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PRESS RELEASE

The Institute of Space Technique and Technology has summed up the results of 2024: sustainable growth, digital scaling and investment attractiveness.

The Institute of Space Technique and Technology LLP (hereinafter referred to as the Institute, ISTT LLP) ended 2024 with a number of key achievements reflecting its strategic stability and high investment potential. The Institute continues to implement a large-scale project to develop a national information system for tracking shipments using navigation seals, confirming its status as a national operator. A positive dividend payment history, listing on the KASE, passing a first-level audit, and intellectual property assets form a solid foundation for attracting both private and institutional investors.

‘The year 2024 will be marked by a number of significant digital and navigation projects aimed at solving the tasks of using space and ground-based radio navigation systems within the framework of developing the transit and transport potential of the Republic of Kazakhstan,’ said Kuandyk Shulenbayev, Chairman of the Supervisory Board. He also stressed that the Supervisory Board will continue to adhere to the principles of efficiency and responsibility, ensuring compliance with the interests of the country and the development of modern corporate governance at ISTT LLP.

In turn, Director of the Institute Osken Toishibekov stated: ‘We are moving towards our goals of strengthening the Institute's contribution to achieving the country's strategic objectives – the development of domestic space science and industry, the digital transformation of industries, and the strengthening of Kazakhstan's technological sovereignty.’

Significant events in 2024

January. By Order of the Minister of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan dated 10 January 2024 No. 11/HK (regulating document), the List of activities technologically related to services, such as scientific research and experimental development in the field of navigation devices and space technology, wireless communications, information and communication technologies, including in the interests of defence and national security, provided by a special rights entity - Institute - was approved;

February. For the first time, the financial statements have been prepared in accordance with IFRS standards;

March. For the first time, the Institute initiated the entry of a Kazakh space industry organisation into the stock market: the terms of the bond issue (Kazkosmos Order No. 182/HK dated 29 March 2024) were approved to finance the Transit project, an information system for tracking shipments within the EAEU. The registration of the bonds was confirmed by the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market, and the securities were admitted to trading on the alternative KASE platform. The Institute became the first scientific organisation whose debt instruments were listed on the Kazakhstan Stock Exchange.

April. Tariffs have been agreed upon by the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for services related to the tracking of international road transport using electronic identifiers (navigation seals);

May. At the request of government agencies, the Institute developed a technical and technological solution for the SOS-TURIST information system and conducted tests in the Almaty mountain cluster.

June. The Institute has been designated as the organiser of the 61st meeting of the Interstate Council on Radio Navigation and national government customers of the Interstate Radio Navigation Programme of the CIS member states for 2023-2026. The Council determines and implements a unified policy in the implementation of priority areas of cooperation on the development and use of space-based and ground-based radio navigation systems, and the creation of transport management systems in the CIS member states.

July. Training seminars on the Transit Project were held for employees of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan;

August. An experimental prototype navigation device (seal) has been developed and a utility model patent has been obtained.

September. By Resolution of the Government of the Republic of Kazakhstan No. 731 dated 10 September 2024, the Institute was officially designated as the national operator of the transport tracking information system;

October. An independent appraiser assessed the value of the Transit system software, which was determined to be 755 million tenge based on the cost plus method.

November. Amendments to the Republic of Kazakhstan Law ‘On Transport’ have been adopted, establishing objects for tracking using navigation seals. A functional analysis of the Institute's staffing structure has been carried out, and a new staffing level of 498.5 units has been approved.

December. An application has been submitted to the antitrust authority to include an additional type of activity — the production of navigation devices (seals).

Implementation of the development plan and KPIs

At the end of 2024, the Institute demonstrated stable financial performance and sustainable development. Despite the postponement of the launch of the Transit project until 2025, revenue targets were met at 95% of planned values. All key performance indicators (KPIs) were met within the established norms.

The Institute continues its policy of sustainable profitability: for 2024, 100% of net income in the amount of 43,127,484 tenge was allocated to the republican budget (in 2023 – 49,670,711 tenge). At the same time, the share of budget financing in the total revenue amounted to only 9% (114,758 thousand tenge out of 1,270,877 thousand tenge), which confirms the Institute's low dependence on state subsidies.

The Institute's financial position remains stable: over the past three years, it has maintained positive profitability dynamics and stable dividend payments.

Assets and human resources

In 2024, the Institute's main resources are focused on the implementation of the Transit project.

Indicators (in thousands of tenge, persons)	Actual values		Changes
	2023	2024	
Total assets	490 222	1 195 992	144%
Cash	150 936	100 528	-33%
Fixed assets	226 987	258 937	14%
Intangible assets	20 519	737 110	3 492%
Other assets	91 780	99 417	8%
Average number of employees	92 people	93 people	1%

	(35% female, 65% male)	(33% female, 67% male)	
Administration	14	12	-14%
IS Transit	19	30	58%
SAIS ECSAD	29	24	-17%
Scientific and Technical Unit	21	17	-19%
Production and economic staff	9	10	11%

Launch of the Transit project

According to Minutes No. 8-RD dated 30 May 2025, adopted following a high-level meeting of the Eurasian Economic Commission, the full-scale launch of the Transit information system is scheduled for September 2025. It is expected that once it becomes operational, there will be a significant increase in the volume of tracked shipments, which in turn will lead to an increase in tax revenues, as well as greater transparency and traceability of goods movements within the Eurasian Economic Union.

Stages of implementation of the Transit transport tracking system

The first stage—within 10 calendar days after the official entry into force of the EEC decision on the system’s launch, tracking of the movement of alcoholic beverages, tobacco, and tobacco products, as well as goods subject to special economic measures by individual EAEU member states, will commence.

The second stage — 180 calendar days after the EEC decision comes into force, the system will begin tracking shipments of a wide range of consumer goods, including clothing, footwear, consumer electronics, mobile phones, televisions and other goods.

The third stage — 480 calendar days after the start of implementation of the decision, monitoring of the remaining categories of goods will begin.

The above information on goods is not exhaustive; for more details, please refer to Article 18 of the AGREEMENT on the use of navigation seals for tracking shipments in the Eurasian Economic Union.

Strategic directions for 2025–2027

Scaling up the Transit information system to cover all transit routes, checkpoints and temporary storage warehouses in the Republic of Kazakhstan, including equipping freight forwarders with navigation seals with specialised payloads;

Expanding the functionality of the ECSAD and Transit government information systems using artificial intelligence technologies; Increasing the coverage area and backup of data transmission channels through the implementation of IoT solutions;

Creation of an alternative time coordination support system to complement existing global navigation satellite systems;

Implementation of the international radio-navigation programme of the CIS member states;

Developing international cooperation and the scientific potential of employees through the commercialisation of joint scientific projects and participation in global research initiatives.

Changes in the composition of the Supervisory Board

On 22 February 2024, the composition of the Supervisory Board of ISTT LLP was approved:

Ibraimov Galymzhan Ualkhanovich – independent member of the Supervisory Board, previously held the position (for more than 12 years) of Deputy Chairman of the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan (CSPP MF RK);

Tleubergenov Olzhas Zhaikhanuly – member of the Supervisory Board, representative of the CSPP MF RK, since June 2021 has been working as chief expert of the Department for Work with Non-State Legal Entities with State Participation;

Ibraev Erden Kairzhanovich – Chairman of the Supervisory Board, Deputy Chairman of the Aerospace Committee (Kazkosmos).

By decision of the Sole Participant (Kazkosmos Order No. 550/HK, dated 9 September 2024), the powers of E.K. Ibraev were terminated ahead of schedule in connection with personnel changes, and Shulenbayev Kuandyk Islyamovich, Deputy Chairman of Kazkosmos, was appointed to the Supervisory Board. He has more than 11 years of experience in the space industry, starting as a specialist at JSC National Company Kazakhstan Gharysh Sapary.

Changes in the composition of the Executive Body

From 18 October 2023, the position of Director of the Institute was held by R.S. Buralkhiyeva. By decision of the Sole Participant on 28 October 2024, her powers were terminated early by mutual agreement. Since 29 October 2024, O.K. Toishibekov, who has more than 14 years of experience in the space industry, has been appointed Director.

He has progressed professionally from chief specialist to deputy chairman of the board of JSC ‘Kazakhstan Gharysh Sapary’.

Audit report and financial statements

This press release is accompanied by the annual financial statements for 2024 with explanatory notes, as well as the opinion of an independent external auditor. All materials are available on the Institute's official website: www.istt.kz.

Liquidity and diversification of funding sources

The Institute implements an effective liquidity management strategy, ensuring the timely fulfilment of all financial obligations without compromising its reputation and the interests of its Sole Participant, Kazkosmos.

As part of the diversification of funding sources in 2024, cooperation was initiated with international financial institutions, including the Eurasian Development Bank (EDB). An application was submitted for funding for the project ‘Development of a system for monitoring and alerting consumers about the quality of the GNSS radio navigation field and interference in areas of critical importance in the CIS countries’ as part of the implementation of the IRP-2026 tasks.

Object of public control

The Institute confirms its readiness to cooperate within the framework of current legislation. Visits to the territory and premises are possible with prior written consent in accordance with the Law of the Republic of Kazakhstan ‘On Public Control’ dated 2 October 2023 No. 30-VIII LRK.

The Institute is also open to dialogue with institutional investors and analysts.

Contact information

Institute of Space Technique and Technology LLP
Address: Republic of Kazakhstan, Almaty, 050061, 34 Kislovodskaya Street
Tel: +7 (727) 390-34-88, +7 (727) 221-77-95 E-mail: info@istt.kz
Website: www.istt.kz
Contact person: Tokmurzin Ernest Maratovich, Head of Administration.

Briefly about the Institute

The Institute has a state licence dated 23 November 2013 to carry out activities in the field of the use of outer space, including the production, operation and modernisation of rocket and space technology, as well as the use of ground infrastructure (including test sites, command and measurement complexes, bench-test bases, etc.).

The Institute is accredited as an entity engaged in scientific and/or scientific and technical activities, as confirmed by a certificate issued by the Ministry of Science and Higher Education of the Republic of Kazakhstan on 13 August 2024.

It is a participant in the special economic zone ‘Park of Innovative Technologies’.

By decision of the KASE Listing Commission, the Institute's bonds (ISIN – KZ2P00012115) have been included in the official list under the ‘Bonds’ category of the ‘Debt Securities’ sector on the ‘Alternative’ platform.

For further information, please visit: www.istt.kz

Statements about the future

This document contains statements that may be considered forward-looking, except for information that is a matter of fact as of the date of publication. All statements that are not historical facts, including, without limitation, forecasts, estimates, intentions, expectations and assumptions, are forward-looking statements.

It should be noted that such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, many of which are beyond the Institute's control. This could lead to a significant difference between actual results and those stated or implied in such statements.

Forecasts are based on assumptions regarding current and future strategies, as well as the external environment in which the Institute will operate. In particular, these assumptions relate to macroeconomic and industry trends, the regulatory environment, technological changes, the competitive environment and other circumstances that cannot be predicted with complete certainty.

The forecast information contained in this document is presented solely as of the date of its publication. The Institute assumes no obligation to update or revise it due to changes in external conditions, internal strategic decisions, economic circumstances or other factors, including changes in the Institute's own expectations.

Therefore, no guarantees can be given regarding the actual achievement of the stated objectives or results, and any differences between the forecast and actual indicators shall not be interpreted as an error, omission or inaccuracy on the part of the Institute, its affiliated structures, officials or consultants.

Director

O. Toishibekov