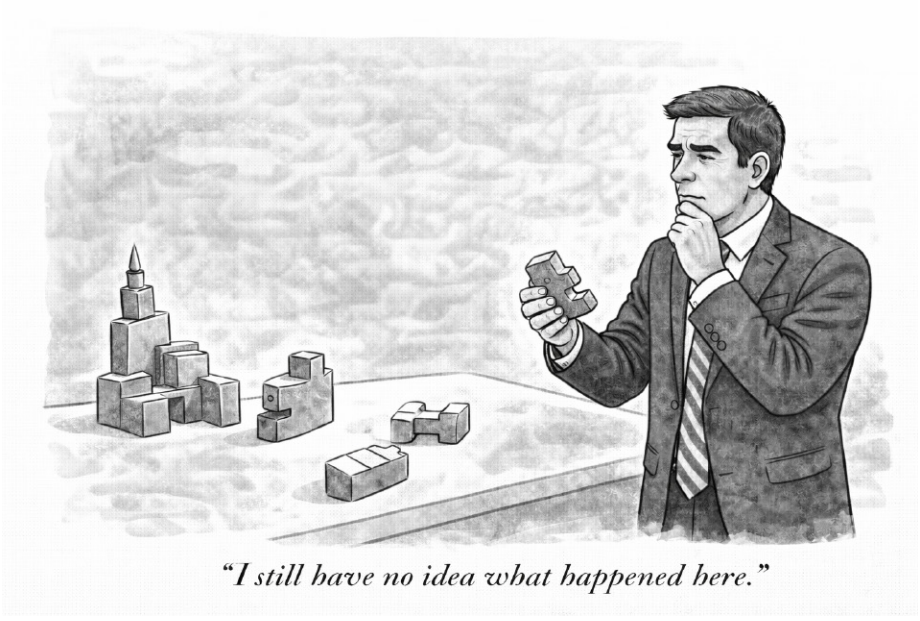
effectively, it becomes stronger, can defend itself against potential hostile attacks, and will have greater liquidity and access to cheaper, long-term financing.

I have read that some market players refer to it as the Kazakhstan Discount. I saved an article in Seeking Alpha, one of the very few about the country's securities, titled "Kaspi: A 10-Bagger Fintech Story With A Geopolitical Discount," and it was published by one of those independent U.S-based analysts who frequent Seeking Alpha. In it, the author says that: "Kaspi's valuation remains stubbornly low, trading at a P/E (price-to-earnings ratio) of ~8x while its global fintech peers... trade at +20x. This valuation gap is, in our opinion, almost entirely attributable to the 'Kazakhstan discount' that investors are applying."

Read that again: "the 'Kazakhstan discount' that investors are applying."

Kazakhstan is not seen as a bad market. The rating agencies are usually bullish on Kazakhstan, which was the first country in Central Asia to ever receive a country rating. By September 2024, Moody's raised Kazakhstan's sovereign rating to Baa1 (stable), while Fitch confirmed its BBB (stable) rating in July 2025. And in August 2025, S&P revised the outlook and rated the country's economy as positive.

We are, quite simply, invisible.



"I still have no idea what happened here."

7 What It Takes to Climb the MSCI Ladder

A major problem - and something the market frequently discusses - is Kazakhstan's classification as a frontier market by MSCI. Yes, we are in the hands of U.S-based analysts who focus primarily on financial key performance indicators (KPIs), but that's the world we live in.

Let's break down the problem. MSCI categorizes the developing world into three types of markets: emerging, frontier, and advanced frontier, which is a transitional category for countries transitioning from frontier to emerging markets.

Since the MSCI Frontier Markets index was launched on December 18, 2007, Kazakhstan has always been classified as a frontier market, which includes countries like Sri Lanka, Morocco, Kenya, or Bangladesh, but never in the emerging category, where Brazil, India, South Korea, Mexico, Chile, or Egypt are.

Over these 18 years, there have been countries that have been upgraded, like the United Arab Emirates or Qatar in 2014, and some that have been downgraded, like Greece in 2013 or Pakistan in 2021.

Membership in the select club of emerging markets, akin to the NBA draft, is determined by strict criteria.

Thus, the emerging markets, which are the actual arena of global investment, include the world's fastest-growing economies, among them China, with which Kazakhstan shares a 1,783-kilometer border.

Meanwhile, frontier markets are those markets that, by definition, are in the earliest stage of development and openness to capital markets, are less liquid, and are the smallest in the investable universe.

The problem is that while many significant funds are mandated to invest in emerging markets, for the big global asset managers (pension funds, sovereign wealth funds), the 'frontier' category is toxic.

Large global funds, such as the Norges Bank Investment Management (NBIM), a sovereign wealth fund of Norway, or the U.S. CalPERS

(State of California Public Employees' Retirement System), cannot access frontier markets.

At most, some hedge funds and high-risk players can buy into products like the iShares MSCI Frontier and Select EM ETF (FM), managed by BlackRock, which invests in markets like Kazakhstan, but only has $900 million of assets under management (AUM), less than 2% of equivalent emerging markets fund, which is called IEMG (the iShares Core MSCI Emerging Markets ETF).

If MSCI changed Kazakhstan's label from Frontier to Emerging, that would immediately represent the immediate entry of billions of dollars in passive funds (ETFs and index funds) that are obligated by their mandates to replicate this index.

The interesting thing is that the criterion for being recognized as an emerging market has nothing to do with the country's industrialization efforts, its public sector innovations, or even the development of logistics infrastructure. It is directly related to its stock exchange and market liquidity.

Liquidity is a consequence of effective communication. I like this quote of Charles Li, the former CEO of the Hong Kong Stock Exchange, who once said that "liquidity is not a feature of a market; it is the product of a market. It is the direct result of trust, transparency, and a critical mass of diverse participants."

For a market to be recognized as an emerging market and gain access to the billions of dollars in investment and the opportunities it represents, it must meet several criteria. Those rules, which change over time, include the size of the total market's value, the free float available (free float does not include government, insider, or founder shares) for its main blue chips and the ATVR, the Annualized Traded Value Ratio of them must meet a 15% standard (meaning that at least 15% of a company's shares must change hands during a year.)

In short, what MSCI values in a market is liquidity. Indeed, investors also get a deal of comfort from liquidity.

Make sure, always, to explain not only the what or the why, but also the when.

In addition, MSCI utilizes other qualitative data. It asks several key questions, including aspects such as the Foreign Ownership Limit (Does the country permit foreigners to own 100% of a stock?) and the Ease of Capital Flow. (Are there delays, limits, or bureaucracy in repatriating capital or dividends from the country?) And, is market data available, and are company reports published in English?

As of this moment, the MSCI Kazakhstan Index includes three constituents (Kaspi, Kazatoprom, and Halyk), and adds that it "covers approximately 85% of the Kazakhstan equity universe".

Interestingly, it defines Kazakhstan as a low-volatility, high-yield market (fantastic news) with lower-quality stocks.

The MSCI Watch List for possible promotion to Emerging Market includes, for example, Vietnam and Romania, besides Kazakhstan.

To be promoted to an Emerging Market category, a review is conducted every two years. The country needs to attract significantly more foreign capital and update all its websites to English. Curious, isn't it?

Invisibility, the "cost of explanation," investor frustration, and the hangover from IPOs are a reality. And it is a reality that can only be broken by a change in mindset: a commitment to building narratives and to investing in first-rate IR work. In the modern world, many capital markets have no borders; inaction and opacity create them.

This transformation is not a task for a secondary department, but the non-delegable responsibility of management. Discounted share prices and the premiums paid by Kazakh companies are direct consequences of inaction. If the leaders of listed or private companies seeking to go public want to close the gap between real and perceived value, they must implement fundamental changes.

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The first of which must be a personal audit of their investor communications presence. We must pick up our smartphones and look at our very own IR Website on the run, just as a New York or London investor would.

If the dividend policy cannot be found within ten seconds, and if the English appears machine-generated, the only thing we are telling the market is that we do not really care about them. And maybe we lack the staff necessary to properly run an enterprise that seeks funds globally. And that we do not care about their money, nor do we respect their training or acumen.

To effectively articulate that information to the market, we must work on three fronts.

We need to clearly define our investment thesis - or seek an analyst's help to do so -and establish an internal process that enables us to target investors, both domestic and international accurately. Once

that is done, we must commission our teams to develop best- in-class documentation that is understandable, comprehensible, and transparent.

Make sure, always, to explain not only the what or the why, but also the when. IR Calendars drive uncertainty away. There is nothing worse than anxious investors during reporting season. Make sure that, by January 2nd, your investors have a clear understanding of how your IR strategy will play out over the year —and plan for enough roadshows, one-on-one meetings internationally, and Zoom calls to capture their attention.

Any CEO of sound mind needs to have by their side a CFO who can respond, in the same 10 seconds, to the question "Why on earth should anyone buy our stock?". If the answer is not an instant, clear, and articulate "Equity Story" in 30 seconds, a monumental strategic void exists. If the management team can't articulate its investment thesis to itself, it's impossible for a fund in London to do so in 10 minutes in front of an analyst.

Build a team that is ready for battle 365 days a year. That may mean utilizing the CEO as a thought leader on LinkedIn, intelligently leveraging information dissemination systems in the United States and Europe, and establishing a Telegram channel to involve retail investors.

All this effort requires reviewing the list of what we call comparables. Look at the window, see how your competition is behaving. If a Kazakh company compares itself only to its KASE neighbour, it is playing in a local league, and its valuation will reflect that. If you are able to be the first one to land your story on the front page of the New York Times, if you are the first one to launch a Central Asian SPAC on Nasdaq, if you are the first one to set up a retail investors loyalty program, then you are going to win a lot.

I hold stringent beliefs about the function of free markets, and I am keen on explaining that it is the CEO's responsibility to limit informa-

tion asymmetries. CEOs and CFOs should support their IR teams and defend them ruthlessly.

At the start of every year, Kazakh companies (or any listed company, for that matter) put together a clearly defined IR programme, which starts by understanding who your investor audience is, and what it thinks about you.

A programme that has four phases: Narrative Crafting, Investor Targeting, Dissemination and Monitoring, and takes into account emotions in the financial markets. Markets, my good reader, are not always rational, so we need to bolster strong fundamentals with investor hand-holding.

Any successful IR programme entails connecting with institutional investors, attracting retail investors, and engaging the financial media and analysts simultaneously. For this, we need to rely on both present and future technologies. AI, real-time investor, and media analysis, and the screens are your best friends.,

Compliance and transparency are non-negotiable. Investor Relations Officers (IROs) must ensure compliance in all communications and financial reporting, focus on their equity story, their annual reports, and ESG reports as cornerstones of their strategy.

As a recommendation, think digitally, but engage in person. Roadshows, investor days, and one-on-ones are not speaking opportunities, but true relationship opportunities. A confident CEO who holds earnest conversations with investors or all stripes generates a great deal of durable affinity.



"I'm going into investor calls more prepared this year."

From Invisible to Inevitable: The Kazakh Opportunity

As we have seen, the gap is real. Invisibility, the "cost of explanation," investor frustration, and the hangover from IPOs are a reality. And it is a reality that can only be broken by a change in mindset: a commitment to building sustained, compelling narratives.

This transformation is not a task for a secondary department, but a responsibility for company management. Therefore, if the leaders of listed or private companies seeking to go public want to close the gap between real and perceived value, they must engage in serious sustained IR.

The first step is a personal audit of the front door. It is not about delegating a report; it is about picking up your smartphone and looking at the IR website as a New York investor who knows nothing would do. If it is a "graveyard of PDFs," if the dividend policy cannot be found in ten seconds, if the English is "translator English," the only thing we are telling the market is that we do not care. That is not important to us. And that we do not care about their money.

The second act is a call to the CFO. Not to ask for the numbers, but to ask, "Why on earth should anyone buy our stock?" If the CFO can't come up with an answer in 30 seconds and deliver a document, an Equity Story, that supports that answer, you have a really big problem. Suppose the management team of a listed company can't articulate the investment thesis. In that case, it is equally impossible for them to do so to a fund in Toronto, Hong Kong, Frankfurt, or Edinburgh.

The process through which companies convey a narrative and reliable information that will allow investors to make informed decisions about the fair value of their shares. The battle is ongoing 365 days a year, and you have to sweat and toil to make your company omnipresent.

Look at what the competition is doing. To attract global capital, it must measure itself against the leaders in Australia and Canada.

Let's do the exercise of identifying which market it really competes in and how its competitors communicate. It's not in Astana. It's probably in Amsterdam, or Houston, or Geneva.

Ultimately, the key factors for a company to reach its full potential are a compelling market story and a skilled investor relations team engaging with a sufficiently large number of funds (and retailers) to explain the fair market price of their shares and encourage them to purchase these shares. It's really that simple.

And for this to happen, the Investor Relations Officer cannot be a "glorified translator" hidden away in the organizational chart. If IR is not in the room where strategic decisions happen and does not report directly to the CEO or the CFO, then it will be trouble. That is not IR. That involves managing files, pressuring vendors, appearing to be working, and mostly doing nothing.

It is an under-achievement that 35 years after Kazakh independence, international investors account for less than 10% of the trading volume of listed companies in Kazakhstan.

According to KASE's own reports and market analyses from 2024, the participation of non-residents in the secondary stock market is barely 9.6%. This is the Kazakh premium in figures: more than 90% of the market is purely local conversation. Are we even taking care of the local conversation? Do we set up IR programs to attract local investors to talk about us, rather than Tesla or Nvidia? Do we work to convert our customers into investors? Do we ask them to support them and explain what we are doing for them, for the economy, and the nation?

These are important questions. If we examine the markets we really compete with, we can see that other countries are doing their homework more effectively and achieve better results. Take Poland and the Warsaw Stock Exchange. Like Kazakhstan, Poland is a former communist nation, but one that has built gravitas and a positive re-

putation into its narrative work. The participation of foreign investors in its primary market reached an all-time high of 65% in 2023.

Well, China is next to us, and within China, the Hong Kong market. If we want to increase foreign ownership, maybe we need to stop looking West and start looking to all the wealth around us.

Between Almaty, Astana, and Warsaw, there is a 55% gap, which is not due to the fundamentals of listed company quality, geography, or the economy. It is the price we are paying for three decades of confusing market narrative.

Professionalizing financial language, narrative, and digital presence is not optional. It is the only way to close the gap between existing value and perceived value. In the markets, the winner is the one who has the best fundamentals—and who masters the narrative.

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In practice, as investors grow familiar with a company's fundamentals and understand its ambitions, a constructive dynamic emerges between shareholders and the stock, making it reasonable to anticipate greater liquidity over time.

Moreover, a well-orchestrated IR effort fosters the creation of retail and institutional "defense armies" to sustain the share price under challenging periods and support its growth during favorable ones.

Without expert IR, we will lose the confidence of investors, both large and small. It will be a missed opportunity for the New York pension fund, which wants to invest in the "Connector Market," but cannot decipher the story.

For years, we have acted as if our assets were so good that they needed no explanation. This is a mistake that borders on arrogance. Valuation is fought for, defended, and earned—every quarter.

Investor relations must be the lubricant of growth, the mechanism that makes us the most profitable and predictable place to be. A sensational emerging market that welcomes all international investors.

I honestly believe that Kazakhstan's upcoming IPOs will make the country one of the most attractive financial markets for global investors in the near future. Hence, the Kazakh discount ends the day you, the leaders of this market, decide to end it.

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Ramon Pedrosa Lopez is a specialist in investor relations and financial communications. He is the founder of Definition, the first Investor Relations and Strategic Consulting firm in Central Asia, established at the Astana International Finance Center (AIFC). He founded Pedrosa, a financial communications company and has been active in the communications markets since the nineties.

Within the industry, he has served as general manager of several media companies, foreign correspondent, and financial markets editor in China. He worked as a journalist for Agencia EFE, the world's leading Spanish-language news agency, where he headed the bureaus in Hong Kong and Kuala Lumpur. Over the years, he was stationed in Tokyo, London, Jakarta, Seoul, and Mexico City, covered Japan's first overseas military deployment since World War II on the island of Sumatra, and flew over the Indian Ocean in a combat helicopter.

As a columnist, his articles have appeared in the International Herald Tribune, The New York Times, Forbes, Times of Malta, Russia Beyond the Headlines, El País, and La Nación de Buenos Aires.

He trained as an investor relations professional at the Investor Relations Society (UK), becoming the ninth professional ever to achieve the Diploma in Investor Relations. He also holds the Certificate in Investor Relations from the same institution and completed the Advanced Investor Relations Course at Instituto BME (Madrid Stock Exchange).

He earned his Master's degree in Regional Integration from the University of Malaya (Kuala Lumpur) and the Universidad Autónoma de Madrid, and holds a Bachelor's degree in Information Sciences from Universidad Cardenal Herrera-CEU (Spain), with study periods at the University of Westminster (London) and the University of Nancy II (France).

He has lived in around fifteen countries, in cities such as London, Valletta, Jakarta, and Hong Kong, where he served as interim president of the Foreign Correspondents' Club. Today, he divides his time between Europe, the United States and Almaty, Kazakhstan, traveling every few weeks and generally living off airplane coffee.

His book The Philosophy of Investor Relations was published in 2023.

He writes obsessively in green ink.

Kazakhstan seeks its place in global finance, but the path is marked by tensions between ambition and reality, reform and resistance. Ramon Pedrosa, investor relations expert and financial journalist with 25 years in emerging markets, examines one of the world’s most complex frontier markets.



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