



Kaspi.kz Announces 3rd Quarter 2021 Financial Results

Kazakhstan, 25 October 2021 – JSC Kaspi.kz (“Kaspi.kz”, “we”, or the “Company”) which operates the Kaspi.kz Super App, Kazakhstan’s leading mobile Super App, today publishes its unaudited consolidated IFRS financial results for the quarter ending 30 September 2021.

Key highlights

- Super App DAU increased 50% year-over-year to 6.5 million, a substantially faster rate than MAU, which increased by 27% year-over-year to 10.8 million, with the ratio of DAU to MAU now 60%.
- Average monthly transactions per active consumer increased by 94% year-over-year to a record 45.3.
- Following its hugely successful launch last year, Kaspi Pay continues to scale at an incredible rate, significantly increasing the number of merchants engaged in the Kaspi Ecosystem.
 - Active merchants increased 417% year-over-year to reach 182K.
 - 215K active Kaspi Pay POS devices by September 2021, up 10x year-over-year.
 - By number of transactions, Kaspi Pay acquiring accounted for 75% of all Kaspi.kz in-store purchase transactions during 3rd quarter of 2021, with third-party acquiring down to just 25%.
 - Consumers continue to embrace Kaspi Pay’s contactless Kaspi QR technology. Number of in-store transactions using Kaspi Pay acquiring increased 13.6x year-over-year, with Kaspi QR accounting for 83% of all in-store transactions in the 3rd quarter of 2021.
 - Currently, only 43% of total merchants are using services on both our Payments and Marketplace Platforms. We expect a larger Payments Platform merchant base to in turn drive another step-up in Marketplace merchant growth.
- Only 40% of consumers use all three of our platforms, which provides another significant growth opportunity.
- In e-Commerce we continue to scale Kaspi Smart Logistics Platform, with total deliveries up 138% year-over-year, 52% of orders delivered within ≤2 days and 97% of deliveries free for consumers.
 - We have launched Kaspi Express Delivery and in September around 10% of orders in Almaty were delivered in less than 3 hours.
 - We have started to roll out Kaspi Postomat locker network, which will further enhance Kaspi Smart Logistics value proposition for consumers, merchants and delivery partners.
- Kaspi Travel hit another milestone with over 1mn tickets sold in the 3rd quarter, up 112% quarter-over-quarter, fueled by growth in both airline and railway ticket sales.
- We continue working hand in hand with state bodies to make government services accessible to all citizens. Distribution of pensions and social benefits for newborns added. MAU of GovTech in our Super App increased 4.1x year-over-year, taking total monthly users to 7 million.
- Payments RTPV increased 103% year-over-year, increasing at a faster rate than TPV for the first time.
- Marketplace total GMV increased 134% year-over-year.
 - m-Commerce GMV up 294% year-over-year.
 - e-Commerce GMV up 69% year-over-year.
- Fintech TFV increased 174% year-over-year.
- Payments adj. net income¹ up 111% year-over-year and record 64% adj. net income margin.
- Marketplace adj. net income up 201% year-over-year and record 68% adj. net income margin.
- Fintech adj. net income up 55%, adj. net income margin up to 43% and 77% ROE for 9 months 2021.
- Kaspi.kz adj. net income up 90% year-over-year and record 52% adj. net income margin.
- Proposed 3rd quarter dividend of 468KZT per GDR, equivalent to around KZT90 billion, subject to shareholder approval.
- Upgrading Payments RTPV growth to around 105% year-over-year.
- Upgrading Marketplace GMV growth to around 110% year-over-year. Take rate guidance increases to around 8.5%.
- Upgrading Fintech TFV growth to above 125% year-over-year, with cost of risk below 2%.

¹ Net income adjusted for share-based compensation

- Upgrading Kaspi.kz 2021 adj.net income guidance to around KZT445 billion. This compares with guidance of around KZT425 billion, provided at our last results update in July.
- Acquisition of 100% of Portmone Group completed. Portmone gives us a solid starting platform in Ukraine with a 1) National Bank of Ukraine payments license, 2) Visa & Mastercard accreditation and 3) relationships with thousands of merchants and a wide pool of banks.
- SPA to acquire 100% of BTA Bank Ukraine signed. This bank has very limited operating activity, no branches, no loan portfolio and is solely acquired for full banking license purposes only, enabling us to launch mobile wallets, accounts and provide consumers with payments and fintech products. The proposed acquisition will have no material financial impact on Kaspi.kz and is expected to close in the first half of 2022.
- With a banking license and Portmone's payments licenses we are well positioned to replicate our Super App strategy in Ukraine.

3Q 2021 user and financial highlights

Rapid top-line and even faster bottom-line growth across all platforms

Payments	Marketplace	Fintech	Consolidated
+103% YoY RTPV	+134% YoY GMV	+174% YoY TFV	+94% YoY Monthly Transactions per Active Consumer
+72% YoY Revenue	+160% YoY Revenue	+35% YoY Revenue	+55% YoY Revenue
+111% YoY Net Income ⁽¹⁾	+201% YoY Net Income ⁽¹⁾	+55% YoY Net Income ⁽¹⁾	+90% YoY Net Income ⁽¹⁾

3Q'21 dividend of KZT468 per GDR recommended by the Board of Directors

Source: Company data
Notes: 1. Adjusted for Share-based Compensation expense



Upgrading FY21 guidance again

All segment KPIs upgraded. Now expect Kaspi.kz adj. net income around KZT445BN

		Old 2021 Guidance	New 2021 Guidance	Rationale
Payments	RTPV	Around 100% YoY Growth	Around 105% YoY Growth	Driven by strong growth in merchants, Kaspi Pay acquiring and nationwide adoption of Kaspi QR payments
	GMV	Around 100% YoY Growth	Around 110% YoY Growth	Driven by strong growth in merchants, number of SKUs and users
Marketplace	Take Rate	Around 8.0%	Around 8.5%	Growth in the higher take rate categories
	TFV	Above 110% YoY Growth	Above 125% YoY Growth	Growth in users and higher Marketplace GMV
Fintech	Cost of Risk	Around 2.0%	Below 2.0%	Continuously improving big data and machine learning risk decision making
	Adjusted Net Income ⁽¹⁾	Around KZT 425 B	Around KZT 445 B	Strong growth across all platforms

Source: Company data
Notes: 1. Adjusted for Share-based Compensation expenses in 2021



To the Shareholders of Kaspi.kz:

On the heels of our record first half, we are reporting an excellent 3rd quarter – indicative of the strength and breadth of the Kaspi.kz Super App business model. The Kaspi.kz team keeps demonstrating extraordinary execution by delivering again and again for our customers, Kazakhstan and our shareholders.

We previously stated that our no.1 goal this year is to substantially scale our merchant base, primarily via the roll out of Kaspi Pay and Kaspi QR. During the 3rd quarter of 2021, we continued to drive massive growth in active merchants, up 417% year-over-year. The opportunity ahead remains substantial and now we're also seeing a significant acceleration in Marketplace merchant onboarding. With only 43% of merchants available on both our Payments and Marketplace Platforms, there is still a lot we can do to help merchants accelerate their growth.

With an expanded merchant base our consumers are using the Kaspi.kz Super App more than ever. Engagement levels once again hit record highs, with average transactions per consumer nearly doubling to 45 transactions per month. Just to put this number into perspective, PayPal reports 44 transactions per year - twelve times less! We have best in class engagement by global standards but with only 40% of our consumers using all three of our platforms, here too there is still more opportunity. We will continue to strengthen our consumer value proposition and increase our relevance to consumers' and merchants' everyday lives.

Over the summer we launched Express Delivery in less than 3 hours and Kaspi Postomat self-service locker network, our two latest additions to the Kaspi Smart Logistics Platform. Kaspi Smart Logistics Platform already delivers 52% of orders within 48 hours, almost entirely free for the buyer. In September around 10% of orders in Almaty, the largest city in Kazakhstan, were delivered in less than 3 hours through our new Express Delivery service. As we rollout Kaspi Postomat and Express Delivery this and next year, Kaspi Smart Logistics will bring even more value to our consumers, merchants and delivery partners.

Strong consumer and merchant trends in turn drive rapid financial growth and in the 3rd quarter all three of our platforms delivered standout results across every performance metric. As a result, we're upgrading our 2021 Payments, Marketplace and Fintech KPIs. We're also pleased to upgrade our Kaspi.kz consolidated net income guidance for the third time this year and now expect adj. 2021 net income of around KZT445 billion.

Globally we are all embracing all things digital economy and Kaspi.kz is at the forefront of the new digital revolution, redefined by Super Apps. The combination of our scale with consumers and merchants, reinforced by our Super App strategy, puts us in a completely unique position to capture the multi-year structural growth opportunity offered by digitalisation in Kazakhstan.

With today's proposed acquisition of a banking license in Ukraine and following the successful acquisition of Portmone, we're also starting to put in place the foundations for Kaspi.kz to play a leading role in the broader region's digital transformation. We have the right strategy and our incredible team knows how to execute. We have recently expanded our equity based long-term incentive program to 74 key team members and I'm delighted that they along with our shareholders will be able to increasingly share in our success.

With many exciting plans we remain as optimistic about the future as ever!

Thank you for being our shareholder.



*Mikheil Lomtadze
Kaspi.kz CEO and co-founder*

10.8 million Kaspi.kz Super App users. Engagement at all-time highs
DAU up 50% to 6.5 million, 60% DAU to MAU, avg. 45.3 transactions per consumer/month

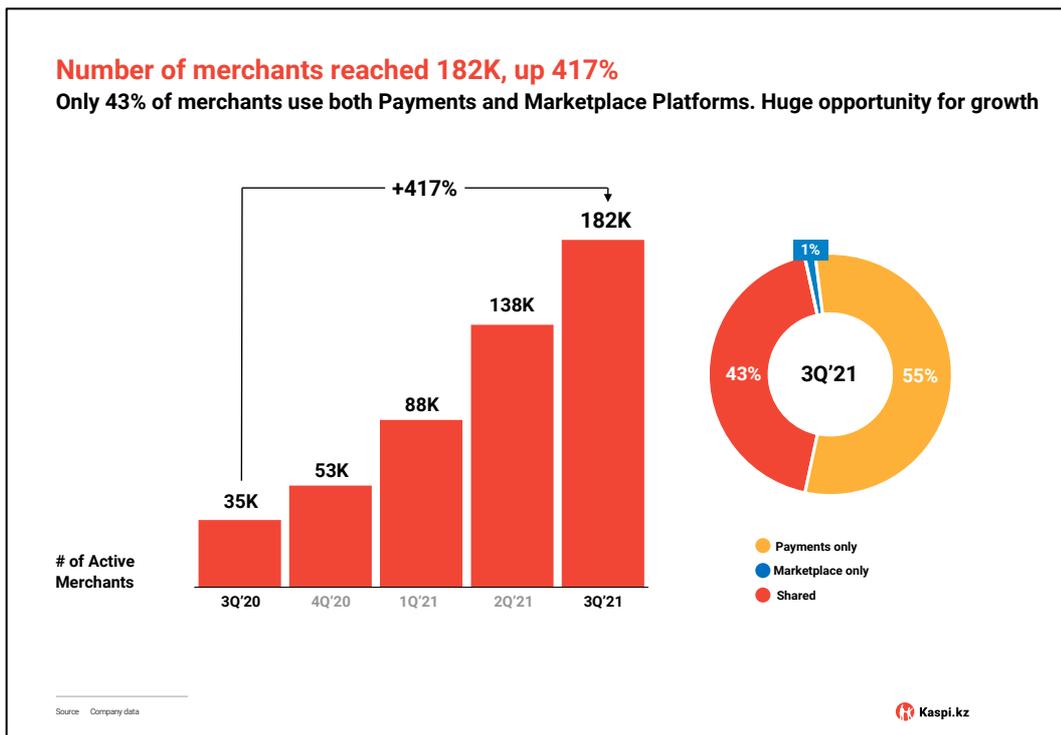
Kaspi.kz’s Super App serves as a single gateway to our Ecosystem and gives our Payments, Marketplace and Fintech Platforms unrivalled competitive advantages. During the 3rd quarter of 2021, Super App user and engagement levels continued to reach all-time highs.

DAU (Daily Active Users) increased 50% year-over-year to 6.5 million, a substantially faster rate than MAU (Monthly Active Users), which increased by 27% year-over-year to 10.8 million.

Highly discoverable digital transaction linked products and services ensure the Kaspi.kz Super App is integral to consumers’ daily lives. The ratio of DAU to MAU reached 60%, which is amongst the highest levels of user engagement of any Super App globally and another step-up, compared to 51% during the 3rd quarter of 2020.

Engagement is closely tied to one of our most important strategic objectives, namely, to facilitate digital transactions across all areas of the typical household’s spending. Average monthly transactions per active consumer increased by 94% year-over-year to 45.3 from 23.4 during the 3rd quarter of 2020.

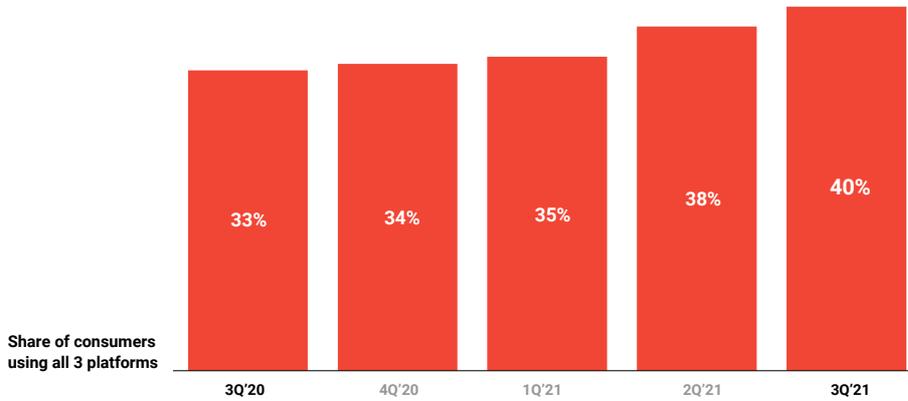
To drive engagement and transaction levels even higher, our top strategic priority is to onboard as many merchants, as rapidly as possible. During the 3rd quarter of 2021, growth in total number of active merchants accelerated again to 417% year-over-year and reached 182K. Only 43% of merchants are available on both our Payments and Marketplace Platforms, representing a substantial future growth opportunity. However, we’re now seeing that a high number of Payments Platform merchants are going on to become m-Commerce and e-Commerce merchants, enhancing the breadth and depth of their relationship with the Kaspi.kz Ecosystem.



A large and compelling merchant base, combined with high quality and innovative digital products in turn drives consumer engagement and transactions across all our platforms. Consumers active on all three Kaspi.kz platforms reached 40%, which is an increase from 35% at just the beginning of this year and 33% in the 3rd quarter of 2020.

Only 40% of consumers use all 3 of our Platforms

Consumer interaction across platforms is growing but there is still a huge opportunity



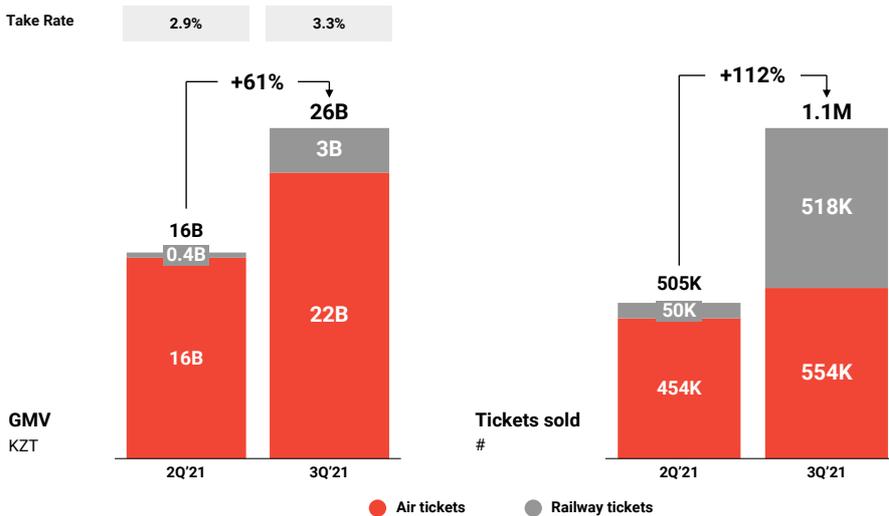
Source: Company data



We will also continue to launch new products and services and the success of Kaspi Travel, demonstrates that a large and highly engaged Super App consumer and merchant base can be leveraged into new sizeable and fast-growing markets. Kaspi Travel sales soared to over 1 million tickets during the 3rd quarter 2021, up 112% quarter-over-quarter. GMV reached KZT25,663 million and take-rate was 3.3% during the 3rd quarter 2021.

Kaspi Travel reached 1M tickets sold in 3Q'21. GMV up 61% QoQ

Kaspi Travel continues to scale at a rapid rate. Number of tickets sold up 112% from 2Q'21



Source: Company data



Underpinned by the continued success of Kaspi Pay we continue to see multiple opportunities across all aspects of our Ecosystem to drive consumer, merchant, engagement and transaction growth well into the future.

Kaspi.kz 3Q financial highlights

Adj. net income up 90% YoY. Payments and Marketplace 50% of adj. cons. net income

During the 3rd quarter of 2021, total revenue growth remained rapid, increasing by 55% year-over-year to reach KZT250,596 million. Every platform delivered a strong performance with rapid top-line growth and improving year-over-year profitability.

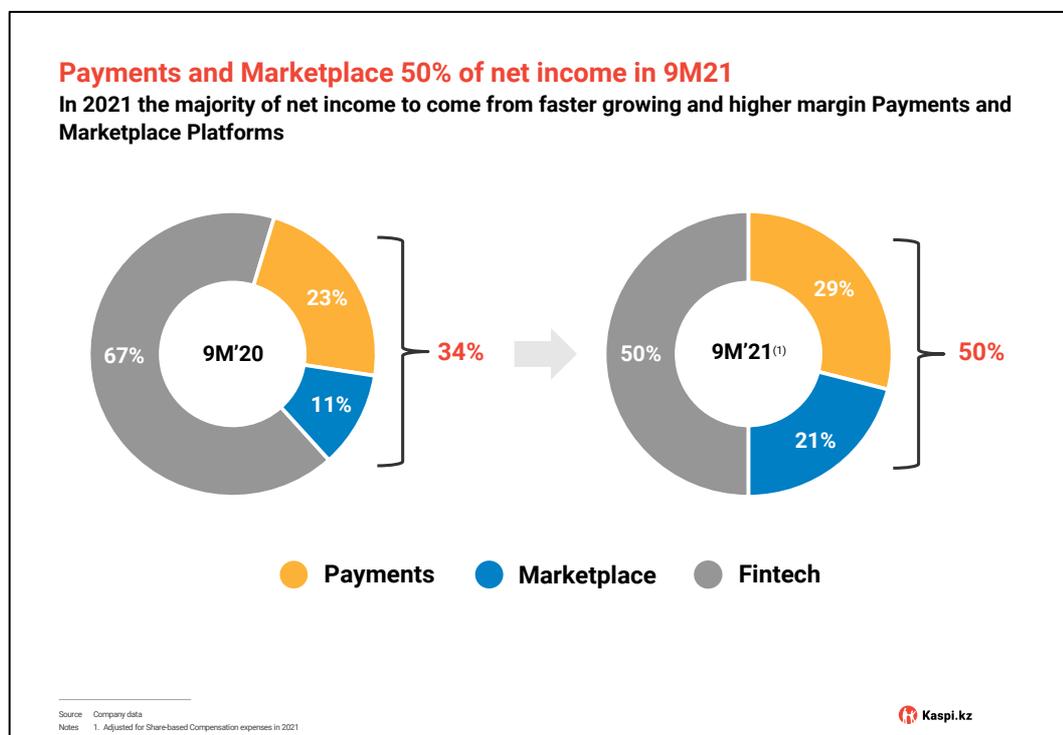
Our Payments Platform, despite a long track record of consistently high growth, continues to surprise on the upside due to the mass adoption of Kaspi Pay. Having significantly expanded our Marketplace merchant base, m-Commerce GMV trends are very strong, while e-Commerce continues to deliver consistently high growth. Fintech is rapidly scaling origination, which in turn leads to accelerating revenue growth.

During the 3rd quarter of 2021, adj. net income increased 90% year-over-year to KZT130,501 million. Adj. net income margin increased to 52.1% from 42.5% during the same quarter in 2020.

As our proprietary payments network scales, we continue to eliminate third-party costs, as well as benefitting from our Payments Platform's operational gearing. Marketplace Platform is also seeing the benefits of its inherent operational gearing, despite the rollout of free delivery for consumers. Our Fintech Platform's profitability is improving as top-line growth returns at scale, combined with improving cost of risk.

For the first 9 months of 2021, total revenue reached KZT647,646 million, equivalent to a 41% year-over-year increase. Adj. net income increased 69% year-over-year to KZT311,512 million, equivalent to a 48.1% adj. net income margin, up from 40% in the first 9 months of 2020.

Our net income mix continues to transform quickly and in the first 9 months of 2021 our faster growing Payments and Marketplace Platforms accounted for 50% of net income, up from 34% in the same period in 2020. We continue to expect Payments and Marketplace to account for the majority of our full-year 2021 adj. net income.



Our cash generation capacity remains as strong as ever. As has been the case previously, we seek to maintain a 50bps buffer above local NBK capital adequacy requirements but thereafter will consider returning excess cash to shareholders and/or M&A that would allow us to scale our addressable markets further.

For the 3rd quarter of 2021, our Board of Directors has proposed a 468KZT per GDR dividend equivalent to around KZT90 billion, subject to shareholder approval.

Payments Platform

RTPV up 103% and for the first time grows faster than TPV, revenue up 72% & adj. net income up 111% YoY

Our Payments Platform has always offered consumers a highly convenient way to shop, pay bills and make peer-to-peer (P2P) payments via the Kaspi.kz Super App. As has been the case globally, in Kazakhstan there has been a massive shift to digital payments, with consumers demanding a seamless and integrated digital experience no matter where they shop. The Kaspi Pay App is our response to help merchants digitalise their businesses and exceed customers' expectations.

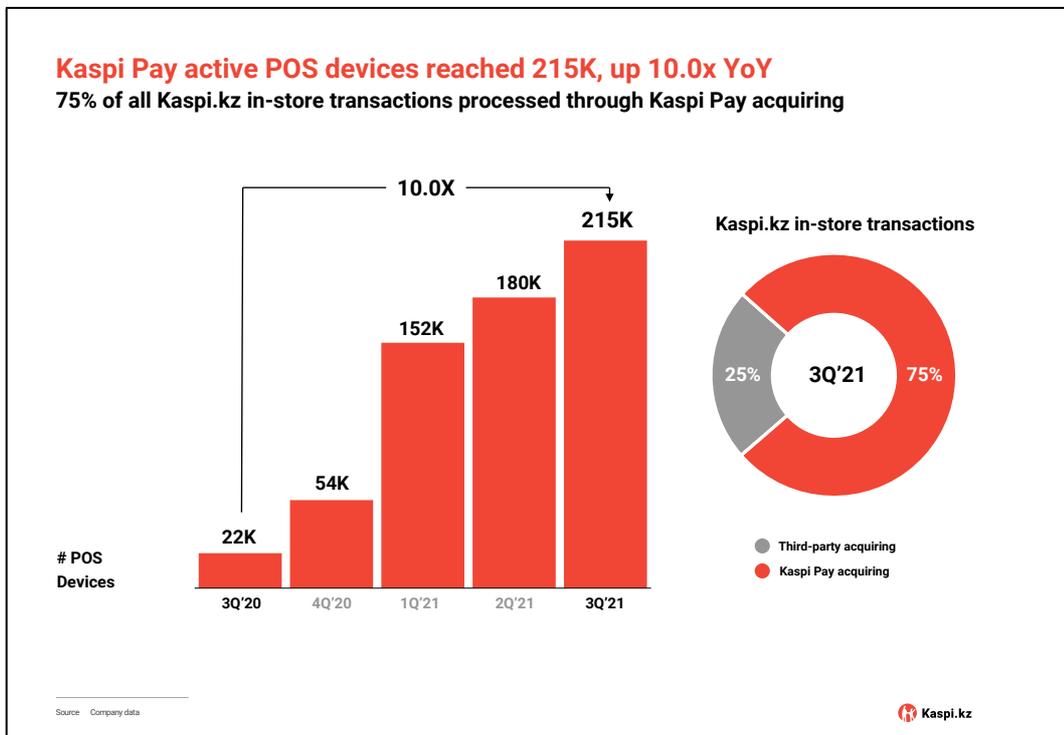
Payments Platform is also amongst our most important tools to attract new consumers and increase engagement, making it illustrative of the health of the broader Kaspi.kz Ecosystem. With this in mind, we continue adding new opportunities to spend and pay, which is a function of new merchants and product development.

In the 3rd quarter of 2021, we accelerated merchant onboarding again, up 521% year-over-year to 179.8K merchants. The benefits of this will be seen in subsequent quarters as new merchants shift more of their volumes to Kaspi Pay.

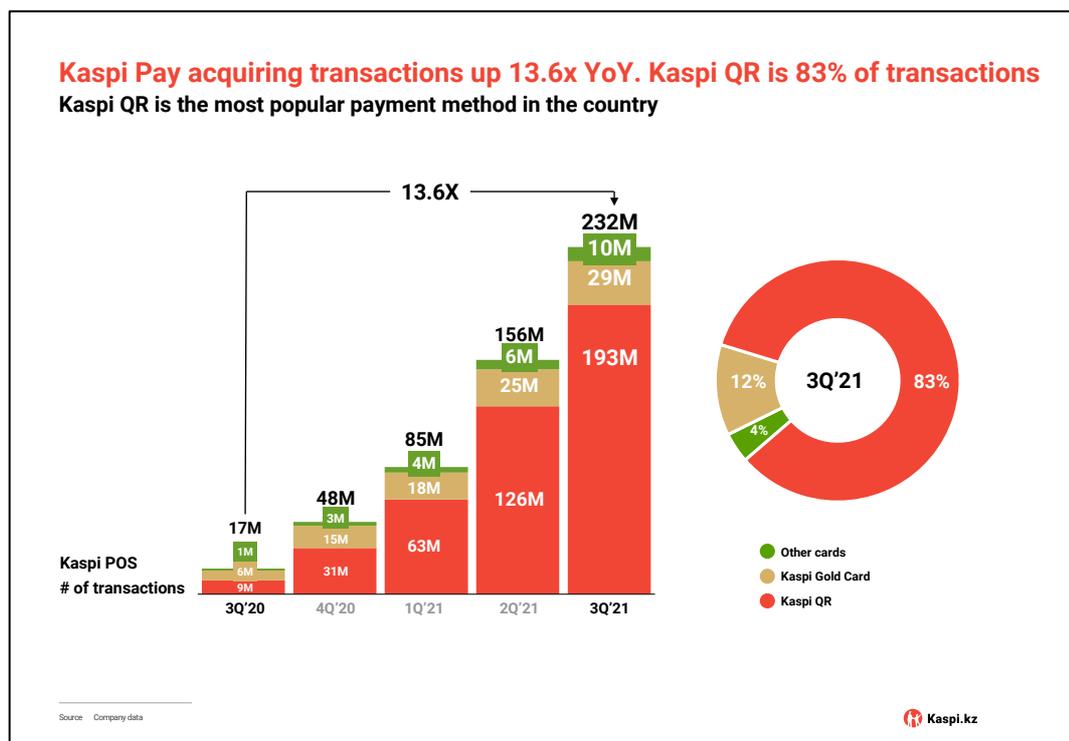
As we give our consumers new opportunities to pay, consumer growth has remained robust. Payments Platform active consumers increased 28% year-over-year, to reach 9.3 million, in the 3rd quarter of 2021.

By creating our own closed-loop proprietary payments network, we have eliminated the need for third-party processors and our Payments Platform offers merchants and consumers at scale, a complete end-to-end experience. The result is that over the last 12 months Kaspi Pay has firmly established itself as a major disruptive force, becoming the digital payments platform of choice for all types of merchants in Kazakhstan.

By September 2021, there were 215K active Kaspi Pay POS devices, up 10.0x year-over-year. This unique and disruptive proposition, resulted in Kaspi Pay acquiring accounting for 75% of all Kaspi Gold POS in-store retail transactions during 3rd quarter of 2021, with third-party acquirers now only processing 25% of our transactions.



Consumers continue to swiftly embrace Kaspi Pay’s contactless Kaspi QR technology. Number of transactions using Kaspi Pay POS Solutions increased 13.6x year-over-year, with QR accounting for 83% of transactions in the 3rd quarter 2021. In future quarters, we expect further strong growth in the number of active Kaspi Pay POS devices and even higher growth in engagement, as evidenced by the number of transactions.



During the 3rd quarter of 2021, Total Payment Value (TPV) increased by 102% year-over-year to reach KZT14.2 trillion. Revenue Generating TPV (RTPV) increased 103% to reach KZT3.5 trillion. This is the first time RTPV has grown faster than TPV and is a direct result of our success rolling out our Kaspi POS devices.

Average balances increased 58% year-over-year to KZT571 billion. Consumers move funds to Kaspi.kz to facilitate future transactions and rapid growth in account balances is an encouraging lead indicator for future RTPV growth.

During the 3rd quarter of 2021, Payments Platform revenue grew by 72% year-over-year to reach KZT58,490 million. For the 9 months of 2021, Payments Platform revenue increased 79% year-over-year to reach KZT148,176 million. Take-rate in the 3rd quarter and first 9 months of 2021 was 1.2% in line with our 2021 full-year guidance of around 1.2%.

Payments Platform adj. net income increased by 111% year-over-year to KZT37,506 million, with net income profitability of 64.1% up significantly from 52.3% in the 3rd quarter of 2020. Payments Platform profitability continues to benefit from cost savings as we transition payment volumes away from third-party network providers to our own proprietary payments network, combined with the platform's operational gearing. For the first 9 months of 2021, Payments Platform adj. net income increased 117% year-over-year to KZT90,232 million, with net income profitability of 60.9% up from 50.4% in the same period in 2020.

For the remainder of 2021 we will continue to aggressively ramp-up our merchant base and expect this to 1) contribute to ongoing strong growth in RTPV, 2) a more diverse mix of Payments Platform revenue streams and 3) higher profitability as our proprietary network disintermediates third-party costs.

With Payments Platform KPIs and financials continuing to deliver on the upside we are upgrading our 2021 guidance and now expect RTPV growth of around 105% year-over-year, up from around 100% previously. We continue to expect adj. net income profitability to be around 60%.

Kaspi Pay is only 12 months into its journey and we remain extremely positive about the outlook for our Payments Platform for the remainder of 2021 and beyond.

For us Kaspi Pay's initial success is just the start of a multi-year strategy, as we set out to transform commerce for merchants. With all consumer and merchant metrics showing rapid momentum, we're in an incredibly strong position to lead the digital transformation of payments and shopping in Kazakhstan and over time across the wider region.

Marketplace Platform

m-Commerce GMV up 294%, e-Commerce GMV up 69% & adj. net income up 201% YoY

Our Marketplace Platform connects both online and offline merchants with consumers, enabling merchants to increase their sales using an omnichannel strategy and consumers to buy a broad selection of products and services from a wide range of merchants. m-Commerce is our mobile solution for shopping in person, while consumers can use e-Commerce to shop anywhere, any time with free delivery. Taken together a unified shopping experience, irrespective of online or offline is a major competitive advantage and makes our Marketplace relevant across all areas of consumer spending.

Just as with our Payments Platform, the rapid expansion of our Marketplace merchant base is an important strategic priority. We're focused on digitally onboarding Kaspi Pay merchants to Marketplace and during the 3rd quarter of 2021, Marketplace merchants increased to 81.3K, an acceleration to 187% year-over-year growth. Over the same period, Marketplace consumers growth accelerated to 40% year-over-year to 4.1 million. We expect merchant growth to remain at elevated levels in the final quarter of the year, with more merchants leading to fast growth in consumers and GMV per consumer over the mid-term.

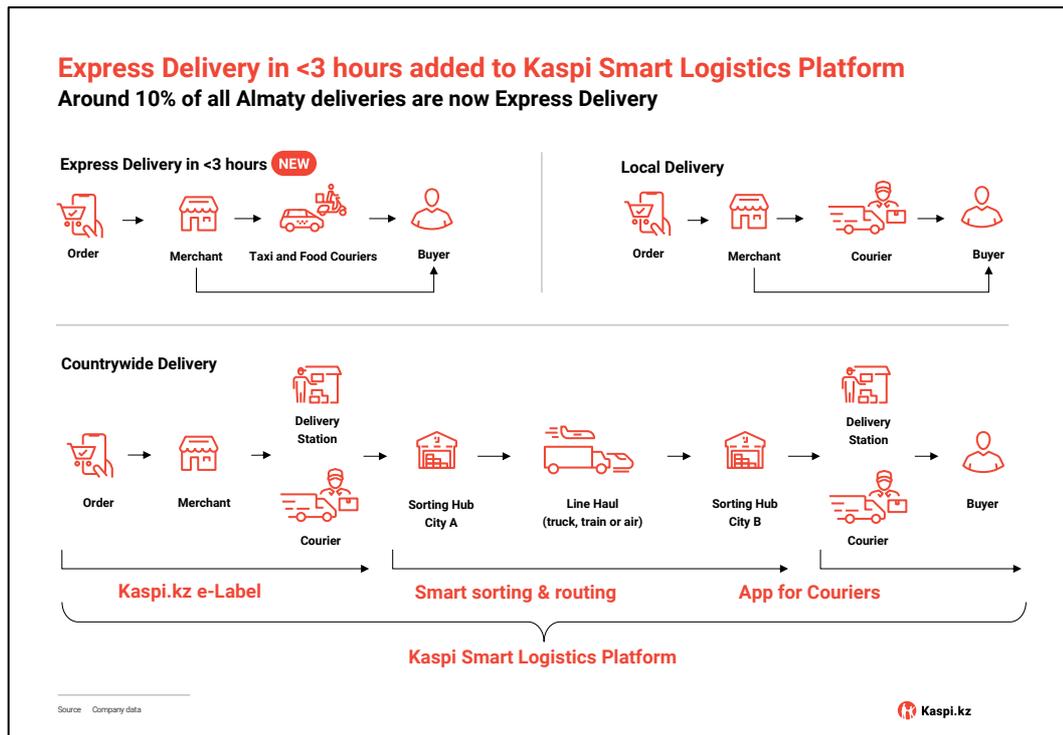
Our Marketplace platform mix continues to rapidly evolve in line with our strategic objective of a broadly balanced contribution from e-Commerce and m-Commerce. In the 3rd quarter of 2021, e-Commerce and m-Commerce accounted for 42% and 58% of GMV respectively.

During the 3rd quarter of 2021 Marketplace GMV increased 134% year-over-year to KZT483,074 million. m-Commerce had an excellent quarter and delivered 294% year-over-year GMV growth due in part to Kaspi Pay merchants subsequently onboarding to m-Commerce. e-Commerce GMV growth remained rapid and was up 69% year-over-year, with growth in items sold up 121% year-over-year.

Kaspi Travel's GMV reached KZT25,663 million and KZT48,859 million during the 3rd quarter and first 9 months of 2021 respectively. Although not included in Marketplace GMV, this is equivalent to just over 5% of GMV in the 3rd quarter of 2021, which is an impressive level of scale given that we only launched Kaspi Travel in the 3rd quarter of 2020. We will continue to broaden Kaspi Travel's product proposition and combined with the general recovery in international travel, the outlook for Kaspi Travel is very exciting. Kaspi Travel's take-rate was 3.3% and 3.1% for the 3rd quarter and first 9 months of 2021, respectively.

The expansion of Kaspi Smart Logistics Platform to more cities and introduction of free delivery for consumers has made an important contribution to strong e-Commerce trends. In the 3rd quarter of 2021, delivery volumes increased 138% year-over-year.

We recently launched Kaspi Express Delivery and in September around 10% of orders in Almaty were delivered in 3 hours or less.



During the 3rd quarter we also started to roll out of Kaspi Postomat, with around 300 lockers expected to be launched over the next couple of months. Kaspi’s proprietary big data is helping us identify the most appropriate locations and our ambition is to build Kazakhstan’s largest locker network over the medium-term. We expect Kaspi Postomat to result in cost savings of at least 20% vs. to-door delivery, reduce the number of failed deliveries, with benefits to the environment from lower pollution and congestion.

KASPI POSTOMAT - network of delivery lockers launched

By end-21 around 300 lockers operational in Almaty. Nationwide coverage end-22

Kaspi Postomat further enhances Kaspi Smart Logistics value proposition for consumers, merchants and delivery partners:

- At least 20% cheaper to operate compared to-door delivery
- Offers contactless delivery with consumers able to open lockers by scanning Kaspi QR with the Kaspi.kz Super App
- High reliability of delivery as Kaspi Postomats significantly reduces risk of a failed delivery attempts compared to to-door delivery. Consumers can seamlessly pick up parcels at the most convenient time for them
- Benefits to environment by reducing pollution and congestion

Source: Company data

Kaspi.kz

At scale, the addition of Kaspi Postomat and Kaspi Express Delivery to the Kaspi Smart Logistics Platform will significantly enhance Kaspi Smart Logistics value proposition for consumers, merchants and delivery partners.

A 100bps year-over-year increase in take-rate to 8.4% in the 3rd quarter of 2021 resulted in Marketplace revenue growing significantly faster than GMV, increasing 160% year-over-year to KZT41,657 million. Higher take-rate is the result of ongoing mix shift away from consumer electronics, the success of our promotional activities and to a lesser extent Kaspi Logistics and Kaspi Marketing Services, which are at very early stages of monetization. For the first 9 months of 2021, Marketplace Platform revenue increased 183% year-over-year to reach KZT99,400 million. Take-rate in the first 9 months of 2021 was 8.3%, up 135bps year-over-year.

During the 3rd quarter of 2021, Marketplace Platform adj. net income reached KZT28,470 million, representing a 201% increase year-over-year. Net income profitability increased to 68.3% from 59.1% in the same period in 2020. Higher profitability resulted from higher take-rate, Marketplace Platform's high operational gearing and was achieved despite the ramp-up in free consumer delivery.

For the first 9 months of 2021, Marketplace adj. net income increased 235% year-over-year to reach KZT65,994 million. Net income profitability increased to 66.4% from 56.0% in the same period in 2020.

For 2021 we now expect higher Marketplace GMV growth of around 110% year-over-year, up from around 100% previously. Full-year 2021 Marketplace take-rate is now expected to be around 8.5%, up from our previous guidance of around 8%. We continue to expect adj. net income profitability to be in the high 60% range.

Going forward, we believe the breadth and depth of our merchant proposition is one of the most important drivers of GMV/consumer growth and our long-term competitive advantage. In this regard, we expect to continue merchant onboarding at elevated levels. With an enhanced merchant offering and Kaspi Smart Logistics continuing to scale, we expect to see strong Marketplace GMV growth in the final months of 2021, with high growth and profitability sustainable well into the mid-term.

Fintech Platform

TFV up 174% YoY, Buy-Now-Pay-Later 39% of origination, FY21 CoR now guided below 2.0%

The short-term nature of all our financing and more specifically Buy-Now-Pay- Later (BNPL) products allow us to quickly ramp-up or scale back origination as we observe changes in the consumer environment. During the 3rd quarter of 2021, Total Finance Value (TFV) increased 174% year-over-year to an all-time high KZT1.2 trillion. This is faster than we had previously guided for due to stronger than expected Marketplace GMV growth and an increasingly favourable consumer backdrop.

Our average net loan portfolio increased by 56% year-over-year, reaching KZT1.9 trillion during the 3rd quarter of 2021. Overall loan portfolio growth significantly below TFV growth is one of the benefits of our Super App origination strategy. Our consumers can take exactly what they need, via seamlessly integrated Fintech Platform products at the point of purchase and conveniently repay whenever they want commission and penalty free. This results in growth in origination above average portfolio growth, lower cost of risk and more transactions on our Marketplace and Payments Platforms. For our consumers, in addition to convenience they carry lower levels of total indebtedness. Higher portfolio conversion of 2.3x in the 3rd quarter of 2021, up from 2.0x and 1.4x in the 2nd quarter of 2021 and 3rd quarter of 2020 respectively, also reflects higher early repayments levels, as a healthy consumer once again transacts normally. With consumer trends continuing to improve and our focus on low ticket origination we expect portfolio conversion to remain rapid throughout the remainder of 2021 and into next year.

BNPL and general purpose loans now account for broadly similar shares of TFV, 39% and 43% respectively during the 3rd quarter 2021. Our new Merchant and Micro Business Finance products continue to gain traction quickly, accounting for 7% of TFV in the 3rd quarter of 2021. Yield was 29.8% during both the 3rd quarter and first 9 months of 2021 respectively. We expect to deliver a full year 2021 Fintech yield of around 30%, which is consistent with our guidance throughout 2021.

During the 3rd quarter of 2021 our underlying credit related cost of risk improved to 1.5% from 2.7% (pre-macro factor adjustment) in the 3rd quarter of 2020. Improving cost of risk, despite significantly higher origination reflects ongoing improvements in our data driven origination capabilities, as well as our efforts to constantly improve the efficiency of our collection processes. With our origination and collection capabilities continuing to improve, we now target full-year 2021 CoR below 2.0%, which is an improvement on our previous guidance of around 2% and initial guidance at the start of 2021 of below 3%.

Fintech Platform revenue increased by 35% year-over-year, reaching KZT150,449 million during the 3rd quarter of 2021 and increased by 17% year-over-year to reach KZT400,070 million during the first 9 months of 2021. Lower yielding Buy-Now-Pay-Later (BNPL) and Merchant Finance products slightly muted Fintech revenue growth, but these trends were in line with our internal goals and with origination now on track to grow above 125% year-over-year in 2021, revenue growth will continue to accelerate in subsequent quarters.

In the 3rd quarter of 2021, Fintech Platform's adj. net income increased by 55% year-over-year to reach net income of KZT64,525 million, with adj. net income margin reaching 42.9% from 37.2% in the 3rd quarter of 2020. For the first 9 months of 2021 adj. net income increased by 26% year-over-year to reach KZT155,286 million, with adj. net income margin reaching 38.8% from 35.9% in the same period in 2020. Fintech Return on Equity² during the first 9 months of 2021 remained extremely healthy at 77.2%.

Assuming the macro-backdrop continues to improve for the remainder of 2021, we expect elevated TFV origination. Although we will continue to prioritise our BNPL product, just under 10% of TFV will come from our recently launched merchant financing and SME Fintech products.

For 2021 we now expect TFV origination of above 125% year-over-year, which is an increase compared to our previous around 110% growth guidance. We continue to expect yield to be around 30%, which is in line with our assumptions throughout this year but with CoR now below 2.0%, which is better than our previous guidance of around 2.0% and despite higher origination. The result should be net income profitability in the high-30% range, which is consistent with previous guidance of high-30%.

Upgrading guidance for full-year 2021

FY21 updated guidance			
		2020A	2021 Updated Guidance
Payments	RTPV	KZT 6,239 B	Around 105% YoY Growth
	Average Balances on Current Accounts	KZT 333 B	Around 60% YoY Growth
	Take Rate	1.3%	Around 1.2%
	Net Income Margin ⁽¹⁾	52.1%	Around 60%
Marketplace	GMV	KZT 818 B	Around 110% YoY Growth
	Take Rate	7.7%	Around 8.5%
	Net Income Margin ⁽¹⁾	60.0%	High 60%
Fintech	TFV	KZT 1,833 B	Above 125% YoY Growth
	Conversion Rate	1.4x	Above 2.0
	Yield	32.6%	Around 30%
	Cost of Risk	1.8%	Below 2.0%
	Net Income Margin ⁽¹⁾	37.8%	High 30%
	Adjusted Net Income ⁽¹⁾	KZT 274 B	Around KZT 445 B

Source: Company data
Notes: 1. Adjusted for Share-based Compensation expenses

 Kaspi.kz

² Calculated as ratio of Fintech's net income to avg. equity of Kaspi.kz adjusted for net income attributable to Payments and Marketplace segments.

Acquisition of Portmone Group completed. Banking license in Ukraine to be acquired

On 8 October 2021 Kaspi Pay, a 100% owned subsidiary of JSC Kaspi.kz announced that it had completed the acquisition of 100% Ukrainian payments company Portmone Group. The acquisition of Portmone gives Kaspi.kz a payments license and Visa and Mastercard accreditation in Ukraine. The consolidation of Portmone Group is not expected to have any material impact on Kaspi.kz's 2021 financial results.

We have entered into SPA to acquire 100% of BTA Bank Ukraine. This bank has very limited operating activity, no branches, no loan portfolio and is solely acquired for full banking license purposes only, enabling us to launch mobile wallets, accounts and provide consumers with payments and fintech products. The proposed acquisition will have no material financial impact on Kaspi.kz and is expected to close in the first half of 2022.

With banking license and Portmone's payment licenses we are in a strong position to replicate our Super App strategy in Ukraine.

Ukraine is a 42 million population opportunity, characterised by high cash penetration (44% cash withdrawals), low e-Commerce penetration (8% of retail), low unsecured consumer lending (less than 4.5% of GDP) and high smartphone penetration (over 70%).

In the medium-term, Ukraine can also become an important source of IT talent and a development hub for Kaspi.kz.

Share-based compensation expanded and now includes 74 key employees

Following our IPO, we introduced an LTIP program in 2020. In September 2021, the program was expanded to include 74 senior executives and other key personnel, who will receive Kaspi.kz share options. Awards are payable in annual instalments over a five-year vesting schedule.

Our initial 2020 program in part included phantom based shares. However, we have now replaced these with equity settled awards, with the aim of better aligning the interests of participants with the long-term interests of Kaspi.kz and its shareholders.

Amortisation of share-based compensation during the 3rd quarter of 2021 amounted to KZT5,295 million and for the first 9 months of 2021 KZT13,746 million. For full-year 2021 we expect amortisation of share-based compensation to be around KZT19.5 billion.

In March 2021, share options in the quantity of 382,223 shares were exercised from treasury shares under the share-based LTIP plan. Total shares outstanding as at 30 September 2021 were 192,187,223.

Outstanding share options as at 30 September 2021 were 2,154,082.

Shares in JSC Kaspi.kz to be listed on AIX

In addition to the listing of its common shares on the Kazakhstan Stock Exchange, Kaspi.kz has applied for and expects its common shares to be admitted for listing on the Astana Stock Exchange (AIX), commencing Tuesday, October 26th 2021. This listing will provide additional convenience to our shareholders to hold and trade our common shares directly. Shares listed on AIX are exempt from withholding tax on dividends.

Conference call information

On 25 September 2021 Kaspi.kz will host a conference call and webcast at 1.00pm (London) (8.00am U.S. Eastern Time, 6.00pm Nur-Sultan time) to review and discuss the company's results for the 3rd quarter of 2021. To pre-register for this call, please go to the link below. You will receive your access details via email.

<https://www.incommglobalevents.com/registration/client/8837/3q21-conference-call/>

About Kaspi.kz

Kaspi.kz's mission is to improve people's lives by developing innovative mobile products and services. At our core is the Kaspi.kz Super App, the leading mobile app in Kazakhstan.

The Kaspi.kz Super App serves as a single gateway to our Payments, Marketplace and Fintech Platforms and is an integral part of our users' daily lives. As people's lives become increasingly digitalised, Super App usage is expected to grow supported by accelerating adoption of cashless payments, e-Commerce and digital financial services.

Kaspi.kz operates an Ecosystem business model, where the growth and development of one service contributes to the growth and development of other services, creating a powerful virtuous cycle. Increasing usage of a growing number of services puts Kaspi.kz in a strong position to keep innovating, delighting our users and fulfilling our mission.

Kaspi.kz has been listed on the London Stock Exchange since 2020.

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Kaspi.kz Consolidated Income Statement

	9M 2020, KZT MM	9M 2021, KZT MM	9M 2021 ADJUSTED, KZT MM	3Q 2020, KZT MM	3Q 2021, KZT MM	3Q 2021 ADJUSTED, KZT MM
Revenue	460,859	647,646	647,646	161,763	250,596	250,596
<i>growth, %</i>	-	-	41%	-	-	55%
Interest Revenue	239,077	298,196	298,196	82,393	112,594	112,594
Fees, Commissions & Other	126,553	136,188	136,188	39,663	51,302	51,302
Transaction & Membership Revenue	64,182	119,705	119,705	26,417	47,149	47,149
Seller fees	33,355	96,548	96,548	15,218	40,341	40,341
Other gains and losses	(2,308)	(2,991)	(2,991)	(1,928)	(790)	(790)
Cost of revenue	(145,469)	(177,174)	(176,465)	(51,967)	(62,500)	(62,159)
<i>growth, %</i>	-	-	21%	-	-	20%
<i>% of revenue</i>	31.6%	27.4%	27.2%	32.1%	24.9%	24.8%
Interest Expenses	(100,883)	(126,269)	(126,269)	(36,503)	(43,494)	(43,494)
Transaction Expenses	(11,061)	(11,015)	(11,015)	(4,074)	(4,213)	(4,213)
Operating Expenses	(33,525)	(39,890)	(39,181)	(11,390)	(14,793)	(14,452)
Total net revenue	315,390	470,472	471,181	109,796	188,096	188,437
<i>growth, %</i>	-	-	49%	-	-	72%
<i>margin, %</i>	68.4%	72.6%	72.8%	67.9%	75.1%	75.2%
Technology & product development	(18,653)	(30,929)	(24,802)	(6,558)	(10,964)	(8,530)
Sales and marketing	(31,108)	(41,330)	(41,314)	(13,295)	(12,346)	(12,330)
General and administrative expenses	(10,174)	(16,571)	(9,677)	(3,452)	(5,545)	(3,041)
Provision expense	(34,550)	(22,899)	(22,899)	(4,455)	(8,196)	(8,196)
Operating income	220,905	358,743	372,489	82,036	151,045	156,340
<i>growth, %</i>	-	-	69%	-	-	91%
<i>margin, %</i>	47.9%	55.4%	57.5%	50.7%	60.3%	62.4%
Income tax	(36,522)	(60,870)	(60,977)	(13,232)	(26,236)	(25,839)
Net income	184,383	297,873	311,512	68,804	124,809	130,501
<i>growth, %</i>	-	-	69%	-	-	90%
<i>margin, %</i>	40.0%	46.0%	48.1%	42.5%	49.8%	52.1%

Kaspi.kz Consolidated Balance Sheet

	31-Dec-2020, KZT MM	30-Sep- 2021, KZT MM
Cash and cash equivalents	330,409	235,720
Mandatory cash balances with NBK	27,659	32,869
Due from banks	44,259	54,536
Investment securities and derivatives	869,572	839,261
Loans to customers	1,404,554	2,086,208
Property, equipment and intangible assets	70,016	74,229
Other assets	51,645	64,257
Assets classified as held for sale	8,628	-
Total assets	2,806,742	3,387,080
Due to banks	-	26,396
Customer accounts	2,150,581	2,649,397
Debt securities issued	139,111	136,232
Payables to shareholders	360	-
Other liabilities	40,983	54,795
Subordinated debt	78,009	65,990
Liabilities directly associated with the assets classified as held for sale	3,038	-
Total liabilities	2,412,082	2,932,810
Share capital	95,825	97,530
Additional paid-in-capital	506	506
Revaluation reserve of financial assets	5,171	5,581
Share-Based Compensation reserve	8,788	14,822
Retained earnings	280,828	331,431
Total equity attributable to Shareholders of the Company	391,118	449,870
Non-controlling interests	3,542	4,400
Total equity	394,660	454,270
Total liabilities and equity	2,806,742	3,387,080