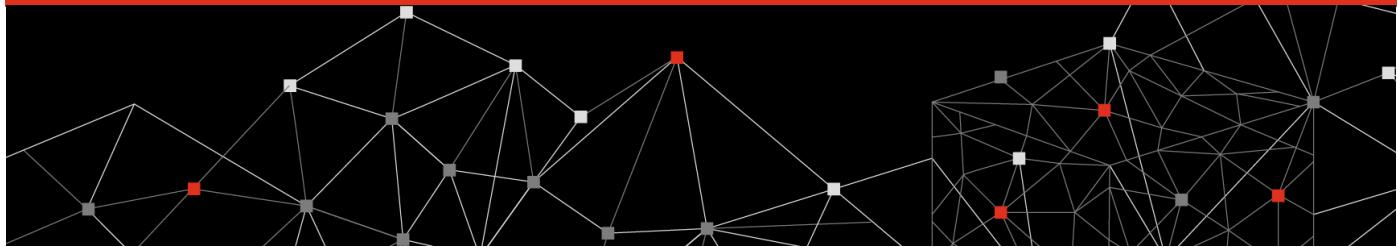


Conversation with Mikhail Lomtadze

The PwC Kazakhstan team is launching a series of 'Conversations with Interesting People'. We invited Mikhail Lomtadze to talk not just about being the CEO and co-founder of Kaspi.kz, but to learn about a man who has made an incredible breakthrough in the business history of Kazakhstan. About a man who is called a "Game Changer", who turned the tables, encouraging others to think differently. We arranged to meet with Mikhail at the Kaspi.kz office at 17:30. Mikhail came to the meeting on time, not a minute earlier or later. He, as always, was in a T-shirt, jeans and sneakers. He was smiling. It was hard to imagine that this unassuming man just a month ago brought Kaspi.kz to the London Stock Exchange, having received a US\$ 6.5 billion valuation from investors. Today Kaspi.kz is the most valuable public company in Kazakhstan.



PwC:

In your IPO prospectus, one of the risks noted was that the team, and you, are the key to success. Were you asked the question: "How long do you plan to be the CEO of Kaspi.kz?"

Mikhail Lomtadze:

Investors understand that the founders and management team are key to success in any unique company. In fact, all communication took place between investors and myself, where I shared our strategy, vision and conveyed the uniqueness of our business model.

Of course, investors asked about future plans, but my personal plans and the plans of our team are not dependent on the IPO. This is just one important step in the company's development. The very fact that the IPO attracted such high interest can be called a success, the market reacted well, and investors are excited.

An IPO is just the beginning of Kaspi.kz's development and life as a public company. Of course, we now have more opportunities for expansion, but along with this comes other important considerations, including increased responsibility for the country, clients, employees, partners and investors.

I would like to note once again that the main guarantee of success is the team. Our team combines international, Kazakh and regional experience. The principles of corporate governance in our company are based on the best international practices. Our main motivation is to build a successful business for clients, countries and partners. In our work we are guided by the principle "what is good for Kazakhstan is good for Kaspi.kz."

PwC:

What was the most difficult thing on the path of transformation from Kaspi Bank to Kaspi.kz?

Mikhail Lomtadze:

Our mission is to improve the lives of our valued clients, create innovative services and products. The most important thing for our entire team was to build a corporate culture that is focused on creating amazing, innovative services of unparalleled quality for our clients. If you are an innovative company, then you are constantly launching new services. But if clients are unhappy with your current services, there is no point in launching the next one. In fact, building highly client oriented corporate culture was the turning point in our development.

We decided that we would fulfil our mission by creating an impeccable customer experience, design, using the most up-to-date technologies and applying big data. We're not constrained by specific industries, sectors or commodities. This is because our innovation has no boundaries. We focus on in demand everyday-services across all areas of our consumers lives. Here we can be compared to Apple. If Apple launches a TV or a car now, it wouldn't surprise anyone.

We have always wanted to create a company with perfect service quality, continually innovating and pushing boundaries. This is our main competitive advantage.

We have very high client satisfaction and loyalty levels – around 90 whereas e-commerce stores globally have an average of about 40. This high loyalty is achieved through impeccable quality and continuous improvement. We never give up and believe in perfectionism.

PwC:

You are one of the largest shareholders of Kaspi.kz and its CEO at the same time. In your opinion, was this factor critical for success?

Mikhail Lomtadze:

Our team is the key to our success. The fact that we have the most incredible team is proven by the results. IPO success and financial success are the result of the work of the team who every day creates value for clients, partners and the country. My task was to position our strategy correctly and convey the uniqueness of the business model, draw comparisons with other markets and companies. This is what was important in the IPO process as well.

Before coming to Kazakhstan, when I was evaluating companies, we needed to see not beautiful presentations, but the personal qualities of the management team and the team's ability to achieve success in the future. note PwC: 2002 - 2004: Investment Project Manager at Baring Vostok Capital Partners, 2004 - 2016: Partner at Baring Vostok Capital Partners).

Whenever I considered investing, I had to draw one important conclusion: "Am I ready to invest in this team or not?" Next, I needed to consider the ability of the management team to create value. If it is a large corporate organization, then most likely the data can be drawn up from the history and reporting of the company itself. If it is a start-up, then it is necessary to assess the business model, the maturity of the people working on this start-up, and their previous experience.

PwC:

Do you have disagreements in your team and how do you resolve them?

Mikhail Lomtadze:

We argue often, but our disputes are always about business and around products, no politics. It is not customary for us to sit and listen to long reports. We are working to launch a cool, innovative service that will improve the lives of our clients. We make every product for ourselves, our friends, or family members.

We can make mistakes. But we know how to quickly correct our mistakes and make improvements. I don't remember firing an employee because of a mistake. A person who does not make mistakes does not learn anything. Of course, if a person constantly underperforms, this is completely different. We have developed such a culture, and this has greatly influenced the quality of people in our team. All of our employees have a lot of motivation and desire to create awesome products.

PwC:

Since we're talking about motivation. What do you set for your employees – KPIs or goals?

Mikhail Lomtadze:

We are primarily a product company, that is, we are focused on creating high quality products and services. From the creation of a service through to the customer's experience using it. Almost no one has financial goals or KPIs. We do not say: "make a product and reach a sales target" or "we don't have a budget for

that this year." If the product brings value to our clients and partners, we will make it.

At the same time, everyone understands that any product needs to be significant, so as to be used by lots of people (far more than 10,000 people). Our strategy is built mass products and services that meet the daily needs of our clients. We also know how to say "no" to ideas that will not create value.

PwC:

As far as I remember, you have lived in Kazakhstan for 14 years. Who supported you and believed in your ideas, plans, never doubted you throughout your entire path to the success of Kaspi.kz?



Mikhail Lomtadze and Vyacheslav Kim

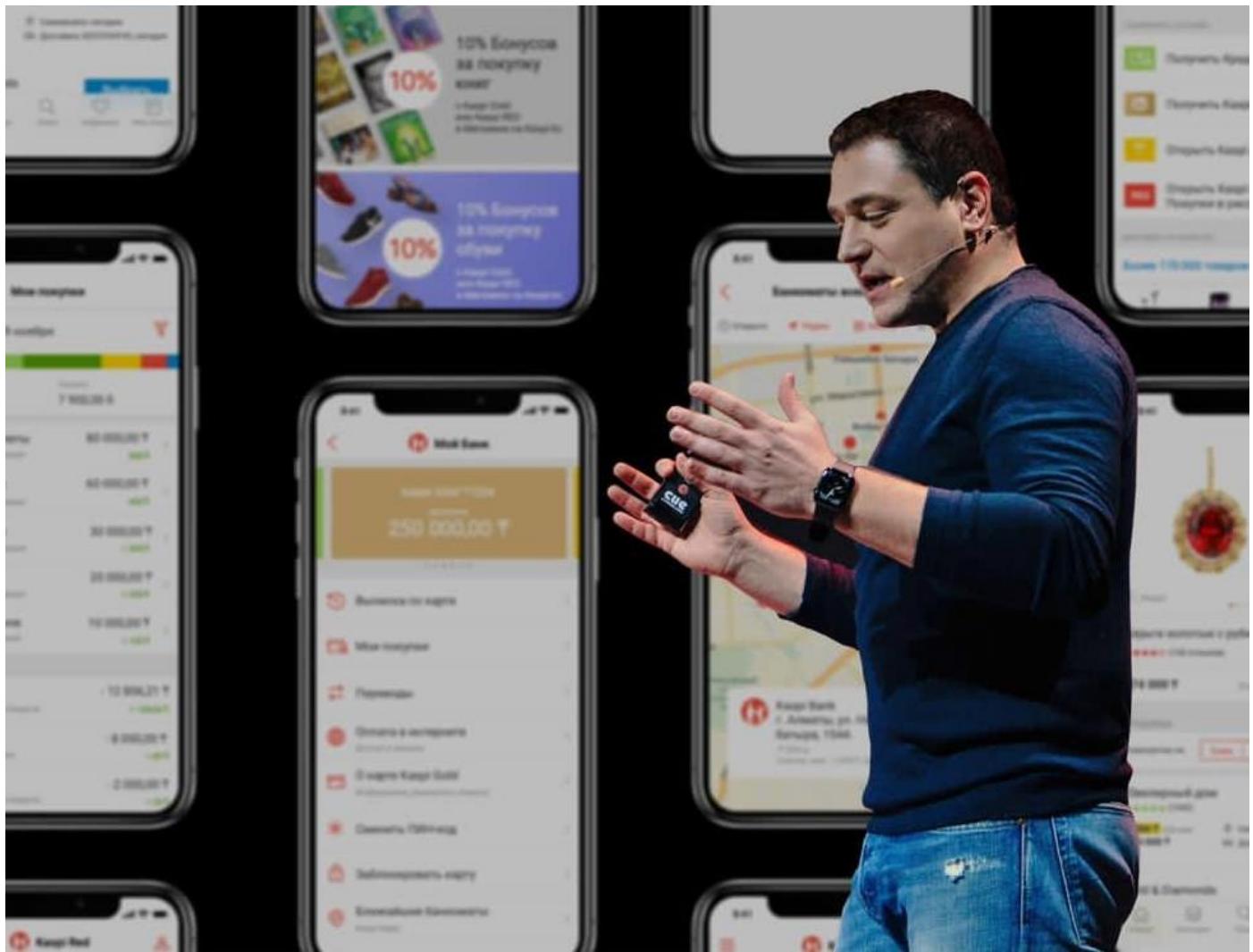
Kaspi.kz

Mikhail Lomtadze:

Slava! Vyacheslav Kim (PwC ed. note: Vyacheslav Kim, Co-founder and Chairman of the Board of Directors of Kaspi.kz).

If it wasn't for Vyacheslav, his faith, friendship, support and joint work, none of this would have been possible. From the very beginning, 14 years ago, we believed in each other, decided to become partners and establish a cool company that we could be proud of. We didn't even formalize the partnership between us on paper until the very last moment. This is only possible when there is complete trust and chemistry.

Of course, at all stages of my life, there were important people that influenced me. In Georgia, these are my parents and my business colleagues. My classmates and professors at Harvard Business School. My partners and colleagues at Baring Vostok. As you noted, I have been in Kazakhstan for 14 years already – and this period is almost my entire professional life. All this time Vyacheslav Kim has always supported me and stood by me.



PwC:

Are there any barriers, in your opinion, that could hinder the rapid growth of Kaspi.kz's business?

Mikhail Lomtadze:

Speaking about our mission, we have almost no restrictions in terms of ideas and there are many opportunities. We are at the beginning of the journey. The penetration of digital services is still quite low, and the potential is huge. Everyone has a smartphone, but not all everyday needs can be performed from your phone yet. This is an opportunity for us and we will keep developing new services.

For example, this year we are planning to launch Kaspi Travel, for online airline ticket purchases, on the Santufei platform that we recently acquired. We have brought in a talented team that are ready to build the largest online ticketing platform and other travel services.

Digital services improve living standards by being convenient and time-saving. A person solves daily tasks quickly and easily from the screen of their smartphone. Availability of online services makes the world around us more accessible. Happy and content users is good for us. This approach is the basis of our strategy and our mission.

The quarantine due to COVID-19 helped us gain useful experience. Our primary aim was to help the population, partners and the state. We were able to quickly develop technological functionality and bring targeted social assistance to more than 4.5 million people. Every 2 out of 3 money transfers took place with our help and with the help of the Kaspi.kz Super App. We also strengthened the e-commerce platform by making delivery completely free, enabling our partner merchants to sell online with delivery.

PwC:

When you decided to IPO, was the success of Kaspi.kz the only important matter to you?

Mikhail Lomtadze:

We had to convince a large number of investors and investment funds in the future of not only our company, but also of the country and the region as well. They will now look at other investment opportunities that exist in Kazakhstan and other Kazakhstani public companies. We have paved the way for new Kazakhstani businesses; there is already a "fan club" of investors willing to invest in Kazakhstan.

PwC:

Where are you planning to expand to?

Mikhail Lomtadze:

Of course, we are ready to consider opportunities outside of Kazakhstan. Previously, we were less actively interested in regional development and other markets, now it is an important priority for our long-term strategy. When you have everything in a mobile phone and in an application, it is much easier to scale.

PwC:

What's your next big goal?

Mikhail Lomtadze:

Our main goal is to continue creating new services around the daily needs of consumers. Our next target is the next service.

PwC:

Can we say that what you have now is just the beginning?

Mikhail Lomtadze:

Our SuperApp is already quite popular in Kazakhstan (PwC ed. note: 8.5 million people use Kaspi.kz application every month). However, we clearly understand daily needs (where to get assistance, how to register, what to buy, where to buy, how to buy, how to deliver, etc.) are not fully digitalized yet, and there is a lot of work ahead. Recently, we launched a separate mobile application for entrepreneurs, from which they can accept payments via a smartphone without a card.

PwC:

Do you ever get scared?

Mikhail Lomtadze:

If the question is about work, long ago I determined for me that in work it is important to be guided by a goal and solve management challenges together with a team and partners. Any challenge is just another goal that we can reach together.

It's scary when you have a small child lost while walking in the zoo and don't know where to look. This is really scary.

PwC:

If you had an opportunity to say or advise something to yourself when you were 25, what would you say?

Mikhail Lomtadze:

Very interesting question [pause]: "Choose the right people." At the age of 25, I didn't think that way and just acted on intuition. Now I can clearly say that it is the people around me that are the most important guarantee of success. If I was giving myself advice, I would say – try to surround yourself with people with whom you can achieve the impossible, who you can rely on and whose heart is in the right place.

PwC:

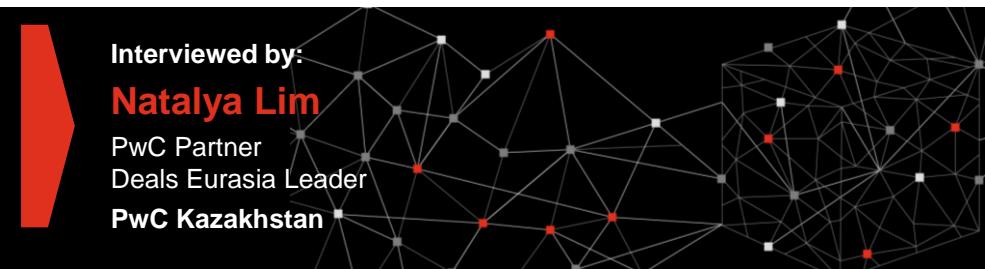
Mikhail, let me thank you for your time and very interesting conversation. See you soon!



Interviewed by:

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