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NEXT GENERATION NETWORK

FOR YOUR PRESENT



APPENDIX 1. ABOUT THE REPORT

GRI 2-3, GRI 2-4, GRI 3-1, GRI 3-2

Kcell JSC Annual Report for 2024 includes information on the Company's financial, business, and operational performance for the period from January 1 to December 31, 2024, along with selected retrospective data and forward-looking indicators. The Report has been prepared in accordance with the Global Reporting Initiative (GRI Standards), based on the principles outlined in GRI 1 (2021), including:

- **Accuracy** – The Report is based on reliable, detailed, and precise data.
- **Balance** – The information reflects both positive and negative developments to provide an objective view.
- **Clarity** – The content is presented in a clear and accessible manner.
- **Comparability** – The data is structured to enable comparison across reporting periods and with other organizations.
- **Completeness** – The Report includes sufficient information to assess the Company's performance over the reporting period.
- **Sustainability context** – The information is presented within the broader context of sustainable development.
- **Timeliness** – The Company aims to disclose information on a regular basis to support timely decision-making.
- **Verifiability** – The Report is designed to allow stakeholders to assess the reliability of the information disclosed.

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This Report was prepared in line with the Kazakhstan Stock Exchange's requirements for annual reporting, as well as the principles of the International Integrated Reporting Framework (IIRC) and the AA1000 Stakeholder Engagement Standard (AA1000SES).

It draws on statistical data published by the Bureau of National Statistics (BNS) and the International Telecommunication Union (ITU). Any discrepancies in the quantitative data presented in Kcell's 2023 and 2024 Annual Reports are due to updated figures released by the BNS and ITU after the 2023 Report was published.

The Report has not undergone external assurance. However, the Company recognises the value of independent verification of sustainability disclosures and is considering external assurance of its non-financial information in future reporting cycles.

To help shape the content of this Report, a stakeholder survey was conducted involving shareholders, investors, management, employees, customers, and representatives of government bodies. Based on the feedback received, the most relevant topics for disclosure were identified. Topics rated as most important by both the Company and its stakeholders are shown in blue in the materiality matrix below.

Social Topics	
Employment	15
Labour Practices	16
Occupational Health and Safety	17
Training and Education	18
Diversity and Equal Opportunity	19
Anti-Discrimination	20
Freedom of Association and Collective Bargaining	21
Child Labour	22
Forced or Compulsory Labour	23
Safety Practices	24
Rights of Local Communities	25
Social Impact Assessment of Suppliers	26
Public Policy Engagement	27
Consumer Health and Safety	28
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APPENDIX 2. GRI COMPLIANCE INDEX

GRI 1

Indicator	Disclosure	Section of the Report/Comment	Page
GRI 1: Foundations (2021)			
GRI 2: General Disclosures (2021)			
2-1	Organization Profile	Background History of the Company Geographic Reach	12 13 16
2-2	Entities Covered in the Sustainability Report	Background	12
2-3	Reporting Period, Frequency, and Contact Information	Appendix 1. About the Report	102
2-4	Restatements of Previously Disclosed Information	Appendix 1. About the Report	102
2-5	External Assurance	Внешнее заверение Отчета не проводилось.	
2-6	Overview of Activities, Value Chain, and Key Business Relationships	Mission and Vision of a Position in Industry Assessment of the Company Development Prospects (SWOT Analysis) Strategic Goals and Objectives Condition of Telecommunication Industry Operating Activities of the Company	20 24 25 31 34
2-7	Employees	Staff Composition	81
2-8	Non-Employee Workers	The company does not engage non-employee workers	
2-9	Governance Structure and Composition	Governing Bodies General Meeting of Shareholders Board of Directors Management Board	52 53 54 63
2-10	Nomination and selection of the Highest Governance Body	Board of Directors	54
2-11	Chairperson of the Highest Governance Body	Board of Directors	54
2-12	Role of the Highest Governance Body in Overseeing Impact Management	Board of Directors Current ESG Profile of the Company	54 44
2-13	Delegation of Responsibility for Impact Management	Current ESG Profile of the Company	44
2-14	Role of the Highest Governance Body in Sustainability Reporting	Current ESG Profile of the Company Strategic Sustainable Development Priorities of the Company	44 46
2-15	Conflicts of Interest	Management of Conflict of Interest	69
2-16	Informing Senior Management of Key Issues	Current ESG Profile of the Company	44
2-17	Collective Knowledge of the Highest Governance Body	Board of Directors	54
2-18	Evaluation of the Performance of the Highest Governance Body	Board of Directors	54
2-19	Remuneration policies	Board of Directors	54
2-20	Process to Determine Remuneration	Board of Directors	54
2-21	Annual total compensation ratio	Board of Directors	54





Indicator	Disclosure	Section of the Report/Comment	Page
2-22	Statement on sustainable development strategy	Address of the Chairman of the Board of Directors	6
		Address of the Chairman of the Management Board	8
2-23	Policy commitments	Strategic Sustainable Development Priorities of the Company	46
2-24	Embedding policy commitments	Current ESG Profile of the Company	44
		Strategic Sustainable Development Priorities of the Company	46
2-25	Processes to remediate negative impacts	Current ESG Profile of the Company	44
		Strategic Sustainable Development Priorities of the Company	46
2-26	Mechanisms for seeking advice and raising concerns	Compliance Control	67
		Communication with Stakeholders	96
2-27	Compliance with laws and regulations	Compliance with Legislative Requirements	
2-28	Membership in associations	The Company is not a member of industry associations.	
2-29	Approach to stakeholder engagement	Communication with Stakeholders	96
		Disclosure of Information	96
2-30	Collective bargaining agreements	All employees of the Company are covered by employment contracts.	
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	Appendix 1. About the Report	102
3-2	List of material topics	Appendix 1. About the Report	102
GRI 201: Economic Performance (2016)			
3-3	Management of material topics	Operating Activities of the Company	34
		Financial Performance	39
201-1	Direct Economic Value Generated and Distributed	Operating Activities of the Company	34
		Financial Performance	39
201-2	Financial implications and other risks and opportunities due to climate change	The impact of climate change on the Company has not been assessed.	
201-3	Defined benefit plan obligations and other retirement plans	All employees of the Company are participants in the accumulative pension system in accordance with the requirements of the legislation.	
201-4	Financial assistance received from government	Financial Performance	39
GRI 202: Market Presence (2016)			
3-3	Management of material topics	Labour Remuneration, Personnel Assessment and Motivation	82
		Board of Directors	54
		Management Board	63
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Labour Remuneration, Personnel Assessment and Motivation	82
202-2	Proportion of senior management hired from the local community	Board of Directors	54
		Management Board	63
GRI 203: Indirect Economic Impacts (2016)			
3-3	Management of material topics	Operating Activities of the Company	34
		Social Responsibility and Charity	99
203-1	Infrastructure investments and services supported	Operating Activities of the Company	34
203-2	Significant indirect economic impacts	Operating Activities of the Company	34
		Social Responsibility and Charity	99

Indicator	Disclosure	Section of the Report/Comment	Page
GRI 205: Anti-Corruption (2016)			
3-3	Management of material topics	Anti-Corruption	68
205-1	Operations assessed for risks related to corruption	Anti-Corruption	68
205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption	68
205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption	68
GRI 207: Taxes (2016)			
3-3	Management of material topics	Taxation	41
207-1	Approach to tax	Taxation	41
207-2	Tax governance, control and risk management	Taxation	41
207-3	Stakeholder engagement and management concerns related to tax	Taxation	41
GRI 301: Materials (2016)			
3-3	Management of material topics	Resource Consumption	91
301-1	Materials used by weight or volume	Resource Consumption	91
301-2	Recycled input materials used	The use of recycled materials is not recorded.	
301-3	Reclaimed products and their packaging materials	This is not applied to the Company's activities.	
GRI 302: Energy (2016)			
3-3	Management of material topics	Resource Consumption	91
302-1	Energy consumption within the organization	Resource Consumption	91
302-2	Energy consumption outside of the organization	Assessment was not carried out.	
302-3	Energy intensity	Assessment was not carried out.	
302-4	Reduction of energy consumption	Resource Consumption	91
302-5	Reductions in energy requirements of products and services	Assessment was not carried out.	
GRI 303: Water and Effluents (2018)			
3-3	Management of material topics	Water Consumption	90
303-1	Interactions with water as a shared resource	Water Consumption	90
303-2	Management of water-discharge related impacts	The Company's activities do not involve the discharge of water.	
303-3	Water withdrawal	The Company does not take water from natural sources.	
303-4	Water discharge	The Company's activities do not involve the discharge of water.	
303-5	Water consumption	Water Consumption	90





Indicator	Disclosure	Section of the Report/Comment	Page	
GRI 304: Biodiversity (2016)				
3-3	Management of material topics	The Company's activities do not have a significant impact on biodiversity.		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			
304-2	Significant impacts of activities, products and services on biodiversity			
GRI 305: Emissions (2016)				
3-3	Management of material topics	Emissions of pollutants into the atmosphere	91	
305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions have not been assessed.		
305-2	Indirect (Scope 2) GHG emissions			
305-3	Other indirect (Scope 3) GHG emissions			
305-4	GHG emissions intensity			
305-5	Reduction of GHG emissions			
305-6	Emissions of ozone-depleting substances (ODS)		Emissions of pollutants into the atmosphere	91
305-7	Nitrogen oxides (NOx), sul-phur oxides (SOx), and other significant air emissions		Emissions of pollutants into the atmosphere	91
GRI 306: Отходы (2020)				
3-3	Management of material topics	Waste Management	93	
306-1	Waste generation and significant waste-related impacts	Waste Management	93	
306-2	Management of significant waste related impacts	Waste Management	93	
306-3	Waste generated	Waste Management	93	
306-4	Waste diverted from disposal	Waste Management	93	
GRI 307: Environmental Compliance (2016)				
3-3	Management of material topics	Environmental Protection Policy	90	
307-1	Non-compliance with environmental laws and regulations	Environmental Protection Policy	90	
GRI 308: Supplier Environmental Assessment (2016)				
3-3	Management of material topics	The Company does not make environmental assessments of suppliers and contractors.		
308-1	New suppliers that were screened using environmental criteria			
308-2	Negative environmental impacts in the supply chain and actions taken			
GRI 401: Employment (2016)				
3-3	Management of material topics	Personnel Policy and Practice of Labour Relations	80	
		Personnel Structure	81	
		Social Protection of Employees	83	
401-1	New employee hires and employee turnover	Personnel Policy and Practice of Labour Relations	80	
		Personnel Structure	81	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Protection of Employees	83	
401-3	Parental leave	Social Protection of Employees	83	

Indicator	Disclosure	Section of the Report/Comment	Page
GRI 402: Labour/Management Relations (2016)			
3-3	Management of material topics	Personnel Policy and Practice of Labour Relations	80
402-1	Minimum notice periods regarding operational changes	Personnel Policy and Practice of Labour Relations	80
GRI 403: Occupational Health and Safety (2018)			
3-3	Management of material topics	Occupational Safety and Health	86
403-1	Occupational health and safety management system	Occupational Safety and Health	86
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health	86
403-3	Occupational health services	Occupational Safety and Health	86
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health	86
403-5	Worker training on occupational health and safety	Occupational Safety and Health	86
403-6	Promotion of worker health	Occupational Safety and Health	86
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health	86
403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health	86
403-9	Work-related injuries	Occupational Safety and Health	86
403-10	Work-related injuries	Occupational Safety and Health	86
GRI 404: Training and Education 2016			
3-3	Management of material topics	Personnel Development	84
404-1	Average hours of training per year per employee	Personnel Development	84
404-2	Programs for upgrading employee skills and transition assistance programs	Personnel Development	84
GRI 405: Diversity and Equal Opportunities (2016)			
3-3	Management of material topics	Board of Directors	54
		Management Board	63
		Labour Remuneration, Personnel Assessment and Motivation	82
405-1	Diversity of governance bodies and employees	Board of Directors	54
		Management Board	63
405-2	Ratio of remuneration between women and men	Labour Remuneration, Personnel Assessment and Motivation	82
GRI 406: Non-discrimination (2016)			
3-3	Management of material topics	Personnel Policy and Practice of Labour Relations	80
406-1	Incidents of discrimination and corrective actions taken	Personnel Policy and Practice of Labour Relations	80
GRI 407: Freedom of Association and Collective Bargaining (2016)			
3-3	Management of material topics	Suppliers are not assessed for their level of risk	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	of child labour.	





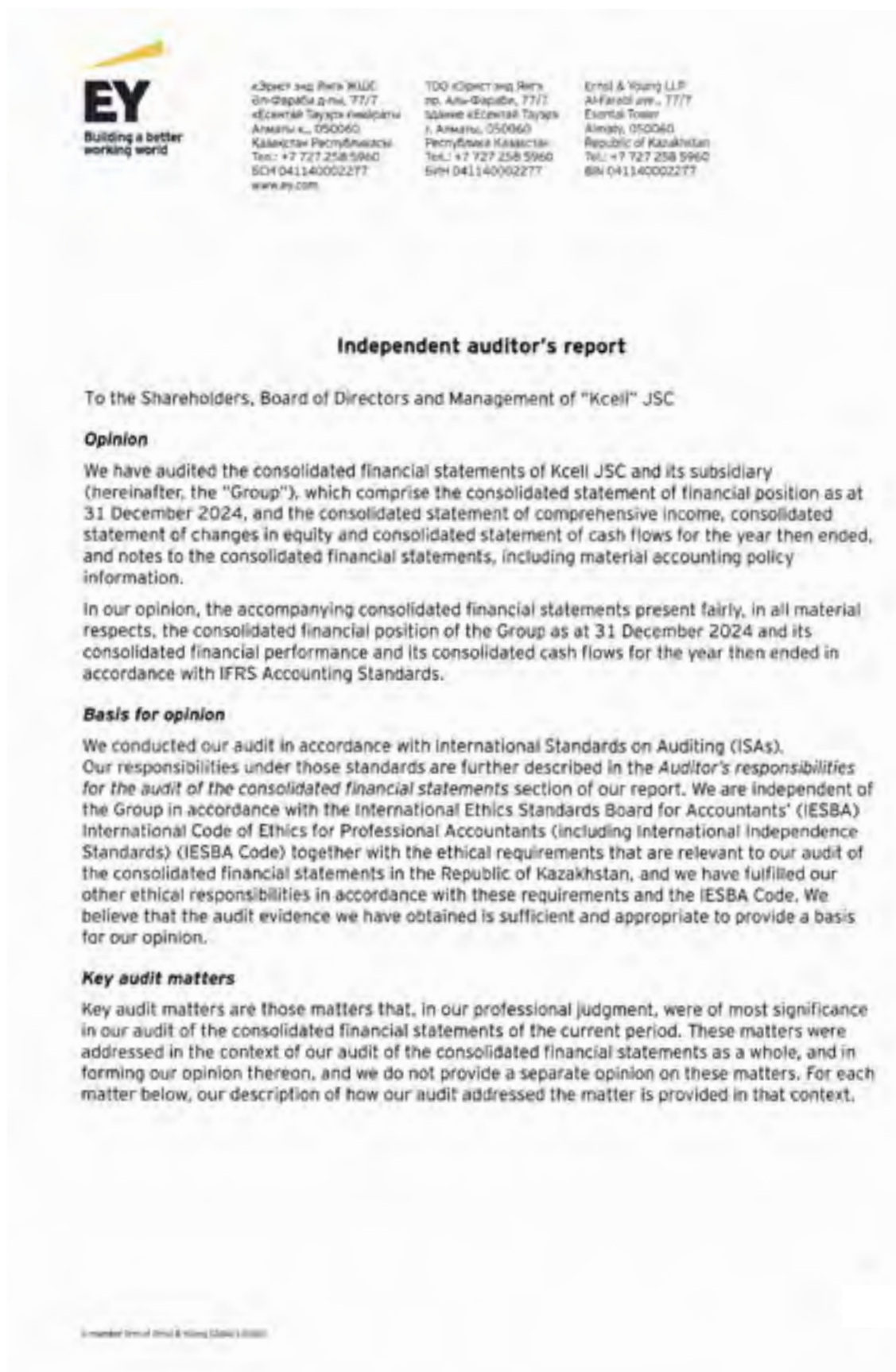
Indicator	Disclosure	Section of the Report/Comment	Page
GRI 408: Child Labour (2016)			
3-3	Management of material topics	Suppliers are not assessed for their level of risk of child labour.	
408-1	Operations and suppliers at significant risk for incidents of child labour		
GRI 409: Принудительный труд (2016)			
3-3	Management of material topics	Suppliers are not assessed for their level of risk of of forced or compulsory labour.	
409-1	Operations and suppliers with significant risk of cases of forced or compulsory labour		
GRI 410: Security Practices (2016)			
3-3	Management of material topics	The personnel did not receive human rights training.	
410-1	Security personnel trained in human rights policies or procedures		
GRI 411: Rights of Indigenous Peoples (2016)			
3-3	Management of material topics	During the reporting period, no cases of violation of the rights of the local population were registered.	
411-1	Incidents of violations involving rights of indigenous peoples		
GRI 413: Local Communities (2016)			
3-3	Management of material topics	Operating Activities of the Company	34
413-1	Operations with local community engagement, impact assessments, and development programs	Operating Activities of the Company	34
413-2	Operations with significant actual and potential negative impacts on local communities	During the reporting period, no cases of negative impact on local communities were recorded.	
GRI 414: Supplier Social Assessment (2016)			
3-3	Management of material topics	Suppliers are not assessed based on social criteria.	
308-1	New suppliers that were screened using environmental criteria		
308-2	Negative environmental impacts in the supply chain and actions taken		
GRI 415: Public Policy (2016)			
3-3	Management of material topics	Operating Activities of the Company	34
		Procurements	41
415-1	Political contributions	Operating Activities of the Company	34
		Procurements	41

Indicator	Disclosure	Section of the Report/Comment	Page
GRI 416: Customer Health and Safety (2016)			
3-3	Management of material topics	Assessment was not carried out.	
416-1	Assessment of the health and safety impacts of product and service categories		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, no cases of negative impact on local communities were recorded.	
GRI 417: Marketing and Labelling (2016)			
3-3	Management of material topics	There are no regulatory requirements for product labelling.	
417-1	Requirements for product and service information and labelling		
417-2	Incidents of non-compliance concerning product and service information and labelling		
417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy (2016)			
3-3	Management of material topics	Information Security and Protection of Confidential Data of Clients	97
		Client Fraud Protection	98
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Protection of Confidential Data of Clients	97
		Client Fraud Protection	98





APPENDIX 3. CONSOLIDATED FINANCIAL STATEMENTS





We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Revenue recognition from the provision of telecommunications services

The Group's revenue from telecommunication services consists of a significant volume of low-value transactions, sourced from multiple systems, including the billing system. The processing and recording of revenue is highly automated and is based on established tariff plans.

We identified this matter as a key audit matter due to the complexity of information systems involved in the revenue recognition process and the risks associated with incorrect recognition and measurement of revenue, arising from the diversity and constant evolution of tariff plans, marketing offers and discounts provided to customers. The auditing of revenue required an increased extent of audit effort, including the need for us to involve professionals with expertise in information technology ("IT") to identify relevant systems, and evaluate and test automated controls.

The Group's disclosure of information in respect of the accounting policies on revenue recognition is included in Note 3 to the consolidated financial statements, and disclosures by types of revenue are included in Note 22 to the consolidated financial statements.

We assessed the design and tested the operating effectiveness of IT general controls supporting the operation of the billing system and other IT systems.

We tested IT application controls over the capturing and recording of data, and IT application controls over the calculation of amounts to be billed to customers and recording of amounts collected from customers.

We tested controls related to transfer of data among relevant IT systems related to the recording and recognition of revenue.

We examined the authorising of changes in tariffs implemented in the billing system.

We conducted test calls and data usage to verify the connection detection, duration, and tariffication.

We analyzed correlation among journal entries to revenue, trade receivables and cash.

We performed analytical procedures, including monthly fluctuations analysis and analysis of changes in the number of subscribers and tariffs impacting revenue, and compared trends in financial data with trends in non-financial data.

We analysed the key judgements used by management in the accounting for revenue.

We evaluated the Group's accounting policy for revenue recognition.

We analysed the disclosures in the consolidated financial statements related to revenue recognition.





Impairment of non-current assets

We identified this matter to be one of the matters of most significance in our audit due to the materiality of the balances of non-current assets to the consolidated financial statements, the high level of subjectivity in respect of assumptions underlying impairment analysis and significant judgements and estimates made by management.

Significant assumptions included discount rate and inflation rate forecast. Significant estimates included future capital expenditures and the level of earnings before interest, taxation, depreciation and amortisation.

Information on impairment test performed is disclosed in Note 4 to the consolidated financial statements.

We analysed management's assessment of the existence of impairment indicators.

We involved our valuation specialists in the testing of management's impairment analysis and calculation of recoverable amounts.

We compared the discount rate and long-term growth rates to general market indicators and other available evidence and checked the calculation of the discount rate.

We tested the mathematical accuracy of the impairment model and assessed the analysis of the sensitivity of the results of impairment test to changes in assumptions.

We analysed disclosures on impairment test in the consolidated financial statements.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Audit Committee of the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for overseeing the Group's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

Ernst & Young LLP



Adil Syzdykov
Auditor

Auditor Qualification Certificate
No. МФ - 0000172 dated 23 December 2013

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esental Tower

20 February 2025



Rustamzhan Sattarov
General Director
Ernst & Young LLP

State audit license for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of finance of the Republic of Kazakhstan on 15 July 2005

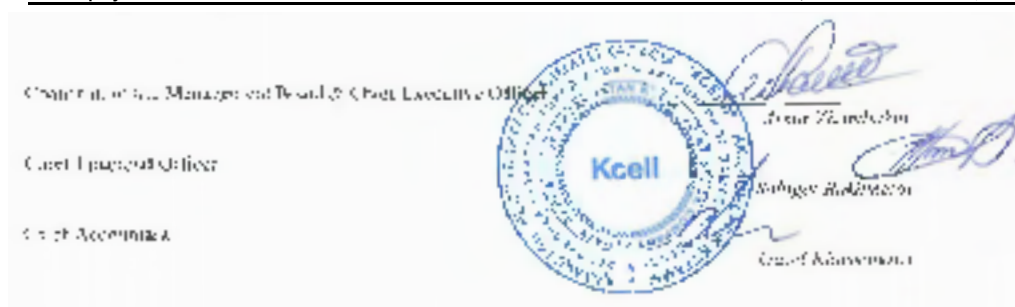
Kcell JSC

Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

<i>In millions of tenge</i>	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property and equipment	7	197,815	156,113
Intangible assets	8	117,561	123,824
Investment property		–	339
Advanced paid for non-current assets	7	1,103	176
Right-of-use assets	16	49,010	41,162
Long-term trade receivables	9	5,404	1,523
Cost to obtain contracts		895	674
Deferred tax assets	28	2,856	4,148
Total non-current assets		374,644	327,959
Current assets			
Inventories	10	9,180	9,009
Trade receivables	9	26,402	32,723
Other current non-financial assets	11	5,031	7,826
Other current financial assets	12	370	2,167
Prepaid income tax		146	545
Cash and cash equivalents	14	8,801	11,031
Total current assets		49,930	63,301
Total assets		424,574	391,260
Equity and liabilities			
Equity			
Share capital	6	33,800	33,800
Additional paid in capital		–	1,260
Retained earnings		147,877	136,458
Total equity		181,677	171,518
Liabilities			
Non-current liabilities			
Borrowings: non-current portion	15	47,667	77,514
Long-term lease liabilities	16	46,652	38,261
Government grants: non-current portion	21	21,179	14,391
Long-term trade payables	17	3,754	7,339
Asset retirement obligation	19	4,711	3,676
Total non-current liabilities		123,963	141,181
Current liabilities			
Borrowings: current portion	15	42,972	7,353
Short-term lease liabilities	16	5,265	5,296
Government grant: current portion	21	5,853	3,746
Short-term trade payables	17	39,738	40,996
Financial guarantee obligation		–	44
Contracts liabilities	18	8,726	9,861
Provisions	20	7,476	2,062
Due to employees		6,199	5,952
Taxes payable other than income tax		2,705	3,251
Total current liabilities		118,934	78,561
Total liabilities		242,897	219,742
Total equity and liabilities		424,574	391,260



The accounting policies and notes on pages 6 to 50 are an integral part of these consolidated financial statements.



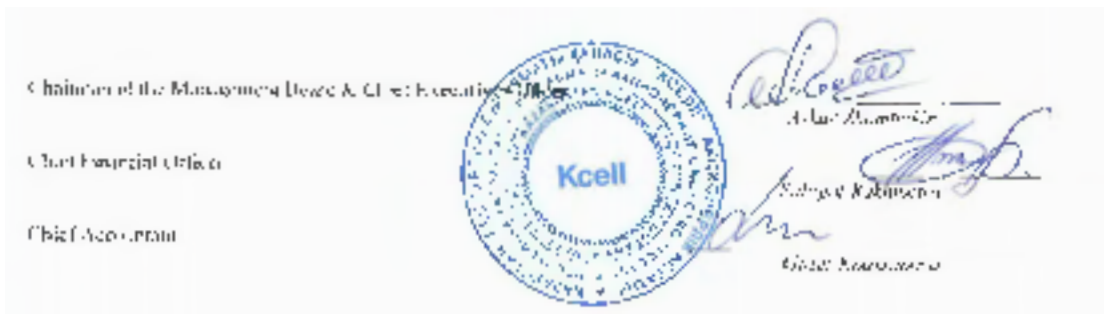


Kcell JSC

Consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2024**

<i>In millions of tenge</i>	Notes	2024	2023
Revenue from contracts with customers	22	235,467	223,747
Income from government grants	21	5,853	3,746
Cost of sales	23	(183,731)	(156,008)
Gross profit		57,589	71,485
General and administrative expenses	24	(10,603)	(8,811)
Selling expenses	25	(3,305)	(5,401)
Impairment of financial assets	9	(3,156)	(5,702)
Other operating income	27	154	1,910
Other operating expenses	27	(6,374)	(2,533)
Operating profit		34,305	50,948
Finance costs	26	(22,172)	(12,889)
Finance income	26	3,400	5,339
Net foreign exchange loss		(375)	(1,346)
Profit before tax		15,158	42,052
Income tax expenses	28	(4,999)	(9,155)
Profit for the year		10,159	32,897
Other comprehensive income		—	—
Total comprehensive income for the year, net of tax		10,159	32,897
Earnings per share			
Basic and diluted, tenge	6	50.80	164.49



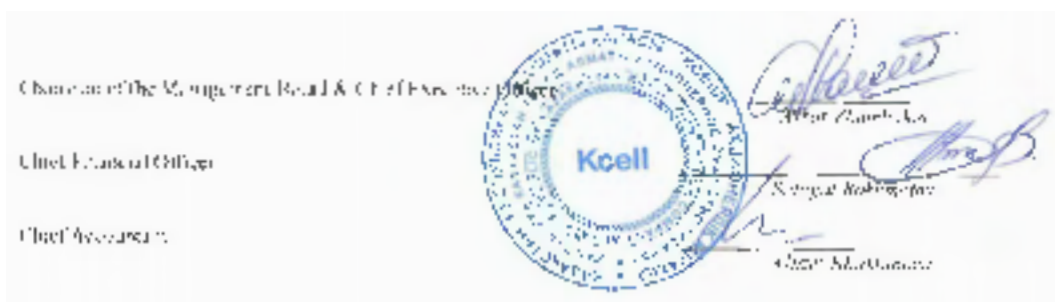
The accounting policies and notes on pages 6 to 50 are an integral part of these consolidated financial statements.

Kcell JSC

Consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2024**

<i>In millions of tenge</i>	Share capital	Additional paid-in capital	Retained earnings	Total equity
Balance at 1 January 2023	33,800	1,260	103,561	138,621
Net profit for the year	-	-	32,897	32,897
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	32,897	32,897
At 31 December 2023	33,800	1,260	136,458	171,518
Net profit for the year	-	-	10,159	10,159
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	10,159	10,159
Reclassification from additional paid-in capital (<i>Note 15</i>)	-	(1,260)	1,260	-
At 31 December 2024	33,800	-	147,877	181,677



The accounting policies and notes on pages 6 to 50 are an integral part of these consolidated financial statements.





Kcell JSC

Consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 December 2024**

<i>In millions of tenge</i>	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		15,158	42,052
Adjustments for:			
Impairment of financial assets	9	3,156	5,702
Recovery of provision for legal claims on contractual obligation	20, 27	(14)	(721)
Accrual of provision	20, 27	5,428	1,861
Finance costs	26	22,172	12,889
Depreciation of property and equipment, investment property and right-of-use assets	7, 16	29,171	22,130
Amortisation of intangible assets	8	22,024	22,344
Write-off of inventory to net realizable value	10, 24	441	600
Income from accounts payable write-off	27	(51)	(1,049)
Finance income	26	(3,400)	(5,339)
Loss on disposal of property and equipment, intangible assets	27	205	558
Income from government grants	21	(5,853)	(3,746)
Net foreign exchange loss		733	391
Operating cash flows before working capital changes		89,170	97,672
Change in inventories		(612)	(2,389)
Change in trade receivables		1,335	(6,449)
Change in other current non-financial assets		1,341	(929)
Change in other current financial assets		1,797	(1,367)
Change in cost to obtain contracts		(221)	(116)
Change in trade payables		(5,932)	51
Change in due to employees		247	244
Change in contract liabilities		(1,135)	4,216
Change in taxes payable other than income tax		17,948	11,801
Cash flows generated from operations		103,938	102,734
Income tax paid		(5,600)	(13,852)
Interest received		808	2,669
Interest paid	30	(19,926)	(11,314)
Net cash inflows from operating activities		79,220	80,237
Cash flows from investing activities			
Purchase of property and equipment		(61,442)	(69,393)
Purchase of intangible assets		(18,094)	(90,701)
Proceeds from disposal of property and equipment		87	130
Proceeds from redemption of financial assets at amortised cost	13	-	49,358
Purchase of financial assets at amortised cost	13	-	(34,545)
Other		(2)	-
Net cash flows used in investing activities		(79,451)	(145,151)

The accounting policies and notes on pages 6 to 50 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Notes	2024	2023
Cash flows from financing activities			
Proceeds from borrowings	30	167,177	110,761
Repayment of borrowings	30	(162,281)	(74,157)
Repayment of principal portion of lease liabilities	30	(7,253)	(5,952)
Net cash flows (used in) / from financing activities		(2,357)	30,652
Net used in cash and cash equivalents		(2,588)	(34,262)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		358	(955)
Cash and cash equivalents at the beginning of the year		11,031	46,248
Cash and cash equivalents at the end of the year	14	8,801	11,031

NON-CASH TRANSACTIONS

The following significant non-cash transactions have been excluded from the consolidated statement of cash flows

In 2024 the Group received government grants in the total amount of 14,748 million tenge (2023: 10,615 million tenge) represented by 90% reduction in the annual fee for use of radio frequencies.

In 2024, the Group paid an amount of 30,777 million tenge for property and equipment purchased in prior year (2023: 26,700 million tenge). Property and equipment in the amount of 31,763 million was purchased in 2024 but not paid as at 31 December 2024 (2023: 30,777 million tenge). In 2024, the Group transferred 2,292 million tenge from prepaid income tax to taxes payable other than income tax.



The accounting policies and notes on pages 6 to 50 are an integral part of these consolidated financial statements.



The full version of the financial statements is available on the website



https://static.kcell.kz/files/new_investors/Formated_RUS_FS_12m_2024_Consolidated_signed.pdf





GLOSSARY

Names of organizations, subdivisions and internal regulatory documents of the Company

Kcell JSC, Kcell, Company – Kcell Joint-Stock Company

WF Samruk-Kazyna JSC – Sovereign Wealth Fund Samruk-Kazyna Joint-Stock Company

GSM Kazakhstan LLP – GSM Kazakhstan Limited Liability Partnership (Kazakhtelecom OJSC)

HR, HR Service (Engl. Human Resources) – subdivision in charge of personnel

ITU (Engl. International Telecommunication Union) – International Telecommunication Union

Nexign Converged BSS, Nexign – Nexign Converged Business Support System, an integrated billing system

NSB, NSB of the RK ASP&R – National Statistics Bureau of the Agency for strategic planning and reforms of the Republic of Kazakhstan

Technical terms and abbreviations

AI (Engl. Artificial Intelligence) – artificial intelligence

3G, 3G networks (Engl. 3rd Generation) – third generation mobile networks

4G, 4G networks (Engl. 4th Generation) – fourth generation mobile networks

4G+, LTE advanced – standard for wireless high-speed data transmission with higher data transmission speeds compared to the basic LTE standard

5G, 5G networks (Engl. 5th Generation) – fifth generation mobile networks

DevOps (Engl. Development & Operations) – method to automate technological processes of software development and implementation, active interaction of specialists in various fields and deep integration of technological processes.

eSIM (Engl. electronic SIM) – digital SIM card built into a smartphone

GSM (Fr. Groupe spécial mobile – standard developer name) – global digital mobile cellular standard with time and frequency division

GSM-1800 – GSM network operating at a frequency of 1,800 MHz

GPRS (Engl. General Packet Radio Service, literal expression – “general packet radio service”) – technology of packet data transmission over mobile networks

FWA (Engl. Fixed Wireless Access) – fixed wireless access to the Internet

CGC – Corporate Governance Code

CRMS – corporate risk management system

NB RK – National Bank of the Republic of Kazakhstan

RK – Republic of Kazakhstan

IAS – Internal Audit Service

CIS – Commonwealth of Independent States

US – United States of America

JSC (in an organization name) – joint-stock company

LLP (in an organization name) – limited liability partnership

IMT-2020 (Engl. International Mobile Telecommunications – 2020) – designation of 5G standard within the International Telecommunication Union specification

IoT (Engl. Internet of Things) – “Internet of Things”, concept of transmitting data between devices to interact with each other or with the external environment

LTE, 4G LTE (Engl. Long-Term Evolution, literal expression – “long-term evolution”) – standard for wireless high-speed data transmission based on 4G mobile networks

MMS, MMC (Engl. Multimedia Message Service) – multimedia mobile messages

mMTC (Engl. Massive Machine-Type Communications, literal expression – “massive machine-type communications”) – technologies for connecting a large number of devices (sensors, meters, etc.) to information networks

OTT (Engl Over the Top, literal expression – “over the top”) – a method of providing video services over the Internet that does not require direct contact with the telecommunication operator’s network

pLTE (Engl. Private LTE) – dedicated private mobile networks

SIM-card (Engl. Subscriber Identification Module) – electronic subscriber identification module used in mobile communications

SMS (Engl. Short Message Service) – short text message

BBA – broadband access to the Internet

Marketing, financial and economic terms and abbreviations

ARPU (Engl. Average Revenue per User) – average revenue per user

CAPEX (Engl. Capital Expenditures) – capital expenditures

CFF (Engl. Cash Flow from Financing Activities) – cash flow from financing activities

CFI (Engl. Cash Flow from Investing Activities) – cash flow from investing activities

CFO (Engl. Cash flow from operating activities) – cash flow from operating activities

CPA (Engl. Cost per Action) – model of payment for Internet advertising, in which only certain user actions on the advertiser's website are paid

CVM (Engl. Customer Value Management) – customer value management

EBITDA (Engl. Earnings before Interest, Taxes, Depreciation and Amortization) – earnings before interest, taxes, depreciation and amortization

cNPS (Engl. consumer Net Promoter Score) – consumer Net Promoter Score

eNPS (Engl. employee Net Promoter Score) – employee Net Promoter Score

KPI (Engl. Key Performance Indicators) – key performance indicators

Units

U – unit

Gcal – gigacalorie (heat energy unit equal to 109 calories)

kWh – kilowatt-hour (electric power consumption unit)

m³ – cubic meter

Mbit – megabit (information content unit equal to 106 bit)

M2M (Engl. Machine-to-Machine, literal expression – “Machine-to-Machine”) – technology for direct exchange of information between devices on a network

MAU (Engl. Monthly Active Users) – number of active users per month

MOU (Engl. Minutes of Use, literal expression – “Minutes of Use”) – quantity of minutes of voice data transmission per a subscriber

NCF (Engl. Net Cash Flow) – net cash flow

ROA (Engl. Return on Assets) – return on assets

ROE (Engl. Return on Equity) – return on equity

VAS (Engl. Value-Added Services) – value-added services

ROS (Engl. Return on Sales) – return on sales

GDP – gross domestic product

doll. – US dollar

CPI – consumer price index

IAV – index of actual volume

CIT – corporate income tax

MFS – mobile financial system

RK OEAC – General Classifier of the types of economic activities of the Republic of Kazakhstan

MHz – Megahertz (frequency (radio frequency) measurement unit equal to 1 mln hertz)

mln – million

bln – billion

Pbyte – petabyte (information content unit equal to 1015 bytes)

p.p. – percentage point

