

Kazakhstan

At the heart of Eurasia tradition meets modernity

Praising Kazakhstan's "impressive economic growth" since the 2000s, the World Bank has cited factors including market-oriented reforms, abundant mineral resources, and strong foreign direct investment. "Sustained economic growth has transformed the country into an upper middle-income economy, commensurately raising living standards and reducing poverty," the Bank said. This progress has continued in 2022, despite headwinds from the war in Ukraine, which has had a particular impact on Kazakhstan, given its location and business ties in Eurasia. The World Bank has noted overall GDP growth of 3.4% in the first half of the year, a rebound in FDI in the crucial oil and gas sector, and export earnings driving the current account into surplus. It forecasts that growth will accelerate to 3.5% and 4.0% in 2023-24, supported by additional oil supply coming from the expansion of Tengiz oil field, the country's largest. The government, meanwhile, is committed to further reform to strengthen the investment environment and ease pressures on businesses, while investing in skills and innovation.

The basis of long-term economic growth of our country will be new technologies, high labour productivity, and the creative initiative of citizens," President Kassym-Jomart Tokayev said at his inauguration ceremony in 2022, following his re-election. "The priority task is to remove all artificial barriers and restrictions that impede the entrepreneurial spirit of our active citizens. Entrepreneurs should forget about gratuitous inspections of their businesses forever; they will only deal with tax audits. The state and business are natural partners... We have to engage in real industrialisation, construction and modernisation of infrastructure. It is important that every region of our vast country gets a new impetus to development..To be in the vanguard of advanced nations, we must become a country that not only learns, but can teach others. We must not only take advantage of what others have created, but give the world our own discoveries and achievements. Our people have the potential, talent and skills for this."

As Tokayev has noted, Kazakhstan has for millennia been a bridge between East and West, lying at the heart of the Silk Road and today having extensive trade and investment ties with both Europe and Asia. Given its strategic location, Kazakhstan has always prized good relations with its neighbours and the wider world, based on a spirit of openness and cooperation. The President has spoken of "doubling down on the liberal, international, open policies that have driven such a dramatic increase in standards of living around the world".

This entails further enhancing an approach that has delivered huge gains to Kazakhstan. The country accounts for around 70% of all FDI into Central Asia, attracting more than \$370bn since independence in 1991.

"Many people want to come to Kazakhstan because it's such a great country to do business in," says Dr. Alexander Machkevitch, chairman of the board of directors at Eurasian Resources Group, a major mining company. "We have a very good international financial sector. Astana International Exchange helps foreign investors a lot. It's easy to create companies



here as well. We can do it very quickly (in 1 day), like our company did, for example, when we created the Digital Venture Fund, and there are a lot of incentives for businesses. There are a lot of good services and conditions."

Foreign investors are increasingly keen to capitalise on these opportunities. The government expects FDI to reach \$25.5bn annually, while investment in fixed capital will top 25% of GDP. To support this expansion, it is introducing 45 systemic measures to enhance the business environment, while focusing on ESG targets that are a prerequisite for social development and clean growth. Key sectors include agriculture, transport and logistics, fintech, green energy, and rare and rare-earth metals.

"We expect the prices of the commodities we're involved in producing to go up," says Machkevitch. "For example, given the pace of Electric Vehicle uptake, in 15 years the world will need the same amount of copper that was produced in all the prior years, but

no one knows where the copper will come from as there are no more deposits. I think we should go local and develop such deposits."

President Tokayev also places a strong emphasis on education and training, putting the country's people - particularly its young people - at the heart of its development. Despite the pressures of the current geopolitical situation, Kazakhstan has all the fundamentals in place to achieve its economic goals.

"I think the main issue is the situation with Ukraine and Russia," says Umut Shayakhmetova, chairwoman of Halyk Bank, the country's largest bank and leading financial group. "Hopefully it will end soon. I think after that the situation will be very good in terms of economical, business opportunities, transportation, we can become a logistical hub, financially, culturally. I can see only positive growth and development. Middle Eastern companies are very interested. China has always been interested. Turkey as well. Kazakhstan has always tried to balance different interests in the country. The biggest investors are still western countries and companies. Kazakhstan is still a huge potential and we are a rich economy. We still have opportunities to grow."

Kazakhstan aims to be one of the 30 most developed countries in the world by 2050. The country's track record of economic success makes this a realistic goal - growth averaged nearly 7% between 2000 and 2020. Kazakhstan's natural strengths, the ingenuity of its people, and its government's renewed focus on making this one of the best places in the world to do business, all bode well for its long-term future.

"We have a great task before our nation," as President Tokayev said at his first inauguration. "Our goal is clear, and our path is open! Kazakhstan has become a country of new opportunities and prospects. Our youth and future generations will reap the benefits of these opportunities. We are a nation that honours the traditions of our ancestors while striving for the best global achievements. This is the pillar of our strength. We are going to overcome all the challenges ahead. We will work together for the development of a strong and prosperous Kazakhstan."

CAIER - Making way for Kazakhstan's green future

For much of its history, Kazakhstan has been dependent upon the export of its natural resources, namely crude oil, and refined copper. But, prompted by the global shift towards sustainability and tackling climate change, the country is now working towards the green transition of its economy in alignment with the 2016 Paris Agreement. Kazakhstan has a committed team of environmental organisations leveraging innovative environmental technologies to ensure it meets its emissions reduction goals and achieve carbon neutrality by 2060.

Aselle Tasmagambetova graduated from the International Independent Ecological-Political University in 2009, majoring in Ecology and Nature Management. In 2012, Tasmagambetova founded the Central Asian Institute of Environmental Research (CAIER) and was joined by fellow like-minded students from the university who came to work at the institute.

CAIER is Kazakhstan's leading independent institute in the field of environmental monitoring and environmental studies and conducts a wide spectrum of applied scientific research aimed at reducing the negative impact of natural and anthropogenic factors on the environment. CAIER has funded multiple breakthrough sustainability projects, including petrochemical waste recycling, alternative freshwater sources, and advanced water treatment. The institute is led by a team of 20 world-leading scientists in environmental protection and marine biodiversity, including the marine and bio-ecologist, Carlos M. Duarte, distinguished professor of ecology and evolutionary biology and director of the Institute of Marine Sciences (IMS) at UC Santa Cruz, Daniel Costa, and the Research Chair in Red Sea Ecology, Biological and Environmental Science and Engineering Division, Tarek Ahmed Juffali. CAIER regularly works with leading international organisations, scientific centres, and corporations, and has supported more than 40 key scientific expeditions.

Many of CAIER's breakthrough innovations were pioneered in its award-winning research and development laboratory, which employs state-of-the-art equipment to perform complex environmental research. The laboratory is the largest of its kind in Central Asia and prioritises sustainable solutions for multiple applications, such as waste disposal from oil and metallurgical production. CAIER also holds patents for advanced water purification technology, with its mobile Water Gen air generator in use across 80 countries around the world, in addition to technology that enables it to recycle oil-contaminated ground into sustainable materials. Furthermore, the institute has created a bank of scientific research covering topics from alternative power sources to the environmental protection of the transboundary rivers between Kazakhstan and Kyrgyzstan.

Besides its core laboratory strengths, CAIER is renowned for its Caspian Seal Research and Rehabilitation Centre, a landmark initiative



which provides professional veterinary aid to the Caspian seal population. The Caspian seal is the only marine mammal and endemic of the Caspian Sea - the largest inland sea in the world - and its population is a key indicator for the well-being of the sea's ecosystem. Over the past few decades, the Caspian seal population has declined by approximately 90%, from at least one million at the turn of the 19th century.

For almost a decade, CAIER's scientists have been studying this decline, and, since 2017, CAIER has funded 6 internationally represented research expeditions to better understand the habitat of the Caspian seal. The data collected from these expeditions formed the basis for the Caspian seal's inclusion in Kazakhstan's Red Book for endangered species of plants and animals, which represents a major step towards achieving international recognition for CAIER's rehabilitation effort. Subsequently, in June 2022, following a visit to CAIER's headquarters in Almaty city, the President of Kazakhstan, Kassym-Jomart Tokayev, personally visited the Caspian Sea project to see for himself the work CAIER was doing to protect the endemic seal population.

Tasmagambetova founded CAIER in alignment with the UN's Sustainable Development Goals. But she also understands that many companies still struggle to uphold an impactful ESG profile and has thus dedicated much of her work to improving this. Today, CAIER provides expert ESG consulting

services to companies, from developing ESG plans; to auditing; optimising existing business processes; creating an intelligent KPI system; setting ESG goals; and ESG risk-analysis.

CAIER is committed to improving the sanitary and epidemiological welfare of the population. Alongside monitoring air, water, and noise pollution, CAIER has developed chemical-control technology for food products, such as dairy, grain, and meat, to limit the effect of climate change on food safety. Tasmagambetova realised that this technology had further applications, and CAIER's chemical-control technology is now being used for consumer-packaged goods, such as perfume and beauty products, children's toys, plastic utensils, and clothing.

Tasmagambetova has a long history of supporting charitable causes. In 2002, she founded the Saby Charitable Foundation, the first private charitable organisation in Kazakhstan. The foundation supports large-scale charitable activities across multiple social spheres, and Tasmagambetova has personally helped to launch 10 projects of national importance. "We all play a role in society; I have always believed this. If we are to achieve systematic change, then we need to do more to highlight the social, economic, and environmental challenges facing us. There is more to be done, but I am extremely proud of what we have achieved so far," says Tasmagambetova.

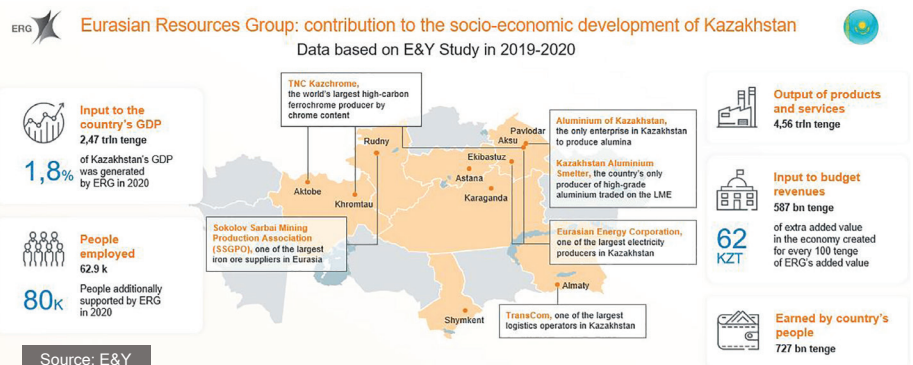
Eurasian Resources Group



Metals & mining world leader building a greener future through sustainable business practice

Sustained economic growth over recent years has transformed Kazakhstan into an upper middle-income economy, raising living standards and reducing poverty across the country. Since the 2000s, Kazakhstan's excellent economic performance has been driven by its pro-market reforms, abundant natural resources extraction, and strong foreign direct investment (FDI). The EU has been one of Kazakhstan's main trade, economic, and investment partners for many years, with trade turnover between Kazakhstan and EU countries reaching \$20.1B in the first half of 2022, a 51.2% increase compared to the same period last year. In addition, following temporary disruptions caused by the conflict between Russia and Ukraine, Kazakhstan's services PMI recovered well above the 50-point mark in April and May, suggesting that businesses are responding well to Government-led economic reforms. Today, the country is approaching a critical juncture in its transition to becoming a greener and more sustainable economy.

One of Kazakhstan's most important drivers of economic growth is its industrial sector. Kazakhstan is a world leader in the production of many materials, including uranium, ferroalloys, iron ore, and copper, while mining and quarrying account for 50% of the country's total industrial production. In the first half of 2022, the volume of Foreign Direct Investment reached 14.5 billion USD - 28.2% more than a year earlier, which contributed massively to Kazakhstan's GDP acceleration during that period. Historically, China's rapid industrialisation has been one of the main driving forces for the large-scale growth in demand for Kazakhstan's metals and minerals. Increasingly, the key driver is the rising price of materials that are produced with a low carbon footprint. Unlocking the country's natural resources in a responsible way, taking forward its potential in the development of renewable energy and related greener materials of the future, will be fundamental to sustaining this trend. To this end, Kazakhstan's government has organised major incentives to boost resource exploration by major mining and metals companies and is overseeing a sizeable effort to discover new deposits of gold, copper, hydrocarbons, and rare earths - which are used in sustainable energy technologies.



Eurasian Resources Group (ERG) is among the world's largest integrated metals and mining companies, with one of the most diversified product portfolios in the industry, including ferroalloys and iron ore products, key battery metals such as cobalt and copper, alumina and aluminium. With more than 75,000 people working for the Group in more than 15 countries worldwide, including across Central Asia, Africa, Europe, South America, and the Middle East, ERG's vision is clear: to be an international, sustainable, and socially responsible natural resources company.

In Kazakhstan, ERG has consistently been at the forefront of the country's economic and industrial growth. Since 1994, Kazakh

enterprises which now form ERG have invested over \$13.7B in both the continued development and new construction of production capacities in the country. It is staggering that on average, ERG generates almost 2% of Kazakhstan's GDP annually. For instance, in 2020, the Group's total contribution to Kazakhstan's GDP amounted to \$3B. This contributed more broadly to the country's economy given that for every 100 tenge of ERG's tax contribution, an additional 36 tenge was generated in other areas of the country's economy. At present, the Group is continuing to invest in the enhancement and growth of its core businesses in Kazakhstan. Investment in these projects, which include the Phase 2 development of the 10th

Anniversary mine at Donskoy GOK and the development of the Slimes 2 reprocessing project, amounts to \$7B over the next five years. Both projects are close to completion.

In Africa, ERG has been a major player in the Copperbelt for many years, and its asset portfolio includes Metalkol RTR, the world's second largest cobalt producer. The in-development-stage assets span South Africa, Zimbabwe, Mozambique, and Mali. The Group recognises that driving infrastructure development and improvement of living conditions within the wider local communities in all the regions in which it operates is just as important as investing in its own assets.

The Group also firmly believes that the clean energy transition is a fundamental change in the overarching economic system. With global trends shifting towards environmental energy sources, ERG is committed to responsibly unlocking the potential of the Earth, while ensuring its business is resilient, fit for the future and able to generate long-term value. As part of this, ERG now has far greater exposure to minerals of the future. It is a long-term play for the business, with the Group bullish on the prospects of key metals.

ERG is a strategic associate partner of the World Economic Forum and a founding member of the Global Battery Alliance, which includes around 110 international organisations and businesses and aims to establish a sustainable and responsible battery value chain by 2030. ERG also launched, together with other industry majors, Re|Source, a blockchain solution to trace responsibly produced cobalt and other battery materials from the mine to the electric vehicle, helping end-customers assess the ESG performance of the metals they use for batteries, cars and smartphones. "Our target is to be green in all areas. We are already a major player in responsibly produced cobalt, copper and aluminium, and we are further researching and implementing frameworks and other solutions in this regard," says Dr Alexander Machkevitch, Chairman of the Board of Directors of Eurasian Resources Group.

This is reflected in the fact that ERG's Kazchrome in Kazakhstan in 2021 became one of the first six companies globally to receive the ICDA Responsible Chromium Label for responsibly sourcing chromium. In 2022, it also received the Ecovadis Silver Award for being ranked in the top 1% of companies in the global iron and steel industry. Internationally, the ERG Clean Cobalt and Copper Framework is implemented at Metalkol RTR in Africa, and in June, we received, for the second time, independent assurance from PwC. This verifies that Metalkol RTR is going beyond current OECD guidance and practices. Separately, in August 2022, Metalkol RTR achieved



Dr. Alexander Machkevitch
Chairman

successful conformant determination for the RMI RMAP Cobalt standard and Joint due diligence standard for Copper.

In addition, as part of ERG's ambition to boost renewable energy sources and to support the plans of the Government of the Republic of Kazakhstan, the Group has launched a major project worth \$230M to build the most powerful wind plant in the Aktobe region of Kazakhstan, which is expected to reduce ERG's CO2 emissions by around 520,000 tons annually.

ERG is also investing in the green production of high-quality iron ore in the Brazilian state of Bahia via development of its integrated mining and logistics project BAMIN. In 2021, it successfully put its iron ore mine, Pedra de Ferro, into production, ramping up to 1 mtpa iron ore already. The mine produces some of the highest-grade and lowest-impurity iron ore in the world and has a target capacity under Phase 1 of 26 mtpa. 2022 is a critical year for BAMIN, being the first year of the company managing the FIOL railway development as well as implementing important construction at Porto Sul. This also creates opportunities for handling third party cargo on the East-West logistics corridor. These include significant volumes of agricultural exports and fertiliser imports that will benefit from safer, more environmentally friendly and cost competitive logistics.

ERG truly wants to make the world a better place, and the Group's environmental mission is an important step towards such a future for all. The Group is Kazakhstan's leader in terms of corporate social

responsibility. "Our people are the reason we are so successful, they're our greatest asset. We are devoted to their health and happiness and take our social responsibility seriously. I'm very proud of that," says Machkevitch. The Group provides state-of-the-art employee sports facilities as well as team building courses. And in line with its Group HSE Policy Statement, ERG is committed to the occupational health and safety of all employees and contractors and is continuously working to achieve Zero Harm across all its sites. Globally, ERG has also supported numerous social and healthcare projects to help those most in need, including the Fund for the Prevention of Child Labour in Mining Communities - a GBA collaboration programmed and administered by UNICEF. During 2021, the fund provided social services to more than 15,000 people, including 1,000 vulnerable children working in mines who were successfully reintegrated into educational programs. Additionally, ERG has supported the Good Shepherd International Foundation (GSIF) since 2017 through a multi-year \$1 million commitment. The GSIF aims to improve living conditions for ASM communities near Metalkol RTR and has already helped 3,425 children out of child labour and into education.

In Kazakhstan, 3.15 billion tenge has been allocated to support universities, colleges, schools and kindergartens in towns near ERG's operations over the last 10 years. In these towns ERG has built 16 sports grounds and children's playgrounds since 2015. Free tutoring courses have been launched for 1,000 schoolchildren from low-income families, and 280 schools have participated in the ERG for Schools programme (ERG mektepke) aimed at developing secondary education and promoting engineering and digital technologies. "We have a deep long-term commitment to supporting social projects in Kazakhstan, and around the world. To make life better for us and those around us - that's our guiding belief," says Machkevitch. Overall, since 1994, ERG enterprises have allocated almost \$1 billion to social and charitable projects in Kazakhstan.

From its inception, ERG has benefited massively from its home-country's favourable business conditions. "Much of our success can be attributed to Kazakhstan's excellent business climate," says Machkevitch. The Government-led focus on bringing in investment to Kazakhstan has resulted in a stable and secure economic climate. The country is also an outstanding destination for foreign businesses, engineers, and investors to experience everything the vibrant culture and welcoming society has to offer. A large portion of Kazakhstan's potential is yet to be explored, and there is huge room for growth as the country kickstarts its next era of sustainable and green economy related growth.



TIME FOR GROWTH & NEW POSSIBILITIES

Kazakhstan is the largest landlocked country in the world, and the economic success story of Central Asia. Despite the continuing geopolitical effects on global and local markets, Kazakhstan's economy remains stable and has shown a 3.4% growth in the first half of the year. The banking sector has also reported encouraging results: as of 1 July 2022, the assets were USD 84.4 billion, while the net profit of the banks reached USD 763.3 million.

In this light, Halyk Bank, the largest strategic commercial bank in Kazakhstan, with total assets of USD 29.5 billion*, is a leading national financial institution. Founded in 1923, the Bank is part of Halyk Group, Kazakhstan's largest universal financial group, with a broad range of services in various business segments, including retail, SME and corporate banking, insurance, leasing, brokerage, infocommunications, and asset management.

The financial institution is well known to local and foreign investors. Halyk Bank has been listed on the Kazakhstan Stock Exchange (KASE) since 1998.

In December 2006, Halyk Bank became one of the first companies in Kazakhstan's financial sector to successfully enter international markets by listing its securities (Global Depository Receipts (GDRs)) on the London Stock Exchange (LSE) as part of the IPO. Moreover, the Bank has been listed on the Astana International Exchange (AIX) since October 2019.

Its well-balanced and calibrated development strategy of digital banking, including strengthening development of ecosystem services and products, coupled with the highly experienced executives, has helped Halyk not only to successfully navigate the turbulence and challenges of the global economy associated with financial crises and pandemics, but also to demonstrate impressive results over the years.

Today* Halyk is the leader in Kazakhstan in terms of assets (USD 29.5 billion*), equity and net income (USD 605 million*). In the 1H2022 alone, according to the National Bank of Kazakhstan, Halyk Bank showed the largest growth in profits, assets, loans, and deposits.

Another strength of the Kazakh bank is its ratings by international rating agencies. Halyk Bank's performance and success is recognized by the highest long-term credit ratings among Kazakh banks without foreign participation. These include investment grade ratings by Moody's Investor Services - (Baa2), Fitch Ratings - (BBB-), and Standard&Poor's - (BB+). Importantly, the ratings assigned to Halyk Bank by Moody's correlate with the sovereign level.

Pursuing the adopted strategy, using its own financial liquidity reserves, relying on loyalty and trust of its stakeholders, Halyk Bank has made significant progress in building an efficient digital ecosystem. While implementing advanced technologies in the area of digitalization of services, products and business processes, the Kazakhstani leading financial institution consistently develops and implements a user-friendly environment to ensure the best



Umut Shayakhmetova
CEO Halyk Bank

products and the highest level of service to its customers. As of today, the volume of non-cash transactions in 3Q 2022 has increased by 69%.

The most widely represented across Kazakhstan, Halyk is the First Choice Bank with the extensive customer base and the widest network of branches and outlets, more than 577* throughout the country.

The Bank has the largest* customer base and sales channel network: over 9.0 million active retail customers and about 250 thousand active corporate and SME customer. At the same time, the Bank is the major payment agent in Kazakhstan in pursuing one of its social missions - payments of social benefits, pensions, and wages. It is the major processing bank of the country, which carries out international transfers and cross-border payments.

Being socially responsible company, Halyk Bank has been actively supporting social initiatives and providing charitable assistance throughout its history. Over the recent years (2019 to November 2022), Halyk Bank has spent more than USD 31.5 million on large-scale charitable projects in the top priority areas for the Bank: healthcare, culture, and sport of Kazakhstan, including support for victims of man-made and natural disasters and epidemiological catastrophes. Thus, the Bank provides continuous charitable assistance to orphanages and veterans, annually supports cultural and sports projects.

The active development of ESG has become another strategic area of the Bank. Halyk is the first of Kazakhstan's financial companies to receive a "BB" sustainability rating from MSCI ESG Research ("MSCI") in just a few years of operation in this area.

One of the specific features of the financial institution is that Halyk is the only bank in Central Asia with 15 subsidiaries, including banks, in six countries: Kazakhstan, Kyrgyzstan, Russia, Georgia, Tajikistan, and Uzbekistan.

Halyk Bank's adherence to its well-balanced and calibrated strategy contributes to the strong performance. In the 1H2022 alone, it has recorded the highest net profit among the Kazakh banks, which is USD 605 million. Despite the ongoing geopolitical developments, the bank reports an increase in its loan portfolio and growth in its customer base. More than that, given that the bank's capitalization and profitability are at a rather high level, in September it was resolved to pay dividends on common shares for 2021.

"I have always believed that any crisis is an opportunities time. We see that the time has come and the prospects have expanded for business development, which is also facilitated by the relocation of foreign companies to our country. Even though the time is difficult, at Halyk Bank we have experience of overcoming various crises, therefore, we are ready to, and in every way, support our customers by offering favorable lending terms and convenient and affordable digital services," states Umut Shayakhmetova, CEO of Halyk Bank.

Next year, Halyk Bank celebrates its 100th anniversary, and the management has big plans for business development in the next decade. Being always open for cooperation, Halyk is a preferable bank for partners - Kazakh and foreign companies doing business in the country, which is one of the bank's main values, according to Mrs. Shayakhmetova. *"We are stable, reliable, prospective, and result-oriented. Whatever developments we may see in the world, whatever the circumstances are, our values related to effective business practices have not changed. As a responsible international institution, we will adhere to the principles of the UN Global Compact in human rights, labor, environment and anti-corruption," Mrs. Shayakhmetova explains.*

As the largest bank in Kazakhstan, Halyk Bank is able to efficiently develop, grow, operate, and generate profits in the current environment. Halyk Bank will continue to play a key role in Kazakhstan's ambition to become a financial, logistical and cultural center of Central Asia.

*As of 30 June 2022

Fincraft

Building Value From Kazakhstan's Resources

Affirming Kazakhstan's investment-grade rating with stable outlook, ratings agency Fitch underlined the Central Asian giant's economic strengths in a June 2022 review. Fitch noted the country's strong fiscal and external balance sheets, that have proved resilient to external shocks in the current uncertain global economic environment, with financing flexibility underpinned by oil revenue savings prudently accrued over the years. The agency forecast a falling budget deficit thanks to careful fiscal policy, and underlined the country's remarkably low public debt, which stood at just 23% of GDP at end-2021 and is forecast to decline in the coming years. The banking sector remains well-capitalised, and the country's net foreign assets position is the third-highest in its ratings category.

Mining has been one of the core sectors for Kazakhstan's recent economic success. It accounted for an estimated 17% of GDP in 2021, and hard minerals and metals contributed 16% to exports, according to the US International Trade Administration. The US government body highlighted ample resources including gold, titanium, coal, uranium, manganese, and zinc. It also noted reforms in 2018 and 2021 intended to encourage further investment in the mining sector, part of the government's programme of enhancing the business environment in this resource-rich and strategically-located country.

Fincraft stands primed to work with international counterparts in realising Kazakhstan's potential both in the resources field and well beyond. With long experience in the resources sector, it has placed value-added activities serving the world's growing electric power market at the heart of its strategy.

"We are focusing on producing nickel, cobalt, and lithium, which are the main basic metals for batteries; that's why we operate through our company Batteries Metal Technology," says Kenes Rakishev, chairman of Fincraft. "Our group is looking for other opportunities to invest in lithium projects. We have oil and gas projects, we have mining projects, we have invested in finance, in brokerage, we have an insurance company, and one of our daughter companies is focusing on new mining technology."

Fincraft is working to develop chemical underground leaching, which is already predominant in the mining of uranium; Kazakhstan is one of the world's top three uranium producers. Now Fincraft is deploying the technology to extract nickel and cobalt at its Gornostay mine, deploying chemical underground leaching experts. The company will continue to invest in expanding production, and developing new technology for battery metals. It is in discussions with



Kenes Rakishev
Chairman

a Korean company which can deploy such technology, with a potential joint venture in the pipeline; and is open to a range of other partnerships that could bring mutual benefits.

"We are looking for European investors, who can see great potential on this market," says Rakishev. "We're already in discussion with some investors to develop battery metals production here. It's very important for Europe to have an independent energy market. And in three to four years, after we finish the first stage of our battery project, we can easily go onto the European market ourselves. There are a lot of new opportunities for business."

Fincraft's partners, present and future, can be confident of the group's long track record and its long-established reputation for openness and transparency. Its public listing, and its partnership with the Kazakhstan government's pension fund, underline its legitimacy and robustness.

Fincraft also places a strong emphasis on ESG, as it has since its inception as a business;

Rakishev's wife Aselle Tasmagambetova is a founder of the Central Asian Institute of Ecological Research, which advises companies on ESG, including in technology development. Fincraft is committed to using green technology in all it produces, seeing the importance of sustainability on both an ethical and a commercial level.

Rakishev is a passionate advocate of his country, but as a clear-eyed businessman is aware of the challenges that investors face in the country, particularly bureaucracy and the impact of international sanctions on Russia, a neighbour and key trade and investment partner. He is confident that President Kassym-Jomart Tokayev, who came into office in March 2019, is able to lower the barriers to investment, and lead Kazakhstan on to the next level of its development and diversification.

"I strongly believe that we have a good opportunity in the leadership of our president," says Rakishev. "He is willing to change our country for the new stage of development - the new Kazakhstan. As a businessman, I believe that we have opportunities to open doors to Kazakhstan."

Rakishev sees huge potential in Kazakhstan, where lower energy prices and abundant natural resources - from oil and gas to grain - give international investors the opportunity to establish themselves to serve hungry global markets competitively, adding value in-country.

"We can say to European investors - we have cheap electricity, cheap gas; build here and then you can re-export the products with added value," says Rakishev. "This is the best time to invest here. There are great opportunities here, with a lot of start-ups. You can find a lot of good partners to build something here, and international markets look to Kazakhstan as a partner. It's a big opportunity to invest in Kazakhstan."