

## **Risks Relating to Taxation**

***If the Company were treated as a passive foreign investment company, investors in the ADSs subject to U.S. federal income tax could have material adverse tax consequences.***

Special U.S. federal income tax rules apply to U.S. investors owning shares of a passive foreign investment company ("PFIC"). If the Company were treated as a PFIC for any taxable year during which a U.S. Holder (as defined in "Item 10. Additional Information—E. Taxation—Material Tax Considerations—U.S. Federal Income Tax Considerations for U.S. Holders") holds the ADSs, the U.S. Holder could be subject to certain material adverse tax consequences upon a sale, exchange, or other disposition of the ADSs, or upon certain distributions by the Company. Based on the current and anticipated profile of our income, assets and operations, we believe that the Company was not in 2023, and we do not currently expect the Company to become, a PFIC for U.S. federal income tax purposes. However, because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our control, and there are uncertainties as to the application of various PFIC rules to the Company's income and assets, there can be no assurance that the Company will not be a PFIC in any taxable year or that the U.S. Internal Revenue Service (the "IRS") will agree with our conclusion regarding the PFIC status of the Company in any taxable year. U.S. Holders should consult their own tax advisers about the potential application of the PFIC rules to their investment in the ADSs. For a more detailed discussion of PFIC tax consequences, see "Item 10. Additional Information—E. Taxation—Material Tax Considerations—U.S. Federal Income Tax Considerations for U.S. Holders—Passive Foreign Investment Company Considerations."

***Kazakhstan's taxation system is subject to frequent changes.***

Kazakhstan's taxation system is continually evolving and is subject to frequent and, at times, ambiguous changes, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Additionally, the Code of the Republic of Kazakhstan "On Taxes and Other Obligatory Payments to the Budget" dated December 25, 2017, as amended (the "Tax Code"), and tax provisions of the Constitutional Law of the Republic of Kazakhstan "On Astana International Financial Center" (the "AIFC Law") have been in force for a short period relative to the tax laws and regulations in more developed market economies and, therefore, risks of tax assessments within its jurisdiction are more probable than in nations with more developed tax systems. Our operations are principally conducted and most of our assets are located in Kazakhstan and, therefore, shortcomings of the Kazakhstan taxation system could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, the adoption of a new Tax Code is being actively discussed, however, it is not yet known exactly when the new code will be adopted and how such new code could affect our business.

Historically, the system of tax collection in Kazakhstan has been difficult and unpredictable, which resulted in a number of changes to the tax legislation, sometimes on a short notice and with retroactive application, including changes to the provisions that establish the rules of tax administration, tax base determination and tax rate. In addition, the Kazakhstan tax legislation is subject to amendments on a regular basis, which often lead to tax uncertainties and may result in adverse tax implications for our business.

Interpretations of the tax legislation by the tax authorities are not legally binding; however, any inconsistent interpretations may increase the level of uncertainty and, therefore, tax risks, and could potentially lead to the inconsistent enforcement of tax laws and regulations. Official explanations and court decisions are often unclear and contradictory, while tax disputes could result in significant litigation costs for us. For example, clarifications of the tax authorities on particular Tax Code or AIFC Law provisions are not legally binding on either taxpayers or the tax authorities themselves, and may not be taken into account during the settlement of tax disputes. In addition, the tax authorities are not legally required to provide interpretations of the Tax Code or the AIFC Law. Thus, the tax authorities can change their position regarding the application of a particular provision. In addition, judges considering court cases related to the resolution of tax disputes sometimes issue decisions that can be considered arguable. The designation of the Supreme Court and the Astana City Court as the courts of first instance for investment-related disputes in 2016, including tax disputes relating to investments, did not lead to a significant improvement in the quality of tax litigation or substantial positive changes in the resolution of tax disputes.

As a consequence of the complexities around legal interpretations and the taxation mechanisms, the shortcomings of legal techniques, as well as gaps and contradictions that exist in the tax legislation, there are frequently different interpretations of the tax legislation by taxpayers and the tax authorities. During settlements of tax disputes, the tax authorities and courts often issue decisions in favor of the state. Therefore, taxation in Kazakhstan is often unclear or inconsistent, and may result in unexpected tax assessments and liabilities that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***References to IFRS in the Tax Code could result in adverse tax assessments for our business.***

A significant part of the Tax Code contains direct links to IFRS, which makes IFRS an important and considerable factor within the Kazakhstan tax system. Therefore, since IFRS is built on the “substance over form” principle, the application of certain principles and methods of IFRS is a matter of professional judgment, which may result in tax disputes between us and the tax authorities. During tax audits, the tax authorities sometimes interpret IFRS in a way that could differ from the professional judgment of financial reporting specialists or auditors. In addition, the tax authorities issue letters where they give their own interpretation of IFRS, which may fail to take into account all aspects of application of standards.

The complicated nature of the application of IFRS in the Kazakhstan taxation system entails a risk of ambiguous interpretation and practical application of IFRS provisions by taxpayers and the tax authorities, and may, therefore, lead to additional and, potentially, material, tax assessments on us that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***The ADSs need to be listed on the official list of the AIX or the KASE and there should be certain trading in such securities in order for the holders of ADSs to enjoy the applicable tax exemptions provided under the Tax Code and the AIFC Law.***

Under the AIFC Law, until January 1, 2066, dividends paid on securities are exempt from taxation in Kazakhstan, provided that such securities are included on the official list of the AIX at the time the dividends are accrued and the Active Trading Criteria (as defined below) are met. Similarly, capital gains derived from the disposal of securities are exempt from taxation in Kazakhstan, provided that such securities are included into the official list of the AIX on the date of their disposal.

Provisions of the AIFC Law in terms of certain tax benefits are broader than the provisions of the Tax Code. Accordingly, if the ADSs are delisted from the official list of the AIX for any reason, the holders of the ADSs will lose the applicable tax benefits under the AIFC Law and will have to follow the provisions of the applicable Tax Code effective as of the date of the taxable event.

The Tax Code provides relief from withholding tax in respect of capital gains derived by the ADS Holders (other than individuals) from the disposal of the ADSs on a stock exchange operating in Kazakhstan or a foreign stock exchange under the open trade method if the ADSs are included into the official lists of such stock exchanges on the date of their disposal. The Tax Code provides quite similar relief from withholding tax for the ADS Holders that are individuals, however only in case of disposal on a Kazakhstan stock exchange (i.e., there is no possibility to obtain such relief in case of the disposal of the ADSs on a foreign stock exchange). The Tax Code provides relief from withholding tax in respect of dividends paid to the ADS Holders (both individuals and legal entities) if the ADSs are included into the official list of a stock exchange operating in Kazakhstan on the date when the dividends are accrued.

In addition, since January 1, 2023, under the new amendments to the Tax Code and the AIFC Law, a mere inclusion of securities on the official list of a stock exchange operating in Kazakhstan (including the KASE and the AIX) is not sufficient to benefit from exemption of dividends on such securities from taxes. The dividend tax exemption applies only if there has been certain trading in such securities (the “Active Trading Criteria”). The Active Trading Criteria include the volume of deals with the securities in question being not less than 25 million a month and the number of deals with such securities being not less than 50 a month, and the criteria are satisfied only on the basis of executed deals. The KASE and the AIX are required to publish on their websites information on securities satisfying these criteria quarterly.

However, the current legislation of Kazakhstan and the AIFC Law do not specify the period within the relevant tax year during which the Active Trading Criteria must be met, and there are yet no clarification by the tax authorities or established practice on this matter. Payers of dividends may, therefore, decide that only the last month preceding the accrual of dividends must be considered for exemption purposes. However, there can be no assurance that the

tax authorities would not require that the Active Trading Criteria must be met each month within the same tax year or, for example, that average figures for all such months must be calculated and used for this purpose. Therefore, there can be no assurance that the Active Trading Criteria will be met for the ADSs on the AIX when dividends are accrued and that no withholding tax will apply to dividends that may be paid on our common shares underlying the ADSs.

See "Item 10. Additional Information—E. Taxation—Material Tax Considerations—Material Kazakhstan Tax Considerations" for more details on the tax treatment of capital gains and dividends under the Tax Code and the AIFC Law.

#### **Risks Relating to Our Organizational Structure**

***We are controlled by our current principal shareholders, which will limit your ability to influence corporate matters and could otherwise impact our business and reputation.***

Mr. Vyacheslav Kim, Mr. Mikheil Lomtadze and Asia Equity Partners Limited together beneficially own 69.46% of our outstanding share capital. Accordingly, these shareholders have significant influence over our strategy, management, policies and affairs and over all matters requiring shareholder approval, including the election of members of our board of directors, amendment of our charter, issuance of additional common shares and approval of certain actions requiring the approval of a majority of our shareholders, such as dividends and significant corporate transactions. While we believe that such influence has been, and will continue to be, important in the development, pursuit and implementation of our strategy, management, policies and affairs, there can be no assurance that the interests or views of Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited in relation to the development of our business will coincide with those of other shareholders and ADS holders. Since these shareholders collectively own a majority of our common shares, this will give them control, if they were to act jointly, over us and the ability of ADS holders to influence our conduct will be limited. Potential conflicts may arise if Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited choose not to approve matters which would otherwise be in the interests of the remaining shareholders. Any divergence of interests of Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited and ADS holders may adversely affect the market price of the ADSs.

Furthermore, from time to time, the press and other non-traditional media may report on or speculate about a wide variety of matters relating to us, including Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited and their respective businesses, investments or affiliated persons. In addition, Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited or their investments in our or other businesses, which are extensive and varied, may have been from time to time, and may in the future be, subject to legal claims, accusations, proceedings or investigations, which may generate adverse press coverage with respect to our business, even if we are not directly involved in such matter. As a result, any reports in the media and other public statements regarding the activities of Mr. Kim, Mr. Lomtadze and Asia Equity Partners Limited, irrespective of whether such statements have any basis in fact, could have a material adverse effect on our reputation, which could have an impact on our business, financial condition, results of operations and cash flows.

***The rights of our shareholders are governed by Kazakhstan law, and our charter differs in some important respects from the typical rights of shareholders under U.S. state laws.***

Our corporate affairs are governed by our charter and by the laws governing joint-stock companies incorporated in Kazakhstan. The rights of our shareholders and the responsibilities of members of our board of directors under Kazakhstan law and our charter are different than under the laws of some U.S. states. For example, the existing holders of common shares in Kazakhstan joint-stock companies generally have a pre-emptive right to acquire newly placed common shares (including newly issued shares or shares previously repurchased by a joint-stock company) or other securities convertible into common shares. Our board of directors has the right to approve the placement of our common shares without the pre-emptive rights procedure if, for example, the common shares are provided to our employees as an incentive award.

In addition, our charter includes other provisions that differ from provisions typically included in the governing documents of most companies organized in the United States. For example, extraordinary general meetings of shareholders may be convened by either our board of directors or any shareholder or group of shareholders representing not less than 10% of our common shares.

As a result of these and other differences, our shareholders may have rights different to those generally available to shareholders of companies organized under U.S. state laws, and our board of directors may find it more difficult to approve certain actions.

***The Company is a holding company and, as such, we depend on our subsidiaries for cash to fund our operations and expenses, including future dividend payments, if any.***

As a holding company, the Company's principal source of cash flow is, and will continue to be, distributions from our key operating subsidiaries, Kaspi Bank, Kaspi Pay, Kaspi Travel, Kaspi Shop, Kaspi Office and Magnum E-commerce Kazakhstan. Therefore, our ability to fund and conduct our business and pay dividends, if any, in the future will depend on the ability of our subsidiaries to generate sufficient cash flow to make upstream cash distributions to us. Our operating subsidiaries are separate legal entities and have no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise, and their ability to distribute cash to us may also be subject to, among other things, availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions, including capital adequacy requirements applicable to Kaspi Bank. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Legal and Regulatory Framework—Kaspi Bank's capital position may require us to provide capital support, which may have an impact on our profitability or limit the amount of dividends that may be made to the Company." Claims of any creditors of our subsidiary generally will have priority as to the assets of such subsidiary over our claims and claims of our creditors and shareholders. In addition, as our key operating subsidiaries generate profits in tenge and any dividends paid to holders of the ADSs in the future would be paid in U.S. dollars, any significant fluctuation of the value of the tenge against the U.S. dollar and other currencies may have a material adverse effect on the dividend amounts received by holders of the ADSs. To the extent the ability of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business and pay dividends, if any, could be adversely affected.

#### **Risks Relating to Ownership of the ADSs**

***As a holder of the ADSs, you may not be able to exercise pre-emptive rights in relation to future issuances of common shares.***

To raise funding in the future, we may grant our shareholders rights to purchase additional common shares. Rights of that kind may not be made available to ADS holders. Under the deposit agreement, we are not required to make rights of that kind available to ADS holders. Further, we are not allowed to make rights of that kind available to holders in the United States unless we register the rights and the common shares to which the rights relate under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available. We are not required to register additional common shares for sale in the United States, and an exemption from the registration requirement may not be available. In cases where the pre-emptive rights are made available to ADS holders, you will not be able to exercise the pre-emptive rights directly (but only by instructing the depository as the registered holder of our common shares) as only holders of our common shares and not of the ADSs have such rights in Kazakhstan.

There is no assurance that we will elect to make the pre-emptive rights offering available to ADS holders, or in the case of U.S. holders, that an exemption from the registration requirements of the Securities Act would be available to enable such U.S. holders to exercise such pre-emptive rights and, if such exemption were available, that we would take the steps necessary to enable U.S. holders of the ADSs to rely on it. Accordingly, you may not be able to exercise your pre-emptive rights on future issuances of common shares, and, as a result, your percentage ownership interest in us would be diluted. Furthermore, rights offerings are difficult to implement effectively under the current U.S. securities laws, and our ability to raise capital in the future may be compromised if we need to do so through a rights offering in the United States.

**As we are a “foreign private issuer” within the meaning of the SEC rules, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies and are permitted to follow certain home country corporate governance practices rather than those of Nasdaq, and ADS holders may not have the same protections afforded to shareholders of companies that are subject to all the corporate governance requirements.**

We report under the Exchange Act as a non-U.S. company with “foreign private issuer” status. As long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information, or current reports on Form 8-K, upon the occurrence of specified significant events; and
- Regulation Fair Disclosure, or Regulation FD, which regulates selective disclosures of material information by issuers.

In addition, as a foreign private issuer, we have the option to follow certain Kazakhstan corporate governance practices rather than those of Nasdaq, provided that we disclose the requirements we are not following and describe the home country practices we are following. For example, the Nasdaq corporate governance rules require listed companies to have, among other things, a majority of independent board members. As a foreign private issuer, we are permitted to, and we will, follow home country practice in lieu of the above requirement. As long as we rely on the foreign private issuer exemption to this Nasdaq corporate governance standard, a majority of the directors on our board of directors are not required to be independent directors. Therefore, our board of directors’ approach to governance may be different from that of a board of directors consisting of a majority of independent directors, and, as a result, our management oversight may be more limited than if we were subject to all of the Nasdaq corporate governance standards. For more information, see “Item 16G. Corporate Governance.”

Accordingly, ADS holders may not have the same protection afforded to shareholders of companies that are subject to all of the provisions of the Exchange Act that are applicable to U.S. domestic public companies and all of the corporate governance standards, and the ability of our independent directors to influence our business policies and affairs may be reduced.

**We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.**

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act and certain requirements of the Sarbanes-Oxley Act. The determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2024. If we lose our foreign private issuer status on this date, we would be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms beginning on January 1, 2025, which are more detailed and extensive than the forms available to a foreign private issuer, including the need to file quarterly reports on abbreviated timelines. We would also have to mandatorily comply with U.S. federal proxy requirements, and our executive officers, directors and principal shareholders would become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S.-listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting and other expenses that we would not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U.S. securities exchange. These expenses would relate to, among other things, the obligation to present our financial information in accordance with U.S. GAAP or reconcile our financial statements to U.S. GAAP should we lose our status as a foreign private issuer.

***The ADSs trade on more than one market and this may result in increased volatility and price variations between such markets.***

The ADSs trade on Nasdaq, the KASE and the AIX. Trading in the ADSs on these markets will occur at different times (due to different time zones, trading days and public holidays in the United States and Kazakhstan). The trading prices of the ADSs on these markets may differ due to these and other factors. In addition, trading of the ADSs on the KASE and the AIX could adversely and significantly impact the price of ADSs traded on Nasdaq. Any decrease in the trading price of the ADSs on one of these markets could cause a decrease in the trading price of the ADSs on the other market. Additionally, while ADSs traded on Nasdaq will be settled through DTC and DTC will be the primary place of issuance of ADSs, ADSs traded on the KASE and the AIX will be settled through local clearing systems. Each of those clearing systems has established a link to DTC for the purposes of facilitating settlement with DTC. Any cross-market transfers of ADSs between direct participants in DTC, on the one hand, and participants in such other clearing systems, on the other hand, will require delivery of instructions to such local clearing systems by the participant in such system in accordance with the applicable rules and procedures and within the established deadlines of such system. As such, additional time may be required to conduct cross-market transfers and there is no certainty as to when ADSs acquired in a different market will be available for trading or settlement.

***If we fail to establish and maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are subject to the Sarbanes-Oxley Act. Sections 404(a) and 404(b) of the Sarbanes-Oxley Act require that beginning with our second annual report following our initial public offering, management assess and report annually on the effectiveness of our internal control over financial reporting and identify any material weaknesses in our internal control over financial reporting, and obtain an attestation report on internal control over financial reporting from our independent registered public accounting firm.

We expect our first assessment under Section 404(a) of the Sarbanes-Oxley Act will take place for our annual report for the fiscal year ending December 31, 2024. As discussed below in “*We have identified material weaknesses in our internal control over financial reporting, and if our remediation of such material weaknesses is not effective, or if we fail to establish and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations may be adversely affected,*” we first identified material weaknesses in the course of preparing our consolidated financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and our management has concluded that as of December 31, 2023, our disclosure controls and procedures were not effective, due to continuing material weaknesses in our internal control over financial reporting as of such date. The continued presence of these or other material weaknesses in any future financial reporting periods could result in financial statement errors that, in turn, could lead to errors in our financial reports and delays in our financial reporting, and that could require us to restate our operating results, or our auditors may be required to issue a qualified audit report, investors may lose confidence in the accuracy and completeness of our financial reports, and this may have a material adverse effect on the market price of the ADSs. We might also identify one or more material weaknesses or significant deficiencies in our internal controls in connection with evaluating our compliance with Section 404(a) of the Sarbanes-Oxley Act in the future and therefore be unable to conclude that our internal control over financial reporting is effective in connection with the management’s assessment under Section 404(a). In order to improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, and maintain satisfactory controls once achieved, we will need to expend significant resources and provide significant management oversight. Implementing any appropriate changes to our internal controls may require specific compliance training of our directors and employees, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete and divert management’s attention from other business concerns. These changes may not, however, be effective in maintaining the adequacy of our internal controls.

If either we are unable to conclude that we have effective internal control over financial reporting or, at the appropriate time, our independent registered public accounting firm is unwilling or unable to provide us with an unqualified report on the effectiveness of our internal control over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act, investors may lose confidence in our results of operations, the price of the ADSs could decline, and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, we may not be able to remain listed on Nasdaq.



***We have identified material weaknesses in our internal control over financial reporting, and if our remediation of such material weaknesses is not effective, or if we fail to establish and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations may be adversely affected.***

Although we are not yet subject to the certification or attestation requirements of Section 404 of the Sarbanes-Oxley Act, in connection with the preparation of our consolidated financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, we first identified material weaknesses in our internal control over financial reporting, and our management has concluded that as of December 31, 2023, our disclosure controls and procedures were not effective, due to continuing material weaknesses in our internal control over financial reporting as of such date. These continuing material weaknesses in our internal control over financial reporting relate to the following: (1) inadequate review and validation of models used in determining the allowance for impairment loss; and (2) not fully implemented components of the framework of the Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), including elements of the risk assessment, control activities and monitoring activities components, in respect of identification of risks and deficiencies in internal controls, as well as analysis, evaluation and communication of such deficiencies. SEC guidance defines a "material weakness" as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

To address our material weaknesses, we have developed and begun the implementation of a remediation plan, as further described in "Item 15 Controls and Procedures-Changes in Internal Control Over Financial Reporting." There can be no assurance, however, that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to the material weaknesses in our internal control over financial reporting, or prevent or avoid potential future material weaknesses. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. If we fail to remediate our current or future material weaknesses or to meet the demands that will be placed upon us as a public company listed in the United States, including the requirements of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results or report them within the timeframes required by law, our consolidated financial statements may be restated, investors may lose confidence in the accuracy and completeness of our financial reports, and this may have a material adverse effect on the market price of the ADSs, which may be suspended or delisted from Nasdaq, and our business, financial condition, results of operations and cash flows may be adversely affected. Failure to comply with Section 404 of the Sarbanes-Oxley Act could also potentially subject us to sanctions or investigations by the SEC or other regulatory authorities.

***The obligations associated with being a public company will require significant resources and management attention.***

As a public company in the United States, we have incurred and will continue to incur legal, accounting and other expenses that we did not previously incur. We now are subject to a broader scope of laws, regulations and standards, including the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act, the listing requirements of Nasdaq and other applicable securities rules and regulations, and therefore, potentially subject to a broader scope of fines and penalties under U.S. securities laws. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase the demand on our systems and resources. The Exchange Act requires that we file annual and current reports with respect to our business, financial condition, results of operations and cash flows. It also requires us to make detailed narrative and financial statement disclosures regarding risks, initiatives and other matters confronting us relating to climate change as early as 2026. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective disclosure controls and procedures and internal controls and procedures for financial reporting. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, financial condition, results of operations and cash flows. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, these rules and regulations have increased and will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costlier. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs

to maintain the same or similar coverage, and our business, financial condition, results of operations and cash flows could be materially adversely affected.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our ,business, financial condition, results of operations and cash flows could be materially affected.

***We may elect not to pay dividends in the future.***

To the extent that we declare and pay dividends on our common shares, holders of the ADSs on the relevant record date will be entitled to receive dividends payable in respect of our common shares underlying the ADSs, subject to the terms of the deposit agreement. We intend to pay dividends annually in the amount of at least 50% of net income, calculated under IFRS (see "Item 8. Financial Information--A. Consolidated Statements and Other Financial Information--Dividend Policy"). Any payment of dividends on common shares based on quarterly or half-year results is made pursuant to the decision of the general meeting of shareholders. Any decision on the payment of dividends on common shares based on full-year results shall be adopted by the annual general meeting of shareholders. Any future determination regarding the declaration and payment of dividends, if any, will, therefore, be at the discretion of our shareholders at a general meeting and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our shareholders at a general meeting may deem relevant. In addition, our ability to pay dividends depends significantly on the extent to which it receives distributions from our subsidiaries.

***The price of the ADSs might fluctuate significantly, and you could lose all or part of your investment.***

Volatility in the market price of the ADSs may prevent you from being able to sell your ADSs at or above the price you paid for such shares. The trading price of the ADSs may be volatile and subject to wide price fluctuations in response to various factors, including:

- the overall performance of the equity markets;
- fluctuations in our actual or projected results of operations;
- changes in our projected earnings or failure to meet securities' analysts' earnings expectations;
- unfavorable analyst coverage;
- changes in trading volumes of the ADSs;
- issuance of new or changed securities analysts' reports or recommendations;
- additions or departures of key personnel;
- sale of the ADSs by us, our principal shareholders or members of our management;
- general economic conditions;
- the impact of political and international geopolitical events;
- the activities of our competitors, suppliers and business partners;
- changes in the market valuations of comparable companies;



- changes in investor and analyst perception with respect to our business and industry in general;
- changes in interest rates;
- availability of capital; and
- changes in the statutory framework applicable to our business.

These and other factors might cause the market price of the ADSs to fluctuate substantially, which might limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of the ADSs. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies across many industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Furthermore, investors in the secondary market may view our business more critically than investors in our initial public offering, which could adversely affect the market price of the ADSs in the secondary market. Prices for technology companies have traditionally been more volatile compared to share prices for companies from other industries.

Accordingly, the price of the ADSs could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce our share price. Securities class action litigation has often been instituted against companies in periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in substantial costs, divert our management's attention and resources, and our business, financial condition, results of operations and cash flows could be materially adversely affected.

***Future sales of the ADSs or issuance of additional common shares, or the perception in the public markets that these sales or issuances may occur, may depress our stock price.***

Sales of substantial amounts of the ADSs or issuance of additional common shares in the public market, or the perception that these sales or issuances could occur, could adversely affect the price of the ADSs and could impair our ability to raise capital through the sale of additional shares. In the future, we may also issue additional common shares, ADSs or debt securities with conversion rights if we need to raise capital in connection with a capital raise or acquisition. The number of common shares issued in connection with a capital raise or acquisition could constitute a material portion of the then-outstanding common shares. An issuance of additional common shares, ADSs or debt securities with conversion rights could potentially reduce the market price of the ADSs. In addition, if we raise additional funds through the sale of equity securities, these transactions may dilute the value of the outstanding ADSs (see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We may need to raise additional funds to finance our future capital needs, and we may not be able to raise additional funds on terms acceptable to us, or at all").

***If securities or industry analysts publish unfavorable research about our business, or we fail to meet the expectations of industry analysts, our stock price and trading volume could decline.***

The trading market for the ADSs will depend in part on the research and reports that securities or industry analysts publish about us, our business or our industry. We may have limited research coverage by securities and industry analysts. If one or more of the analysts who covers us downgrades our stock, the price of the ADSs will likely decline. If one or more of these analysts ceases to cover us or fails to publish regular reports on us, interest in the purchase of the ADSs could decrease, which could cause the price of the ADSs or trading volume to decline.

***You may be subject to limitations on the transfer of your ADSs and withdrawal of our common shares.***

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason. In addition, ADS holders may not be able to cancel their ADSs and withdraw common shares when they owe money for fees, taxes and similar charges or if the depositary has temporarily closed its books for cancellation of ADSs, which is it permitted to do in certain circumstances as provided in the deposit agreement.

***It may be difficult to enforce a U.S. judgment against us, our directors and officers named in this annual report outside the United States, or to assert U.S. securities law claims outside of the United States.***

We are incorporated in Kazakhstan and conduct substantially all of our operations in Kazakhstan. All of our executive officers and members of our board of directors reside outside the United States. Substantially all of our assets and the assets of our executive officers and members of our board of directors are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon us within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

In particular, investors should be aware that there is uncertainty as to whether the Kazakhstan courts would recognize and enforce judgments of the U.S. courts obtained against us, our major shareholders or our directors or management predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States or entertain original actions brought in the Kazakhstan courts against us, our major shareholders or our directors or officers predicated upon the securities laws of the United States or any state in the United States. There is no treaty between the United States and Kazakhstan providing for reciprocal recognition and enforcement of foreign court judgments in civil and commercial matters. While Kazakhstan law provides for enforcement of foreign court awards on the basis of reciprocity, there is no guidance or practice on this matter, and it is currently uncertain whether Kazakhstan courts will enforce decisions from foreign courts on such basis. The procedures applied by the relevant Kazakhstan officials may not be entirely consistent with the procedural legislation or court rules. This could delay enforcement procedures in Kazakhstan, particularly if enforcement is sought to be made in courts outside the principal commercial centers such as Almaty and Astana. As a result of the difficulty associated with enforcing a judgment against us, you may not be able to collect any damages awarded by either a U.S. or foreign court. In addition, there are doubts as to whether a Kazakhstan court would impose civil liability on us, our directors and officers in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in Kazakhstan against us or such directors and officers, respectively.

***ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.***

The deposit agreement governing the ADSs representing our common shares provides that, to the fullest extent permitted by applicable law, owners and holders of ADSs irrevocably waive the right to a jury trial for any claim that they may have against us or the depository arising from or relating to our common shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. However, ADS holders will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depository's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. In fact, ADS holders cannot waive our or the depository's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. If we or the depository opposed a demand for jury trial relying on jury trial waiver mentioned above, it is up to the court to determine whether such waiver was enforceable considering the facts and circumstances of that case in accordance with the applicable state and federal law.

If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. To our knowledge, the enforceability of a jury trial waiver under the federal securities laws has not been finally adjudicated by a federal court or by the United States Supreme Court. Nonetheless, we believe that a jury trial waiver provision is generally enforceable under the laws of the State of New York, which govern the deposit agreement, or by a federal or state court in the City of New York. In determining whether to enforce a jury trial waiver provision, New York courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement and the ADSs. In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim sounding in fraud or one which is based upon a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim, none of which we believe are applicable in the case of the deposit agreement or the ADSs. If you or any other owners and holders of ADSs bring a claim against us or the depository