KAZAKHSTAN STARTUP ECOSYSTEM

ANARBEK UTEGULOV
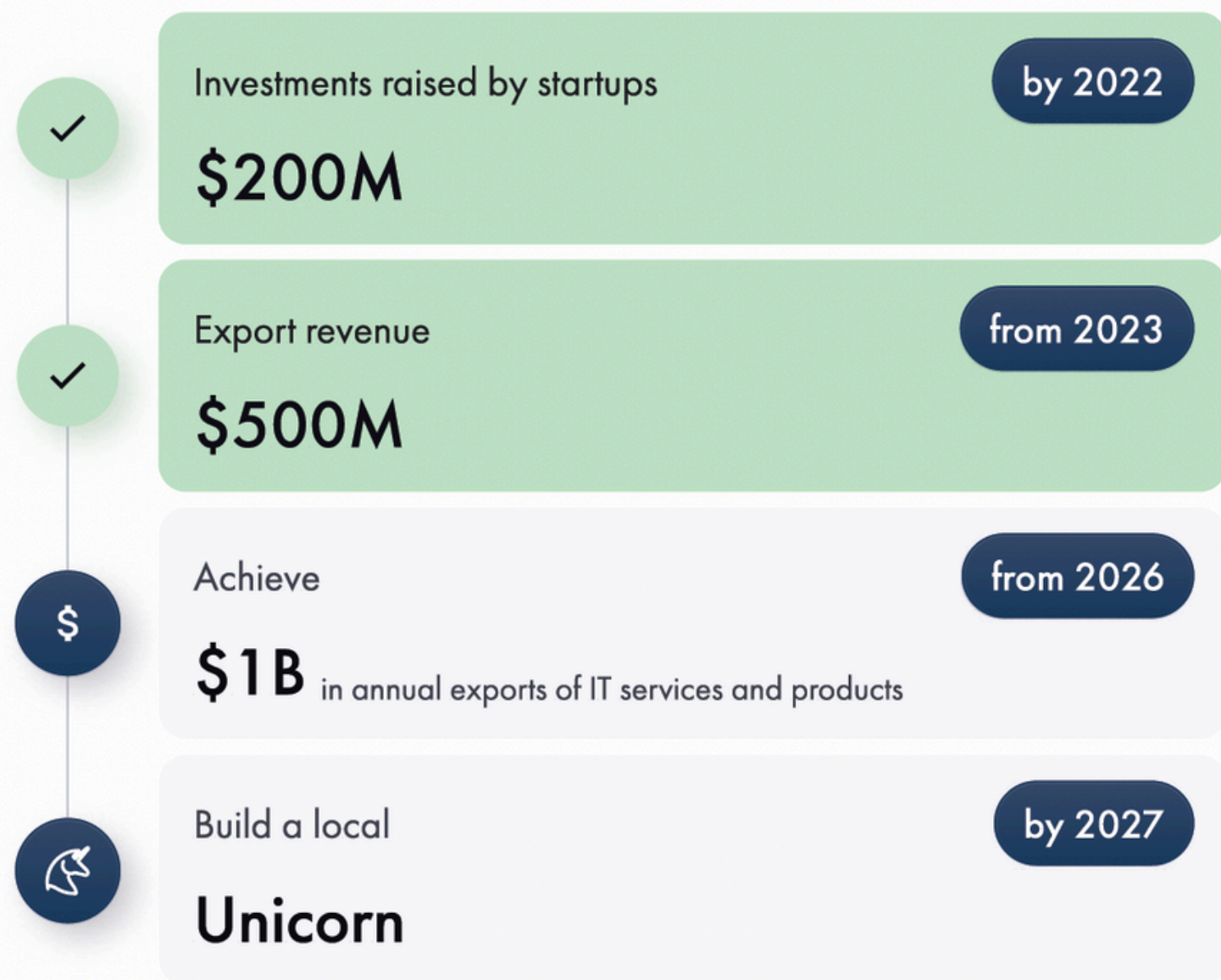Director of Funding Programs
Astana Hub

ABAY ABSAMET
CEO
BGlobal Ventures

ASTANA HUB MISSION

Development of tech innovations for economic growth in the Republic of Kazakhstan

Key goals:

✓ Investments raised by startups — **by 2022**
$200M

✓ Export revenue — **from 2023**
$500M

$ Achieve — **from 2026**
$1B in annual exports of IT services and products

🦄 Build a local — **by 2027**
Unicorn

astana hub | DIGITAL & SPACE MINISTRY

> Promoting IT export is vital for economic diversification. Progress is clear at the current exhibition, emphasizing the need for comprehensive support to nurture talents and advance innovation.

Kassym-Jomart Tokayev

The President of Kazakhstan stated at the Plenary Session, Digital Bridge, 2023

DIGITAL BRIDGE 2023

THE ASTANA HUB ECOSYSTEM

is the cornerstone for fostering innovation and technological growth

1 TALENT ACQUISITION

TC · Forbes · Bloomberg

150K+ followers

15 regional tech hubs

astanahub.com
549K+ users

DIGITAL BRIDGE · 2023 DIGITAL ALMATY
70K+ visitors

2 EDUCATION

Tech Orda · Silkway ACCELERATOR

Beta Career · <> No Code

<> Low Code · Startup Academy

Freelance School

Startup School

Startup Garage · Techpreneurs

3 BUSINESS DEVELOPMENT

0% Zero tax regime

1% R&D on subsoil users

Partner bonuses

Simplified labor and visa regime

Work and living spaces

4 EXPORT SUPPORT

DRAPER UNIVERSITY

SILKROAD INNOVATION HUB · AL-FARABI INNOVATION HUB

Venture funds

Global Outsourcer · Scalerator

THE WORLD BANK · Google

ByteDance · BINANCE

Microsoft

ASTANA HUB IN NUMBERS

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Participants of the tech park are demonstrating exponential growth

Number of participants

- Local
- Foreign

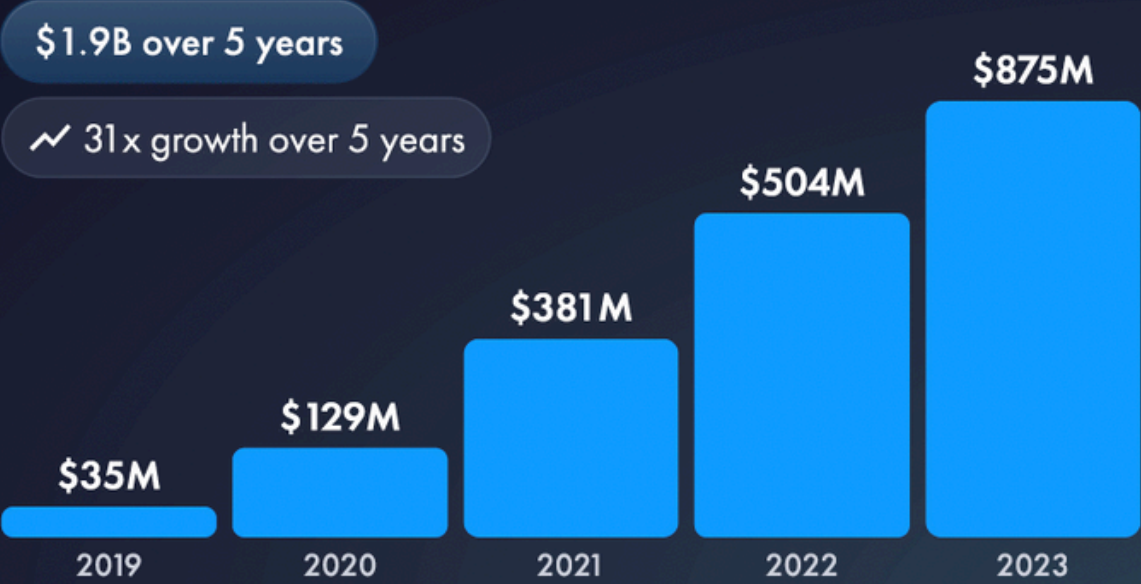| Year	Foreign	Local	Total
2019	5	180	185
2020	18	387	405
2021	67	535	602
2022	216	791	1 007
2023	394	1 009	1 403

Total revenue

- $1.9B over 5 years
- 31x growth over 5 years

Year	Revenue
2019	$35M
2020	$129M
2021	$381M
2022	$504M
2023	$875M

Highest Revenue Sectors

- Software Development $235,1M
- FinTech $125,6M
- SaaS $90,7M
- E-commerce $88M
- AI $45,1M
- Industry 4.0 $43,6M
- SmartCity $27,3M
- Game Development $70,4M
- EduTech $66,2M
- Others $26,2M
- IT schools $18,2M
- Marketing $13,3M
- MedTech $18,7M
- HR Tech $9,6M
- Logistics $8,9M
- Bloc. $2,2M

Number of employees

Year	Employees
2019	1 969
2020	5 340
2021	11 886
2022	17 005
2023	25 688

Investments raised

- $555M over 5 years

Year	Investments
2019	$15M
2020	$52M
2021	$231M
2022	$130M
2023	$126M

Export revenue

- $630M over 4 years
- 9x growth over 3 years

Year	Export revenue
2020	$34M
2021	$128M
2022	$153M
2023	$315M

astanahub.com

SPECIAL CONDITIONS FOR DIGITAL NOMADS

Creating favorable arrangements for the entry and stay of foreign specialists

astana hub

Public services at the AIFC Expat Centre

- Issuance of an Individual Identification Number (IIN)

- Obtaining an Electronic Digital Signature (EDS)

- Registration in the Mobile Citizen Database (MCD)

- Applying for a Temporary Residence Permit (TRP)

- Registration of a legal entity in accordance with the legislation of the Republic of Kazakhstan

Initiatives for Simplified Residence Permit Acquisition

Digital Nomad Visa

Issuance of electronic multiple-entry visas for permanent residence (PR) through simplified procedures for foreign specialists and their family members from Visa+ category countries

Visa+

Visa duration - 1 year with a work permit in the Republic of Kazakhstan

No employment requirements

Eligibility to apply for a Residence Permit

Learn more about Expat Centre

Digital Nomad Residency

Simplified procedure for obtaining a Residence Permit for specialists and their family members from Visa-category countries

Visa-

One-stop-Shop

A comprehensive range of services on the astanahub.com platform following a "one-stop-shop" principle for the easy integration of foreign specialists into the business and social environment of Kazakhstan
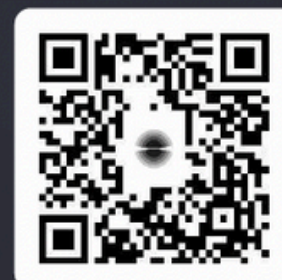
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TAX PREFERENCES

Advantages for tech park Participants

Tax preferences	For Astana Hub Participants until 2029	Current Tax Rates
CIT (corporate income tax)	0%	20%
VAT on sale of goods works services	0%	12%
Import VAT on the list of goods	0%	12%
VAT on the purchase of services from a non-resident	0%	12%
Social tax foreign employees	0%	9.5%
Individual income tax on income of resident employees	0%	10%
Dividends of non-residents	5%	15%
Income of a non-resident form source in Kazakhstan	0%	20%

Who can receive benefits?

Participants of Astana Hub – Kazakhstani legal entities (founded by residents or foreign entities) whose activities align with the list of priority areas determined by the Ministry of Digital Development, Innovations and Aerospace Industry in the field of information and communication technologies

Learn how to become a member of Astana Hub and receive tax benefits!

- ☁ Cloud Computing
- 🖳 Deep Learning
- ✳ Cryptography
- ☰ Big Data
- ◉ Virtual Reality
- ⟳ Problem-Solving
- 💡 Neural Networks
- 🖥 Machine Learning
- ▭ Digital Money

- ◉ Artificial Intelligence
- 🦾 Robot Assistant
- 🧍 Blockchain
- 🛍 Marketplace
- ✓ Online Banking
- 🤲 Crowdfunding
- ◎ IOT
- ✓ Cybersecurity
- ◉ Decentralization

HUMAN CAPITAL

Large-scale initiatives for training IT specialists

astana hub

Tech Orda

Private IT School Financial Support Program

Goal: To train
20,000
IT specialists by 2025

Program metrics for 2023

$4M+
Budget

3 000+
IT specialists

$1000
average salary of graduates

Training new IT specialists = Launching and developing new private IT schools

Funding up to ₸600K per student
$1300 per student

91
accredited IT schools

from 16 cities

6 251
students

26
average age

87% (2022 batch)
employment rate

Data from 2021 to 2023*

Course directions:

Programming | IoT | 3D Design

GameDev | Web Development

AI | Blockchain | Big Data

IT schools:

alem | Smart Castle | OUTPEER | and others

astanahub.com

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STARTUP DEVELOPMENT

MVP

At the Stage:
Minimum Viable Product (Prototype)

Startup School

A course on the basics of tech entrepreneurship for anyone who wants to create their own startup. It provides foundational knowledge on key topics: business communication, marketing, market analysis, and business modeling.

For School Students

Startup Academy

A course on technological entrepreneurship. Participants learn globally accepted startup development methodologies, gain tools for market analysis, find their target audience, and acquire many other fundamental skills.

For University Students

Startup Garage

An incubation program for startup projects at the idea stage and early MVP (minimum viable product) stage. The program is delivered in a hybrid format (online/offline) to ensure regional startups can access services without leaving their regions.

For Startups

AI'preneurs

A program that brings together talents to form teams and develop AI startups. Participants receive educational events and individual consultations from industry experts at all stages of the program.

For Startups

The opportunity to raise funding at this stage through the program:

Seed Money

Seed funding up to $25,000 | Portfolio of 45 startups totaling $1M

THE STRONGEST ACCELERATOR IN THE REGION

A breakthrough traction-oriented program developed in partnership with Google for Startups for startups from Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan, Azerbaijan, Mongolia, and Georgia

🕐 Annual flagship program 📅 12 weeks 🙂 Coliving ☁ Google Cloud credits worth $100K

49
Startup participants

$26M
Investments

8
Countries

Program graduates:

CITIX 🇰🇿

zypl.ai 🇹🇯

Fibo Cloud 🇲🇳

UvU 🇰🇿

Planet9 🇹🇯

Program conditions

ACCELERATOR
Sılkway   **Google** for Startups

in a partnership with Google for Startups

astana hub

STARTUP DEVELOPMENT

SCALING Stage

Scalerator

An acceleration program for scaling startups to international markets and increasing export revenues.

⬡ For Mature Startups

Global Outsourcer

A support program for outsourcing companies in Kazakhstan to rapidly enter international markets and boost export potential.

↗ For Companies

Hero Training | DRAPER UNIVERSITY

An exclusive acceleration program developed in collaboration with Draper University, designed for rapid scaling of tech companies in the global market. The program offers tech startups unique opportunities for accelerated growth and entry into international markets.

⬡ For Mature Startups

International Hubs

AL-FARABI INNOVATION HUB
Innovation Hub in Saudi Arabia

SILKROAD INNOVATION HUB
Innovation Hub in Silicon Valley

⬡ For Mature Startups

A community of business angels focused on investing in and supporting promising tech startups, and developing the venture ecosystem in Kazakhstan based at Astana Hub:

TUMAR VENTURE FUND **FREEDOM finance** **myventures** **MOST Ventures** + and Others

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DRAPER UNIVERSITY

HERO TRAINING PROGRAM

Astana Hub and Draper University are joining forces to create a bridge between tech communities in Central Eurasia and California, opening new opportunities for startups and their successful advancement in the world's technology capital – Silicon Valley.

Investments Attracted to Citix:

$100M

Coliving

Coworking

Networking

Accelerator

$ Fundraising

Tim Draper

Venture capitalist and international investor, founder of Draper Associates, Draper Fisher Jurvetson, and Draper Venture Network, known for his successful investments in Tesla, Hotmail, Skype, Robinhood, Coinbase, and Space X.

Draper University

The hub, that is located in San Mateo, California, USA, founded by venture capitalist Tim Draper in 2012, annually hosting over 200 startups from different countries around the world.

DRAPER UNIVERSITY

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SILKROAD INNOVATION HUB
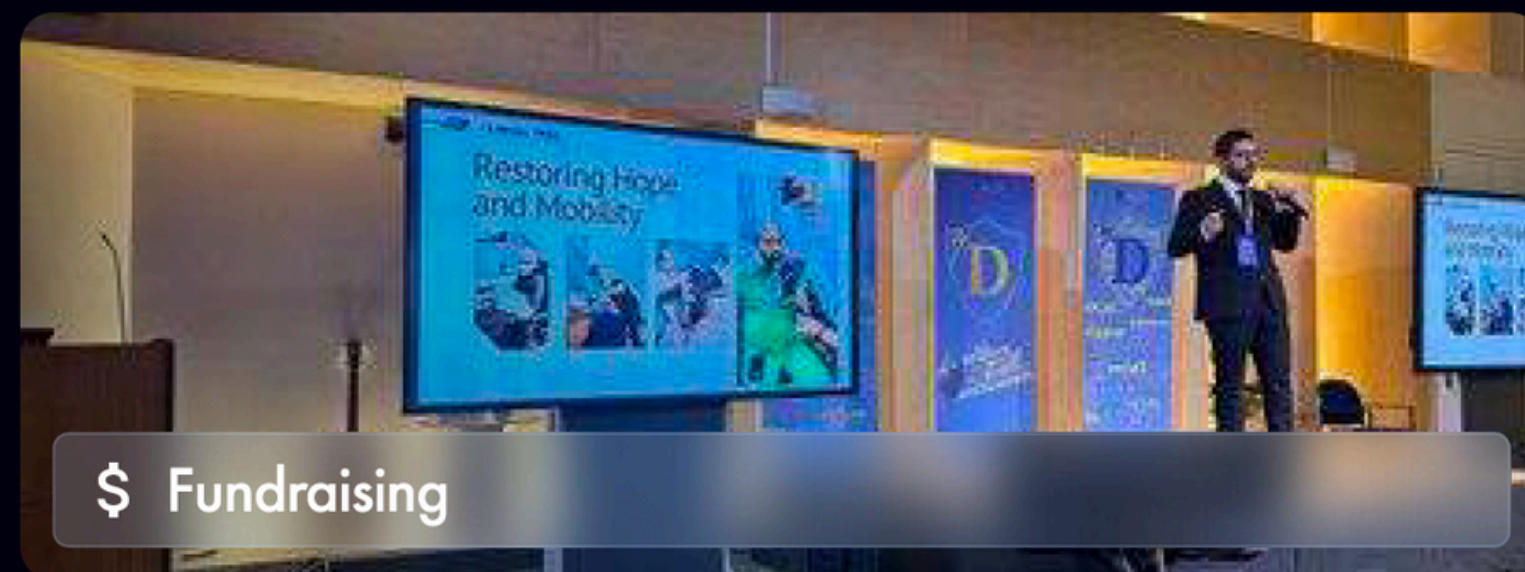
SILKROAD
INNOVATION HUB

The first hub of Central Eurasia in Silicon Valley. Silkroad Innovation Hub conducts master classes and workshops with leading industry experts and other events, providing participants with opportunities for learning, networking, and inspiration in the innovative environment of Silicon Valley.

70+
Events

3 000+
Participants

Aset Abdualiev
Co-founder and CEO of Silkroad Innovation Hub and Startup Community Builder

Asror Arabjanov
Co-founder of Silkroad Innovation Hub and Legal Consultant
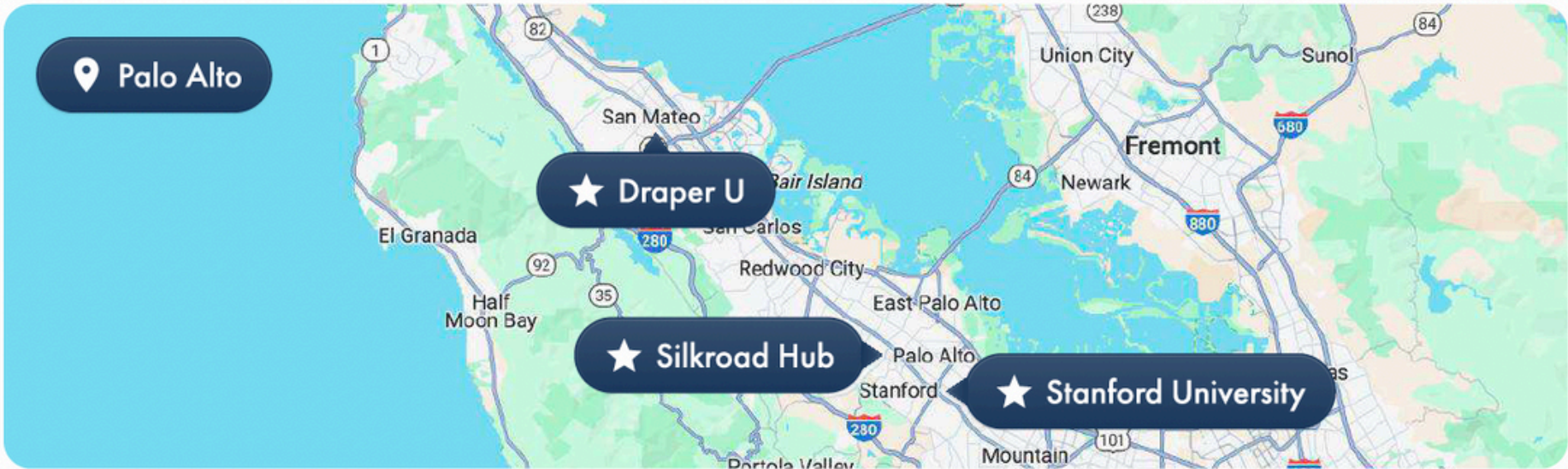
Palo Alto

★ Draper U

★ Silkroad Hub

★ Stanford University

Garry Tan
CEO, YCombinator

John Hennessy
BoD Chairman, Alphabet

Mar Hershenson
General Partner, Pear

Immad Akhund
Founder, CEO Mercury

Paulin Yang
Partner, Altimeter

BGLOBAL VENTURES

8 subsidiaries in the fields of development of manufacturing industry, SME, direct investments, agriculture, mortgage and construction.

$30B assets

17 # of PE and VC funds with QIC participation

$2.8B total capitalization of funds

BGV Venture Fund

is launching an **early-stage venture fund** dedicated to nurturing **the Central Eurasian region's VC market**. We aim to empower talented technopreneurs through strategic **co-investments**, leveraging our partnerships to access the most promising venture opportunities. Backed by the esteemed financial holding **Baiterek and Qazaqstan Investment Corporation**, we bring extensive regional insights and credentials and an international network to drive growth in the ecosystem.

TARGET STAGE

SEED

GEOGRAPHIC FOCUS

CENTRAL EURASIAN STARTUPS

LIMITED PARTNERS

BAITEREK

+ IFIs

TARGET SIZE

$10M

TARGET VERTICALS

INDUSTRY AGNOSTIC

QIC
QAZAQSTAN INVESTMENT CORPORATION

BGLOBAL VENTURES

VC Bootcamp

is an intensive **angel and VC training** with live sessions conducted by Silicon Valley experts, suitable for both experienced and beginner investors, startup founders, entrepreneurs, and corporate representatives

BGLOBAL VENTURES

SILKROAD INNOVATION HUB

EURASIAN SCHOOL OF BUSINESS AND ENTREPREUNERSHIP

6 days
22 hours of content

15 speakers from Silicon Valley

78 participants

5 grants for female founders

BGLOBAL VENTURES

Silkroad Angel Club

VC and Angel Investing Bootcamp

Intensive 7-Day program in Silicon Valley

VIP access to Central Eurasia @ Silicon Valley 2024

Full access to TechCrunch Disrupt

Intensive VC & Angel Training Course

Campus tours at Google, Stanford, Apple, Nvidia, CHM

Networking with investors, founders, peers, tech professionals

Silkroad Angel Club Membership

Learn & invest

Access to unique & highly curated deal-flow

One-year membership

Networking with fellow angel investors

Ongoing and regular training sessions along with workshops

Individual sessions with experienced investors

RISE research | BGLOBAL VENTURES | EA GROUP

Venture Capital in Central Asia and the Caucasus 2023

The dynamic growth of the VC ecosystem in the CCA* region over the last five years

$110+ mln

$20 mln

2018   2023
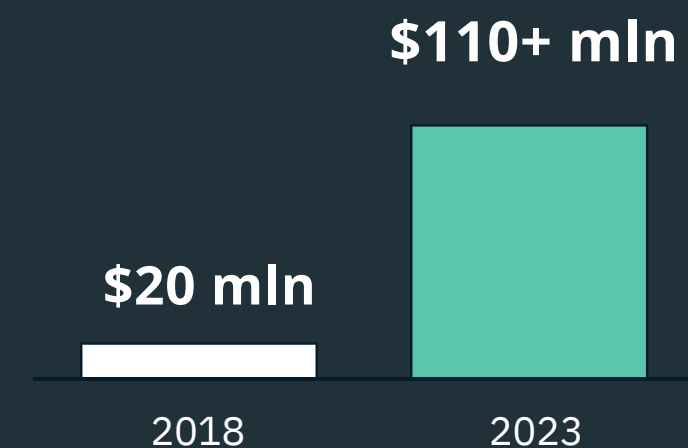
5.5x

The growth of VC deals amount in the region

~ 6 000 +

~1 000

2018   2023
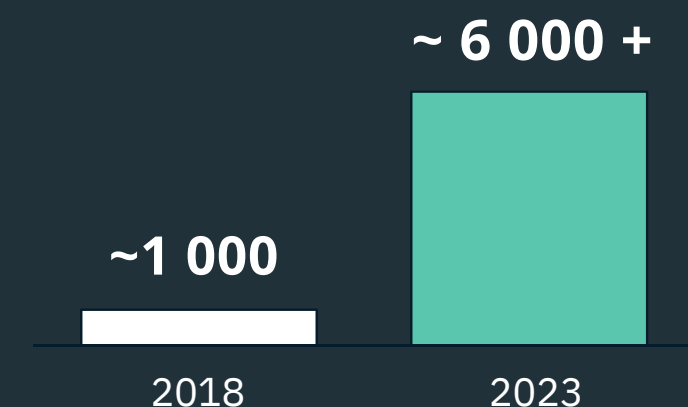
6x

The growth on number of startups in the region

~130+

~50

2018   2023
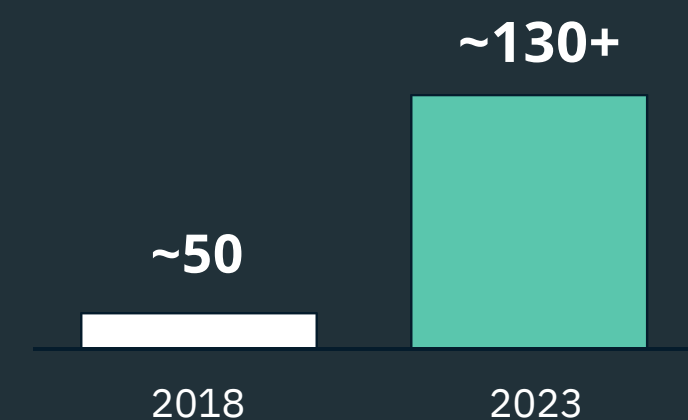
2.6x

Increase in active VC investors in the region

*For the purposes of this study, CCA region includes Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan

Source: Crunchbase, Dealroom, RISE Research' analysis

RISE research | BGLOBAL VENTURES | EA GROUP

CCA VC funding has grown faster in the medium term than global VC...

5-year change in VC funding per selected region, 2023 vs 2018
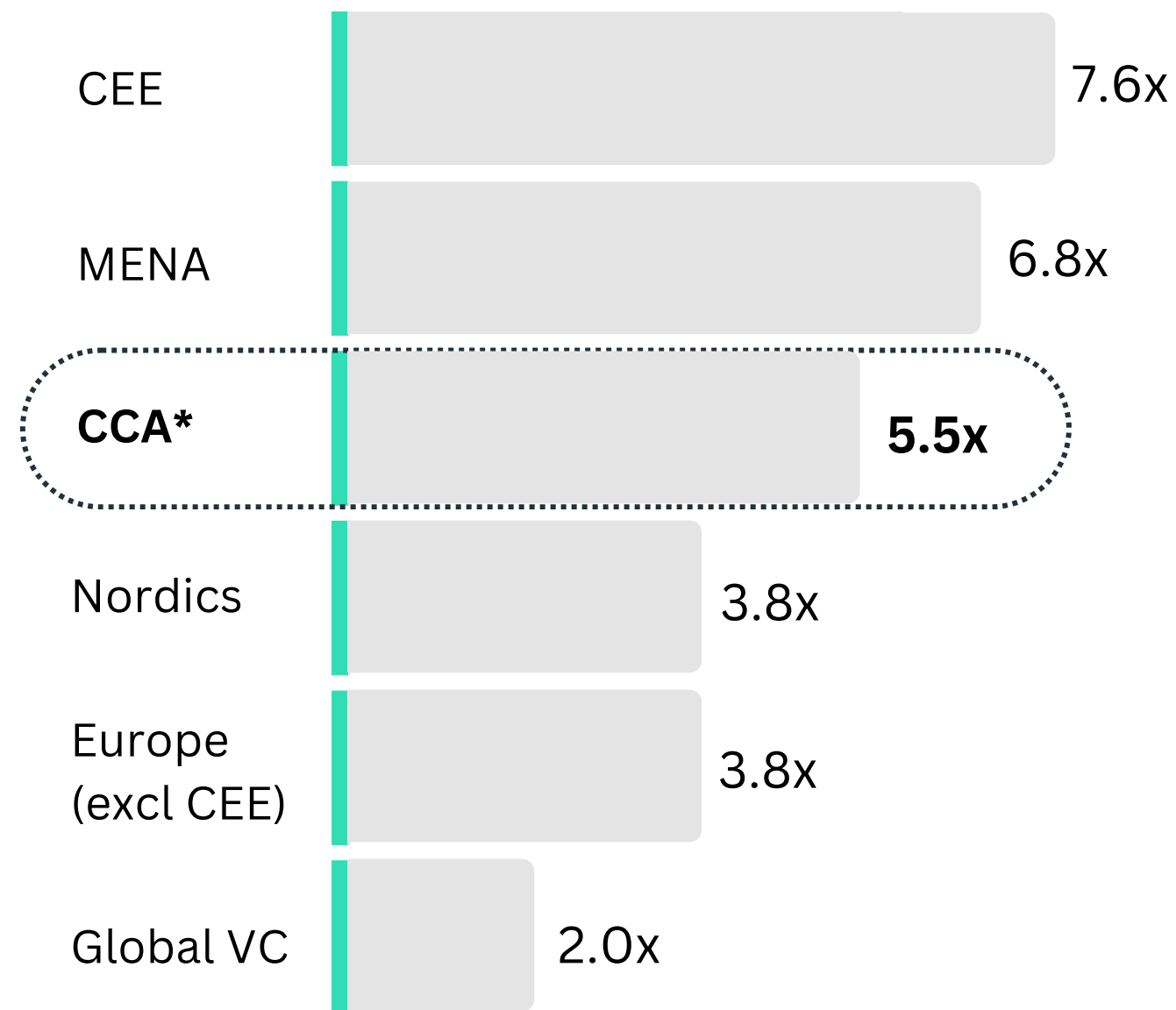
Region	Change
CEE	7.6x
MENA	6.8x
CCA*	**5.5x**
Nordics	3.8x
Europe (excl CEE)	3.8x
Global VC	2.0x

*For the purposes of this study, CCA region includes Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan

Source: Crunchbase, Dealroom, RISE Research' analysis

....however, it is still a small ecosystem with potential for more investment opportunities

Combined VC Funding per capita, 2018 - 2022, in USD

Region	Value
North America	1900+
Europe	490+
Oceania	460+
LATAM	70+
MENA	30+
CEE	20+
CCA	2.5+

RISE research | BGLOBAL VENTURES | EA GROUP
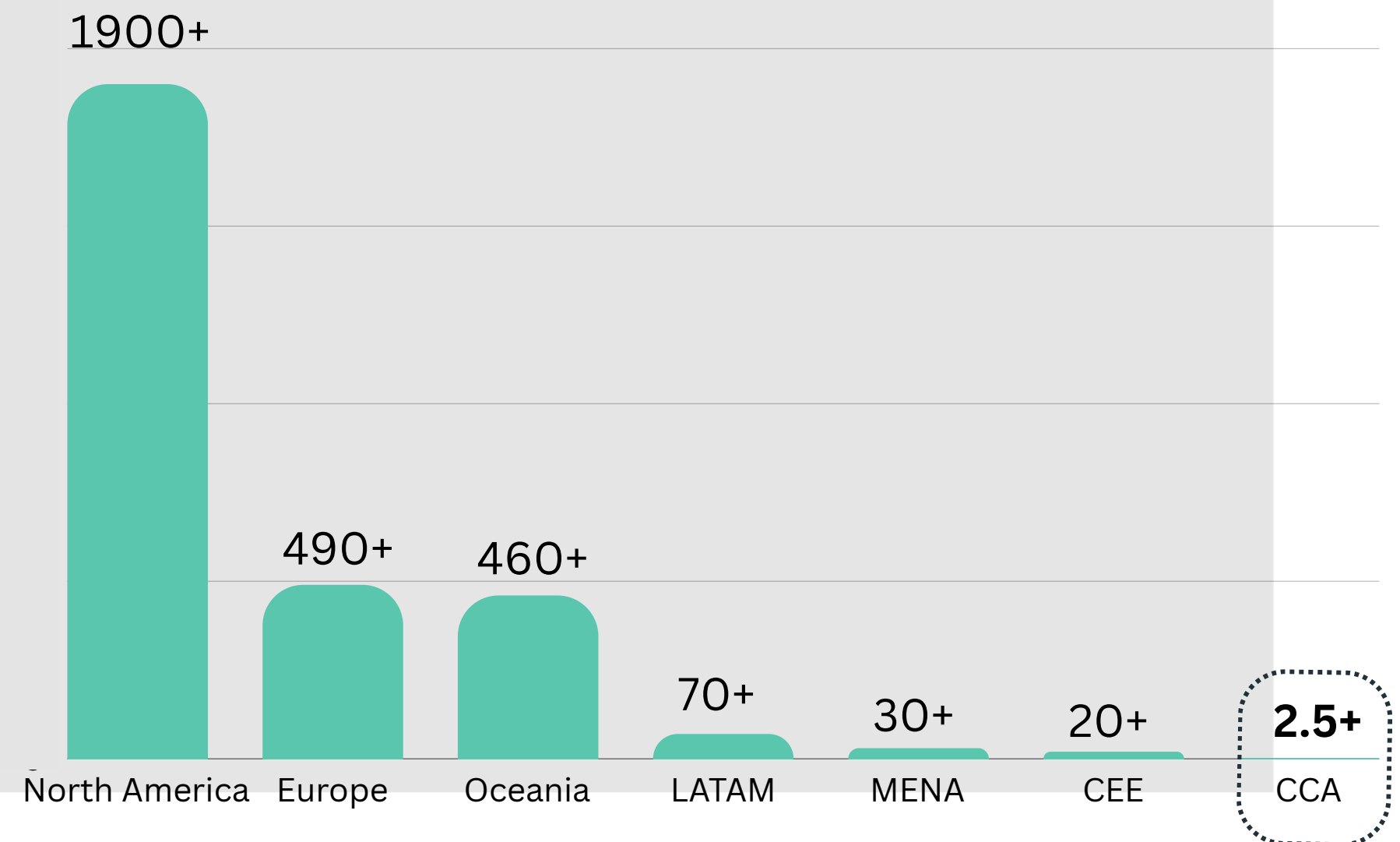
We see an opportunity to increase VC volume in the Caucasus & Central Asia region

> *Startups face a big challenge: a lack of diverse funding sources due to **a significant capital deficit**. Insufficient investors, from **angels** to **venture funds**, hinder startups' growth and make them overly reliant on a **limited number of financial partners**.*
>
> *Adilbek Kamiyev*
> *EA Ventures*

For the purposes of this study, CCA region includes Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan
CEE region includes Bulgaria, Belarus, Czechia, Estonia, Croatia, Hungary, Lithuania, Latvia, Poland, Romania, Serbia, Slovak Rep-c, Slovenia, Ukraine
MENA region includes United Arab Emirates, Turkiye, Saudi Arabia, Egypt, Iran, Jordan, Kuwait, Bahrain, Qatar, Morocco, Armenia, Yemen

Source: Crunchbase, Dealroom, RISE Research' analysis

VC funding per GDP, 2022

| CEE	MENA	CCA
0.24%	0.17%	0.03%

+700% of gap
+460% of gap
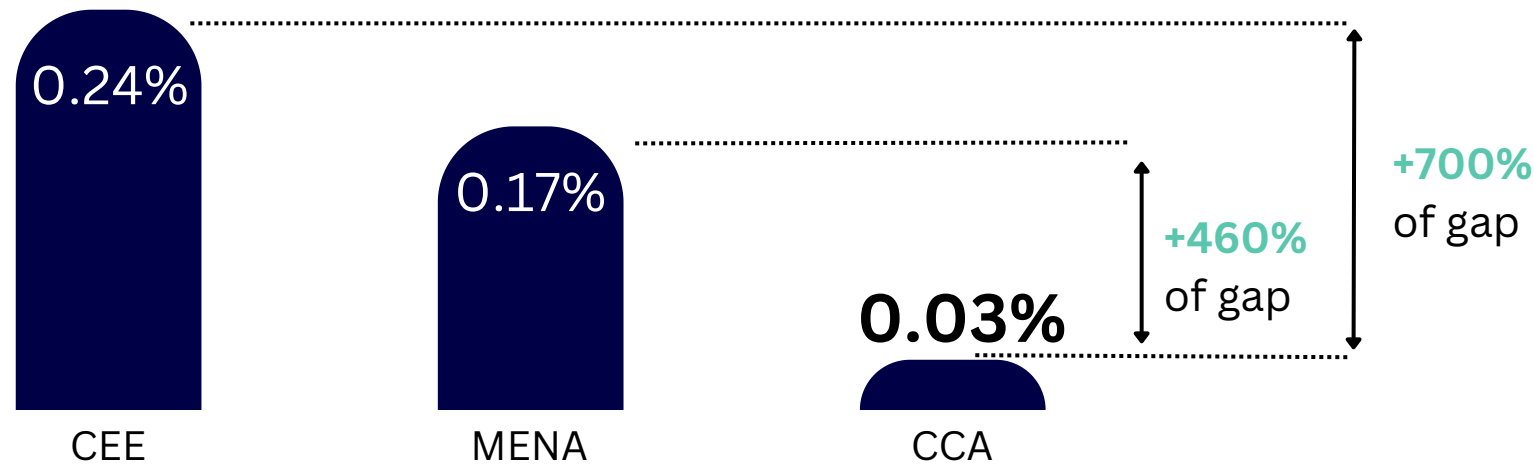
VC funding per Capita, 2022, in USD

CEE	MENA	CCA
34	12	1.3

+1547% of gap
+820% of gap
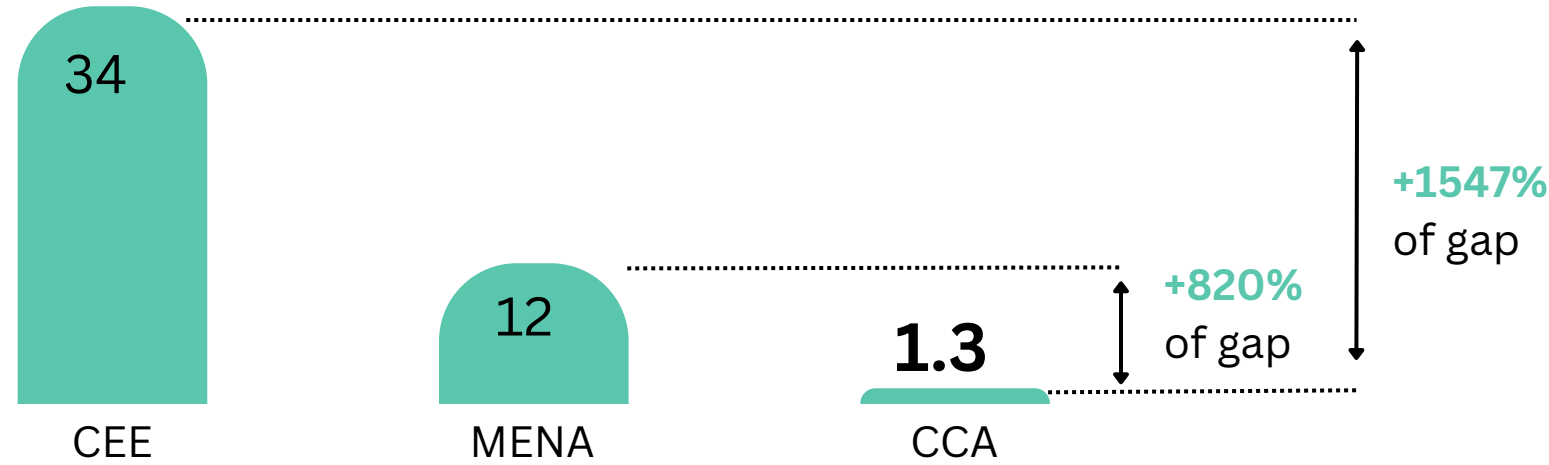
VC funding per startup, 2022
Startups founded and/or HQ'ed in selected geographies

CEE	MENA	CCA
$280k	$212k	$17k

+2500% of gap
+1140% of gap

RISE research | BGLOBAL VENTURES | EA GROUP
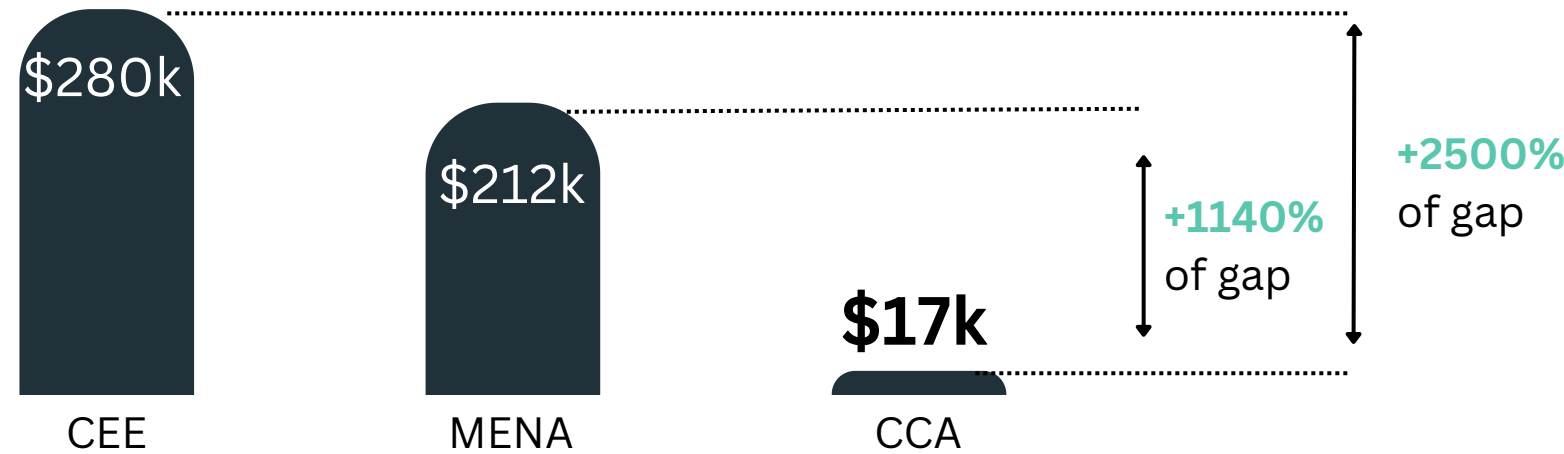
2023 VC deal amounts surpass $110 mln in the Caucasus & Central Asia region

Venture capital funding per country, 2023, $ mln

$110+ mln

VC deals amount
in CCA

Kazakhstan	Georgia	Uzbekistan	Azerbaijan	Tajikistan	Kyrgyzstan
80	21.6	6.3	2.2	2	1.1

RISE research | BGLOBAL VENTURES | EA GROUP

Other VC ecosystem players in the Central Asia and Caucasus region

Not exhaustive

	Kazakhstan	Uzbekistan	Kyrgyzstan	Tajikistan	Azerbaijan	Georgia
Angel clubs	UMAY ANGELS CLUB, SHAÑYRAQ, ICLUB, ASTANA VENTURE CLUB, Activat Invest	UZANGELS, UMAY ANGELS CLUB, UZVCA, ICLUB	UMAY ANGELS CLUB, Бизнес Ангелы Центральной Азии / Central Asian Business Angels	TAJIKISTAN VENTURE CAPITAL, UMAY ANGELS CLUB	TECHNOVATE × SABAH.HUB, Khazar Ventures, LOTFI ZADEH TECHNOLOGY CENTER	AXEL, Cartooli, ANGEL INVESTOR CLUB GEORGIA
Grants	QazInnovations, astana hub, ҒЫЛЫМ ҚОРЫ ФОНД НАУКИ, QazIndustry, THE WORLD BANK IBRD·IDA, TECH GARDEN.KZ, Евразийский Банк Развития	PRESIDENT TECH AWARD, MUNIS World Bank Project, USAID, EBRD Star Venture	HIGH TECHNOLOGY PARK of the Kyrgyz Republic, KYRGYZPATENT, STARTUP NATION, UNDP, USAID, EBRD Star Venture, Евразийский Банк Развития	GEFF Green Economy Financing Facility, European Bank for Reconstruction and Development, USAID, EBRD Star Venture	KOBIA Small and Medium Business Development Agency of the Republic of Azerbaijan, TI FUND, EU4Business	GEORGIA'S INNOVATION & TECHNOLOGY AGENCY, ENTERPRISE GEORGIA, EUROPEAN INVESTMENT FUND, EU4Business, GEFF, European Bank for Reconstruction and Development
Incubators, Accelerators	astana hub, MOST Business Intelligence, Terricon Valley, NURIS, Jas Ventures, 500, Google for Startups, PLUGANDPLAY, EBRD Star Venture, Visa Everywhere Initiative, ±54 universities incubators and accelerators	IT PARK, Aloqa TechLab, PLUGANDPLAY, 500, C.A.T. 5.0 Science Accelerator for Central Asia, STARTUPFACTORY.uz, tech4impact, TUMARIS TECH, U-ENTER, Google for Startups, TECHNOVATION Girls Uzbekistan, EBRD Star Venture, techstars	HIGH TECHNOLOGY PARK of the Kyrgyz Republic, accelerate prosperity, DEVCIT acceleration, EBRD Star Venture, PEAK, 500, KG LABS, STARTUP NATION, Visa Everywhere Initiative, Google for Startups	STATE BUSINESS INCUBATOR OF TAJIKISTAN, accelerate prosperity, 500, Tajik Startups, EBRD Star Venture, STARTUP CHOIKHONA, PEAK	INNOLAND, SABAH.lab, 500, NEXTSTEP innovation center, SUP.VC, Youth Inc., SOCIAL INNOVATION LAB, Google for Startups	GEORGIA'S INNOVATION & TECHNOLOGY AGENCY, 500, REDBERRY, IMPACT HUB, STARTUP BURO, startupgrind, BTU, Kettari Foundation, GLOBALIZE, Startup Georgia, FUTURE LABORATORY, Touch

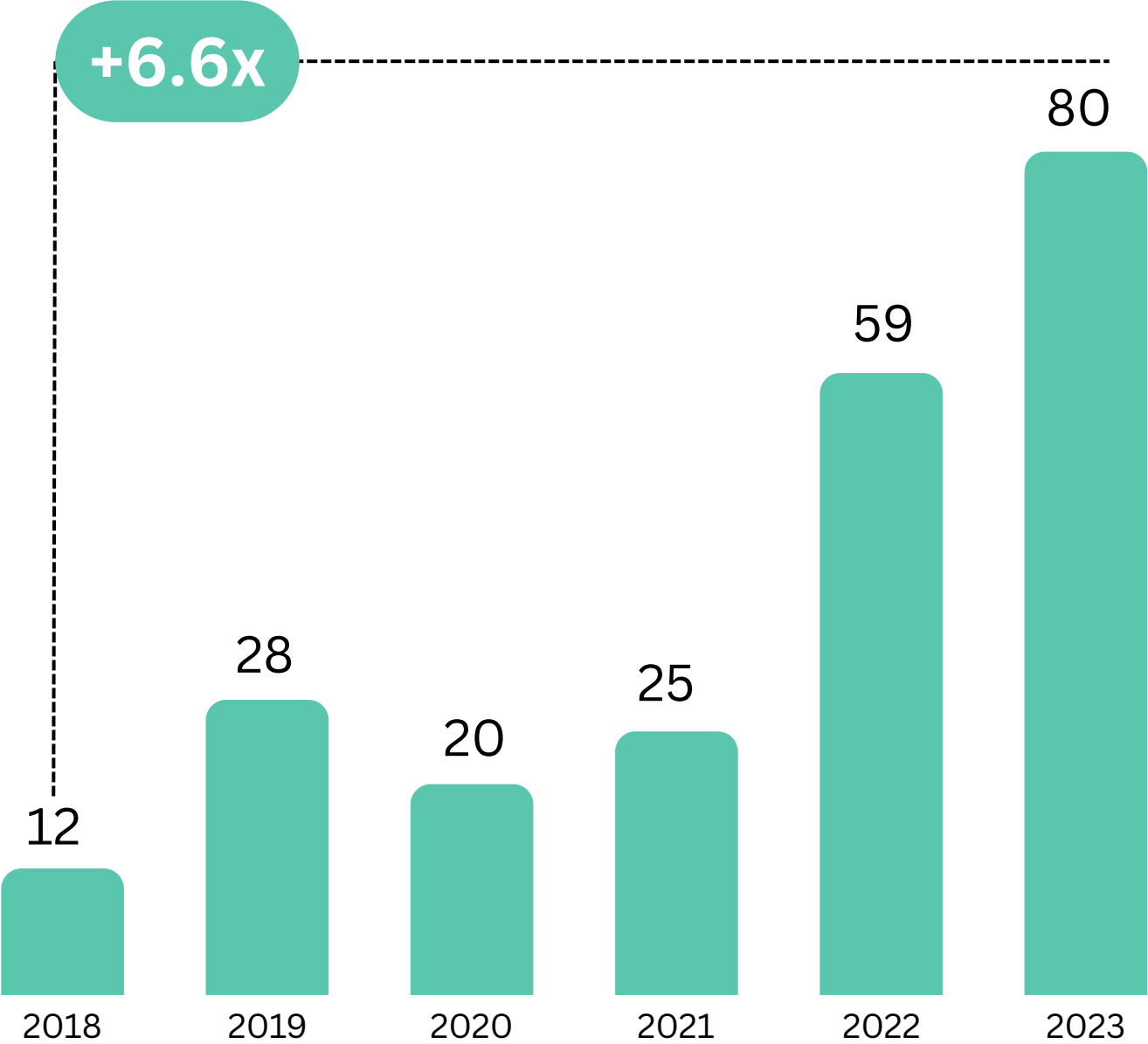Source: Crunchbase, RISE Research's database, surveys and interviews with VC market players, as of December 31, 2023

Kazakhstan

Venture capital funding has grown by **5.8 times** for the past six years

Kazakhstan venture capital volume, 2018 - 2023, $ mln

Kazakhstan venture capital volume by months, 2023, %

+6.6x

Year	Value
2018	12
2019	28
2020	20
2021	25
2022	59
2023	80

Month	%
Jan	1%
Feb	1%
Mar	2%
Apr	2%
May	2%
June	16%
July	1%
Aug	2%
Sep	6%
Oct	11%
Nov	3%
Dec	55%

Source: Crunchbase, RISE Research' database, surveys and interviews with VC market players. 2018 -2022 data is from the report by MOST Ventures, Tech Hub, Whitehill

RISE research | BGLOBAL VENTURES | EA GROUP
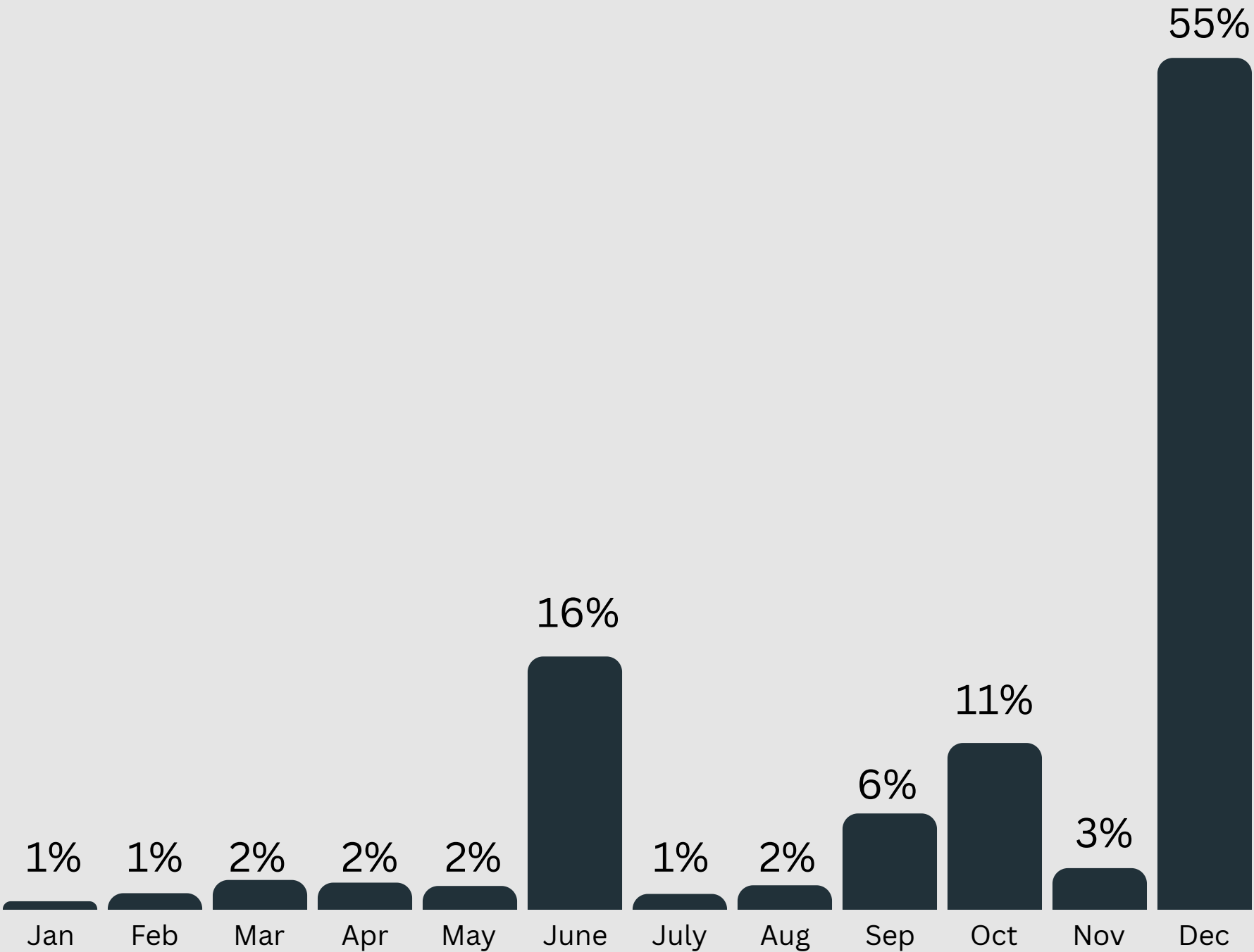
Country demonstrates strong capabilities in investing in early-stage ventures, yet there is a notable gap in financing for scaling up
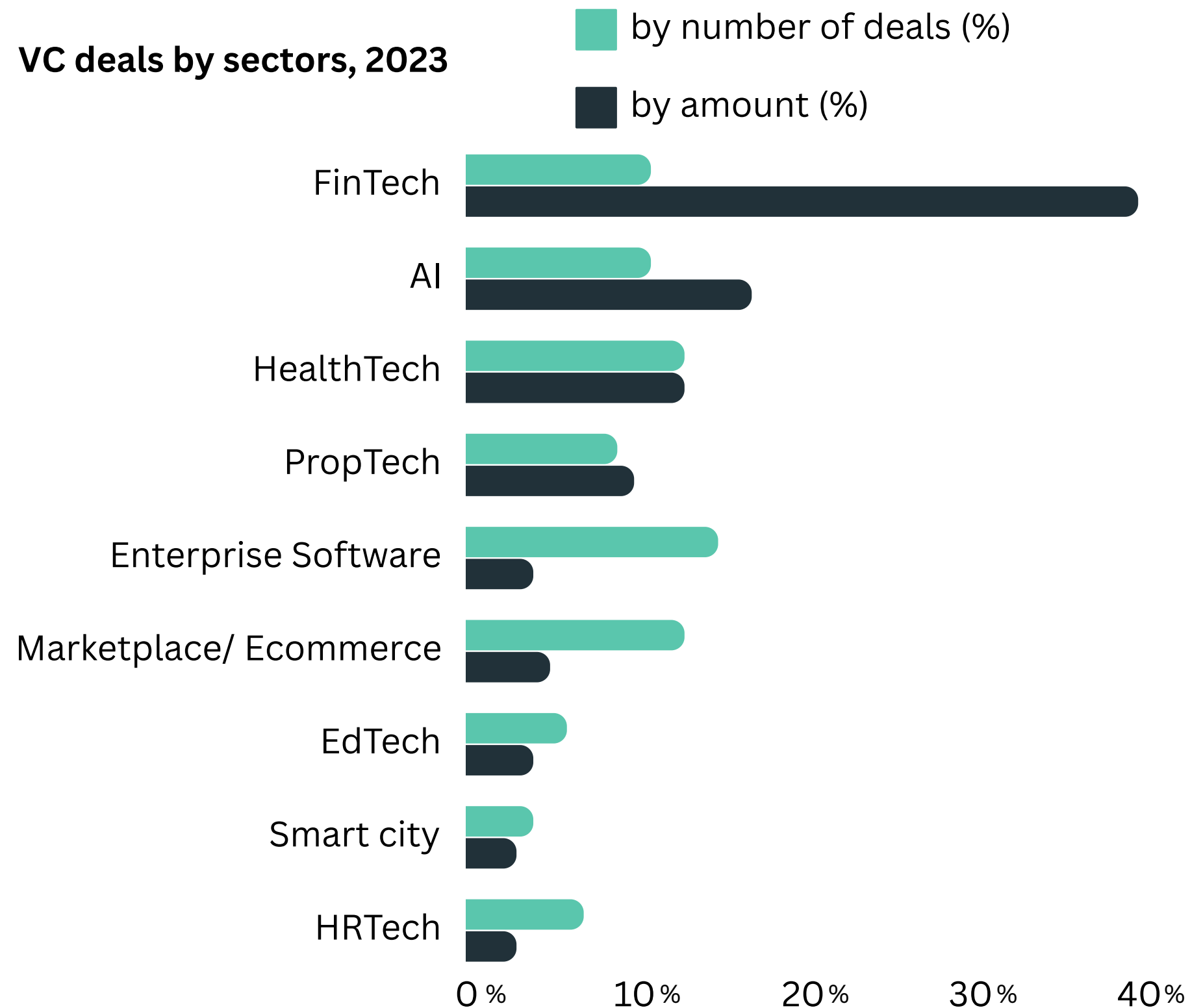
VC rounds by the number of deals, 2023

52%
Pre - seed

38%
Seed

6%
Series A

4%
Series B

0%
Series C
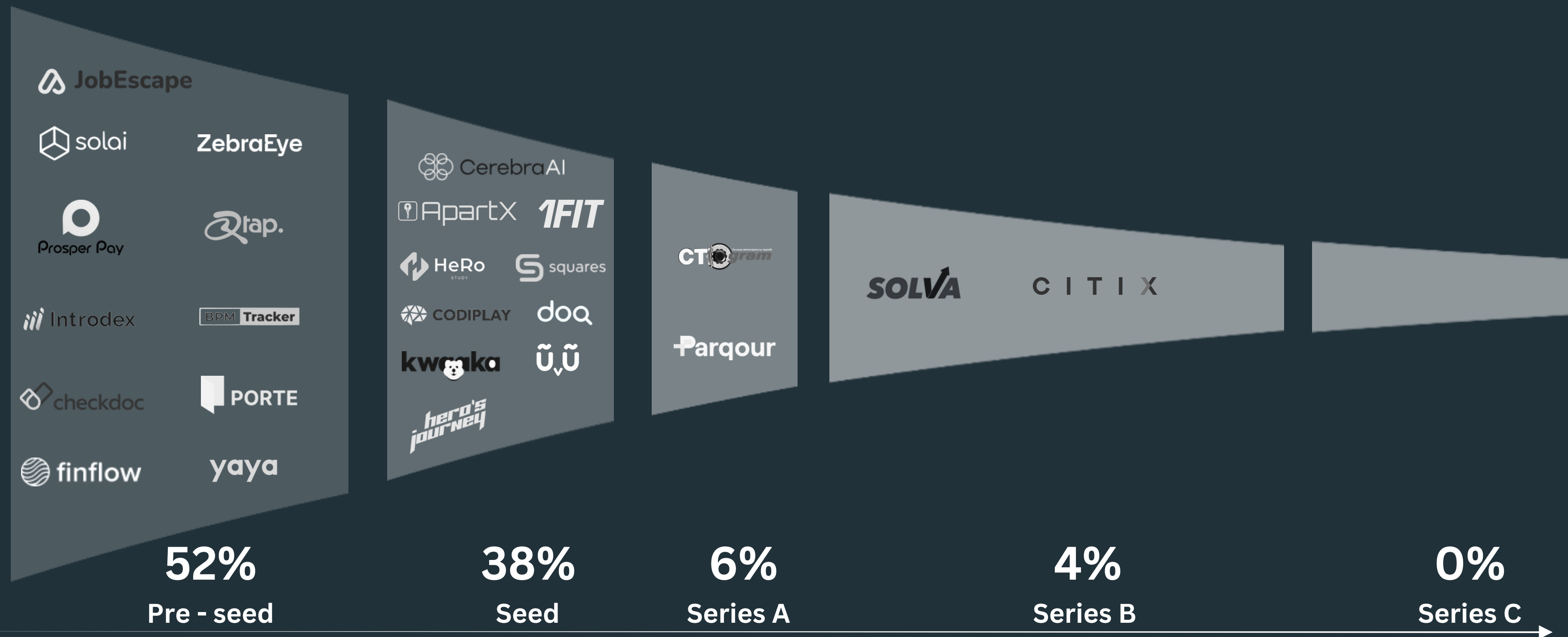
The list of startups is not exhaustive
Source: Crunchbase, RISE Research' database, surveys and interviews with VC market players

RISE research | **BGLOBAL VENTURES** | **EA GROUP**

In 2023, **FinTech** dominated VC deals, securing the highest funding amount across all industries

VC deals by sectors, 2023

■ by number of deals (%)

■ by amount (%)

RISE research | BGLOBAL VENTURES | EA GROUP

VC deals by type of investors in 2023
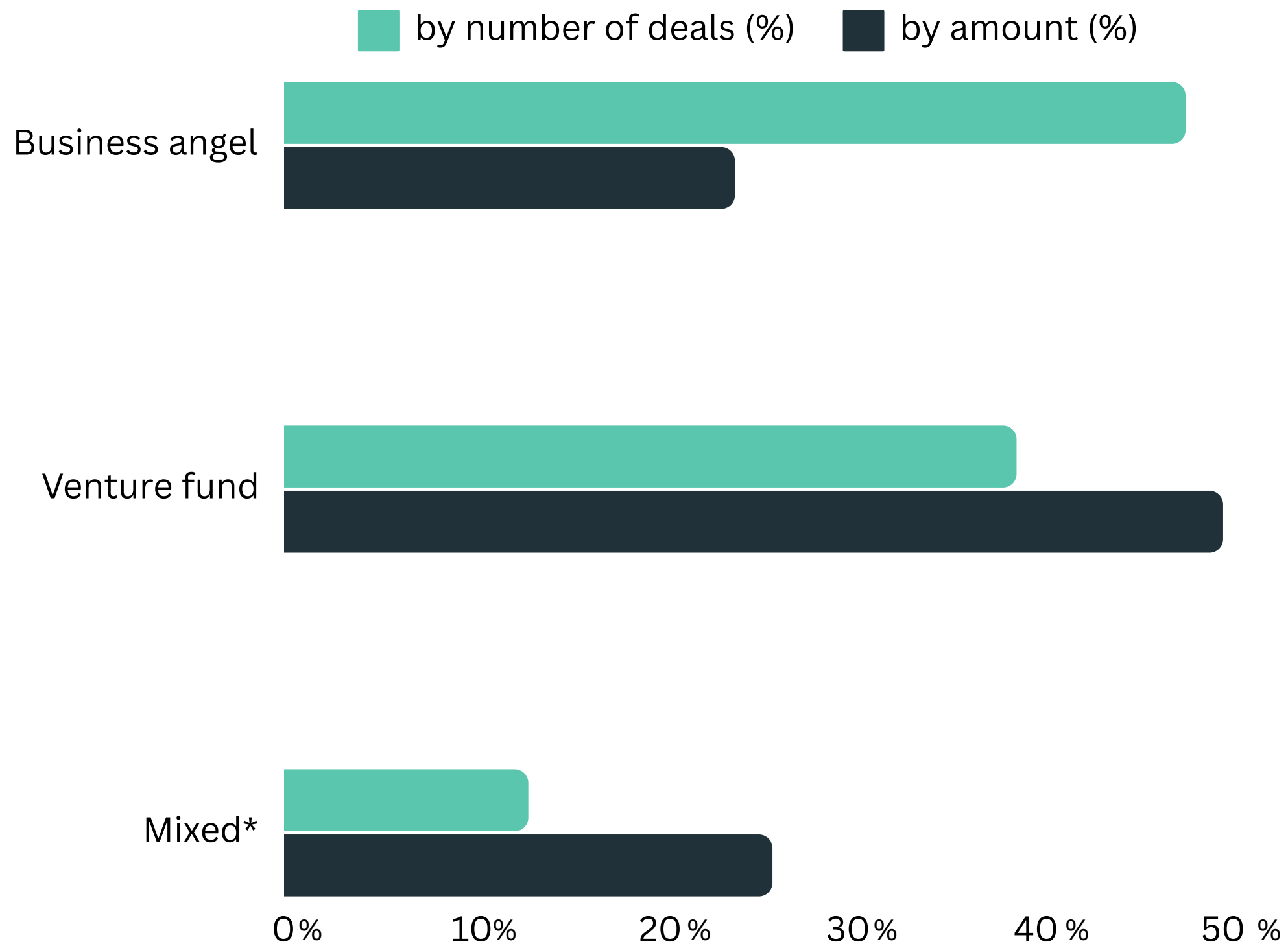
*Mixed represents deals involving VC funds, business angels, and investment clubs. Specific investment amount breakdown is unavailable

Source: Crunchbase, RISE Research' database, surveys and interviews with VC market players

Local investors represent 80% of venture capital deals by number, but only 45% by total investment amount, indicating a significant reliance on international investors for larger-scale funding

80%
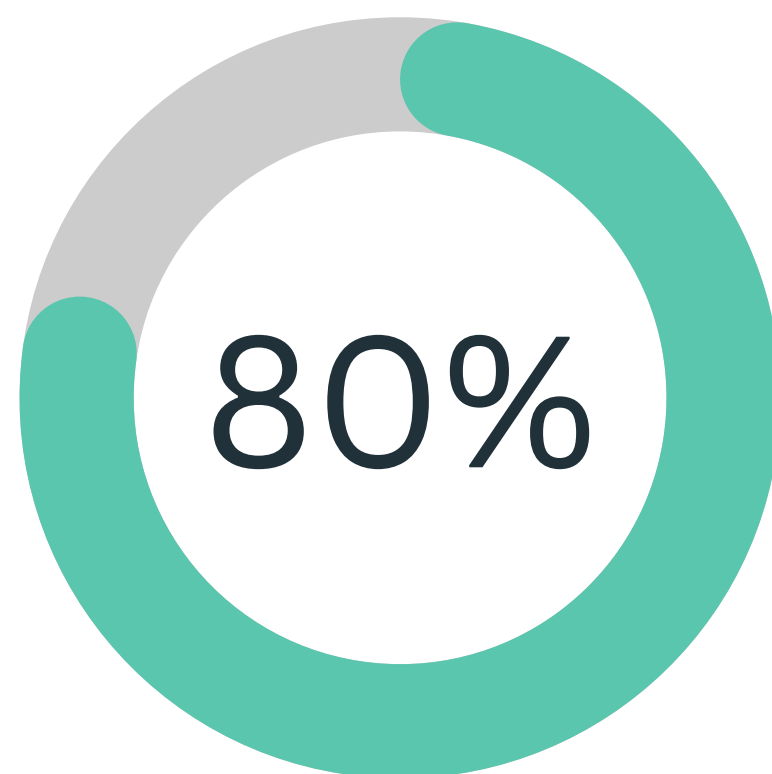
Local investors contribute to 80% of VC deals by volume

45%

....but only 45% by total investment amount

RISE research | BGLOBAL VENTURES | EA GROUP
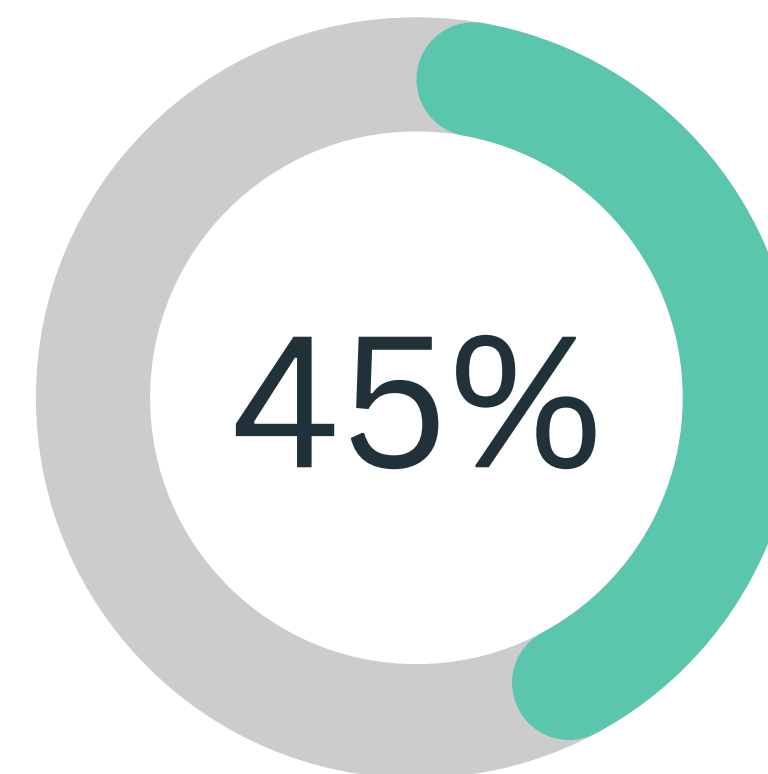
Fourfold growth in the **average VC deal size** reflects increasing investor confidence and maturing market dynamics

The average deal size, 2018 – 2023, $ thousand
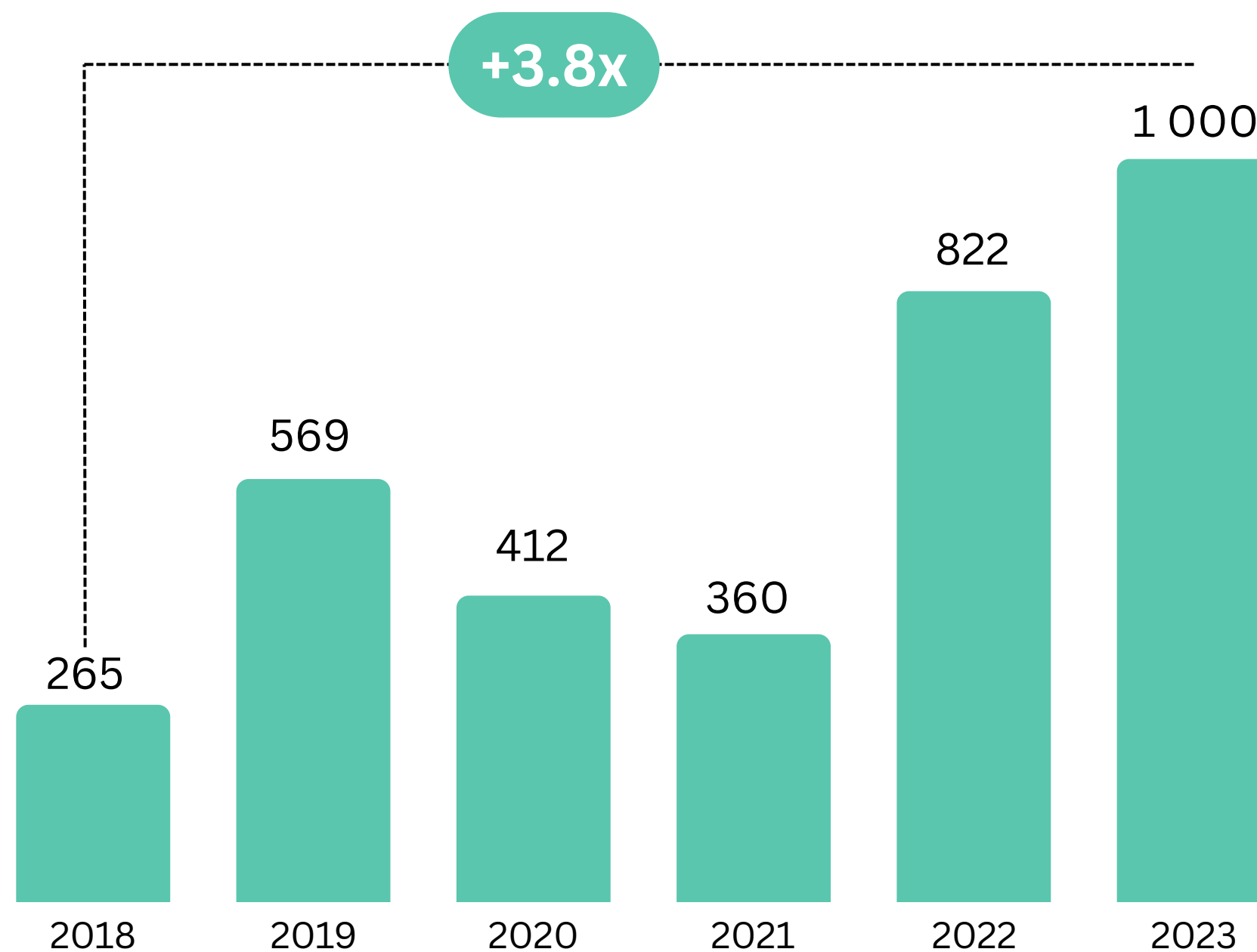
+3.8x

Year	Value
2018	265
2019	569
2020	412
2021	360
2022	822
2023	1 000

Source: Crunchbase, RISE Research' database, surveys and interviews with VC market players

RISE research | BGLOBAL VENTURES | EA GROUP

Venture capital funding and exits reached record levels in 2023

Venture capital funding and exits

$151+ mln

$80 mln
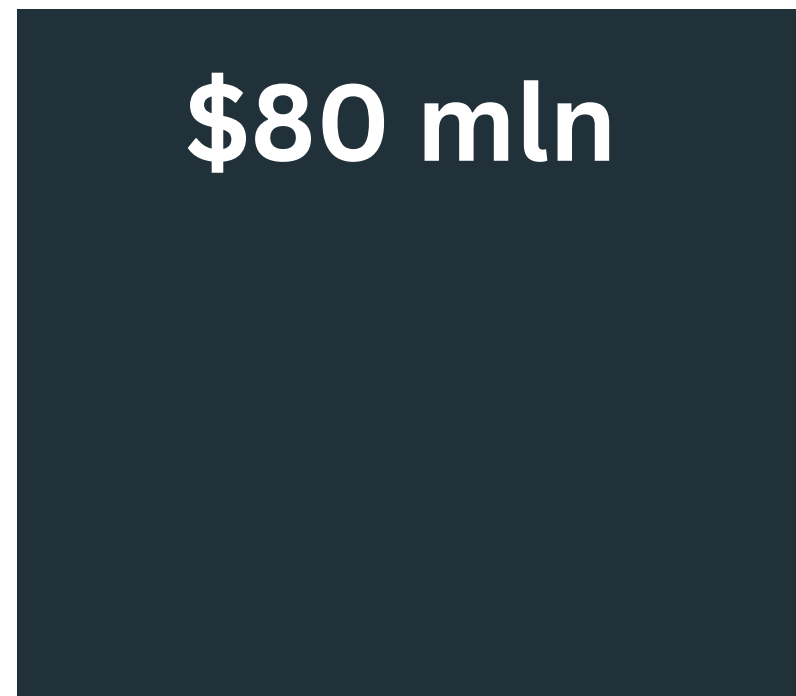
VC funding
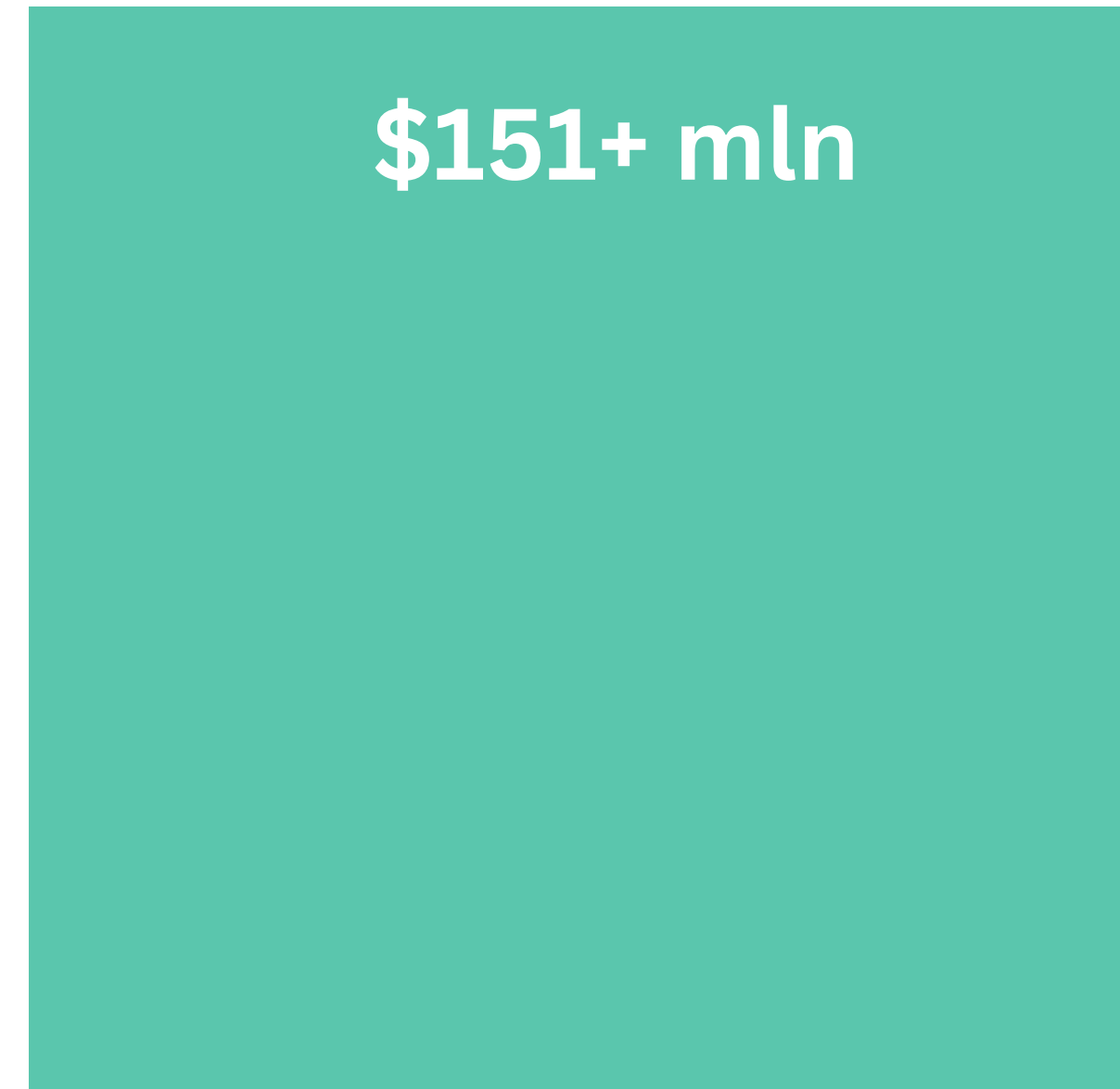
Exits

In 2023, there were big structural **exit** opportunities through **M&As**

2023 M&A activity in tech companies

Asset	Company Segment	Acquirer	Exit value ($ mln)	Stake (%)
Paybox	Fintech	Freedom Holding Corp.	11.5	na
Aviata	E-com/ Marketplace	Freedom Holding Corp.	30.4	100%
Chocotravel	E-com/ Marketplace	Freedom Holding Corp.	1.9	100%
Arbuz.kz	E-com/ Marketplace	Freedom Holding Corp.	16.5	81.9%
ReKassa	Fintech	Freedom Holding Corp.	2.5	na
Kolesa.kz	E-com/ Marketplace	Kaspi	88.5	39.7%
Open Networks	na	Halyk Bank	na	na
Total			**151.3**	

THANKS FOR YOUR ATTENTION!

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