

02

CORPORATE STRATEGY

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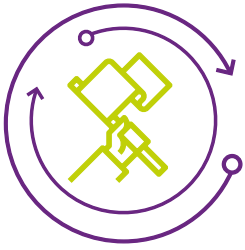
NEXT GENERATION NETWORK

FOR YOUR PRESENT





MISSION AND INDUSTRY VISION



Our mission

To make connectivity accessible to everyone in Kazakhstan, delivering maximum value to our subscribers and providing services of the highest quality!



Our vision

ALGA, KCELL!

We aim to expand our horizons and are committed to:

- ▶ **ARCHITECTURE OF THE FUTURE** – delivering Kazakhstan’s best next-generation 5G network

 - Delivering 5G speeds of over 100 Mbps
 - Expanding 5G coverage nationwide
 - Driving network innovation
- ▶ **INDUSTRY LEADERSHIP** – driving profitability by attracting key customer segments through digital ecosystems

 - Attracting over 1.5 million Gen Z and Gen Alpha users
 - Increasing lifetime value (LTV) of existing customers
 - Expanding 5G FWA and B2B offerings.
- ▶ **AGILE INNOVATION** – adopting flexible approaches to product and service development to enhance the digital experience

 - Striving to become the telecom leader in Net Promoter Score (NPS)
 - Cutting time-to-market in half
 - Enhancing the end-to-end digital customer journey
- ▶ **AMBITION** – achieving sustainable financial growth

 - Allocating capital strategically to high-potential areas
 - Ensuring strong financial health for sustainable growth
- ▶ **KCELL!** – cultivating a results-driven team culture defined by excellence and aspiration

 - Recruiting top talent and developing future stars
 - Building a digital HR function fit for a digital operator
 - Fostering a culture of success with an eNPS target above 38%

OUR CORPORATE VALUES AND PRIORITIES

PRIORITY



BRIDGING THE DIGITAL DIVIDE

Kcell JSC is committed to narrowing the digital divide by developing infrastructure and services that are easily accessible across our market. Our offerings contribute to economic growth by directly or indirectly supporting job creation and making a financial impact on the communities where we operate.



EARNING CUSTOMER TRUST

We work tirelessly to earn the trust of both existing and potential customers and to become their first choice. Our goal is to deliver high-quality, secure services that offer outstanding value and help our customers succeed.



DEVELOPING HUMAN CAPITAL

Our employees are the cornerstone of our success. We strive to be an attractive employer, drawing in ambitious individuals and creating an environment that supports their professional growth and development.



ENVIRONMENTAL RESPONSIBILITY

Environmental Responsibility We are building a business model that fully embraces the need to protect the environment. Kcell contributes to global sustainability by promoting and using resource-efficient technologies and minimizing the environmental impact of our operations.



PROTECTING SHAREHOLDER INTERESTS

Kcell aims to be a compelling investment for a broad range of shareholders, with a focus on long-term, sustainable value creation. We ensure timely, transparent, and accurate communication with shareholders and the market about all major developments that could affect the Company's share value.





COMPANY BUSINESS MODEL

GRI 2-6



OUR CAPITAL

FINANCIAL CAPITAL

Equity
181,677
billion tenge

Borrowings
90,639
billion tenge

PRODUCTION CAPITAL

Number of base stations:
8,380, including
997 5G and
4,225 4G/LTE stations

INTELLECTUAL CAPITAL

Total value of intellectual property (licenses, software): **113,448** million tenge
Nexign Converged Business Support System (implemented in February 2022)

HUMAN CAPITAL

Total employees
2,385

Employees with higher education
1,979

Employee turnover rate
39%

SOCIAL AND REPUTATIONAL CAPITAL

Operating in the market since 1998 with a strong and trusted business reputation
Kcell and activ are among the most recognized brands in Kazakhstan
A broad and loyal customer base of approximately 7.9 million clients

NATURAL CAPITAL

While the Company's operations have no significant direct impact on the environment, we are committed to expanding the use of environmentally friendly technologies and solutions across all business units and stages of the value chain



OUR BUSINESS

SERVICE PORTFOLIO

Kcell provides its customers with the following services:

- Mobile voice communication and SMS messaging
- Data transmission and wireless Internet access
- Mobile financial services through OGO Bank
- Value-added services (VAS), including access to mobile content, ecosystem-based solutions, and more.

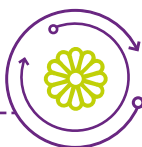
COMPANY'S MARKET NICHE

Market share in Kazakhstan's mobile sector
30.2% (by customer base)

Total subscriber base
7.968
million

Mobile network coverage across Kazakhstan
92% of the population

Показатели на конец отчетного года / за отчетный год



OUR RESULTS

COMPANY KEY RISKS*

-  **Regulatory risk**
-  **Strategic risk**
-  **Secondary sanctions risk**
-  **Credit risk**
-  **Liquidity risk**
-  **Taxation risks**
-  **Operational risks**

BUSINESS GROWTH OPPORTUNITIES

-  **Attracting and retaining high-quality customers**
-  **Understanding and meeting evolving customer needs**
-  **Unlocking B2B growth potential**
-  **Enhancing operational efficiency**
-  **Creating optimal working conditions for employees**

OPERATING

Annual mobile internet traffic: **864** PB
 Average monthly voice usage per subscriber (MOU): **151** minutes.
 Average monthly revenue per user (ARPU): **1,820** tenge.

FINANCIAL

Net income
10,159
 million tenge

EBITDA
92,130
 million tenge

Capital investments
78,200
 million tenge

Taxes and other budget contributions
25,027
 million tenge

SOCIAL

Annual payroll fund
19.7
 billion tenge

Average monthly salary
777,800
 tenge

Investment in employee training
68
 million tenge

Share of employees who received training
85%

Average training hours per employee
7
 hours

ENVIRONMENTAL

Continued investment in modernizing autonomous systems and switching to more eco-friendly fuels
 Use of environmentally safe materials and technologies
 Environmental management system aligned with the ISO 14001 international standard

*Detailed information on the Company's risks is provided in the "Risk Management" section.





ASSESSMENT OF COMPANY DEVELOPMENT PROSPECTS (SWOT ANALYSIS)

GRI 2-6

The SWOT analysis is a versatile strategic planning tool that provides a visual overview of the Company's development prospects. It identifies both internal and external factors

that influence the organization, categorizing them into four groups: Strengths, Weaknesses, Opportunities, and Threats.

SWOT Analysis of Kcell JSC's Development Prospects

INTERNAL FACTORS



Strengths

- Kcell is among the top-tier telecom providers in Kazakhstan
- Holder of a 5G license and an active developer of next-generation 5G networks in Kazakhstan
- Customer-centric retail: Kcell stores are designed in sync with digital platforms, enhancing overall user engagement
- Advanced use of technology and innovation ensures high reliability and quality of services
- Strong development of digital solutions, including data centers, cloud technologies, IoT, and Big Data
- Implementation of best practices in corporate governance, with well-established operational and business processes
- Long-standing industry experience contributing to a strong and positive market reputation
- Highly qualified workforce
- Flexible HR policies with competitive compensation
- Strong culture of corporate ethics, with regular employee training
- Robust internal control and audit systems
- Comprehensive anti-corruption framework with internal regulations, regular risk monitoring, and analysis
- Anonymous whistleblowing hotline for reporting violations of the Code of Conduct, including corruption, discrimination, unethical behavior, and other misconduct



Weaknesses

- Rapid technological advances in the telecom sector require significant investment in equipment and software upgrades
- Bureaucratic procedures remain complex and time-consuming
- Regulatory constraints limit tariff flexibility and may negatively impact profitability
- inability to eliminate all potential risks despite mitigation efforts

EXTERNAL FACTORS



Opportunities

- Greater flexibility in tariff development and pricing strategies
- Diversification of services offered to customers
- Continued improvement and standardisation of operational processes
- Strengthening customer relationships through effective communication and engagement
- Adoption of technological innovations, automation, and artificial intelligence



Threats

- Decline in demand for traditional voice services due to the growing use of internet-based messaging apps and social networks
- Customer migration away from prepaid plans
- Adverse impact of legislative changes on pricing and tariff policy
- Breach of contractual obligations by unreliable suppliers or contractors
- Shifts in political or economic conditions
- Growing technological and cybersecurity threats



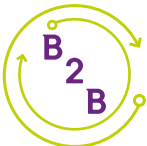


STRATEGIC GOALS AND OBJECTIVES

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In 2024, Kcell JSC approved its Development Strategy for 2024–2028, focused on aligning commercial and technical functions. The strategy aims to optimise network deployment planning by prioritising population centres,

increasing connection speeds, enhancing coverage, and ultimately driving growth in both the subscriber base and ARPU (Average Revenue Per User).

Strategic Goals and Objectives of Kcell JSC

GOALS	OBJECTIVES
 <p>Attracting and Retaining High-Value Customers</p>	<ul style="list-style-type: none"> • Products tailored to the needs of target customer segments • Bundling of relevant digital services based on customer demand • Leadership in offering a wide range of products, including mobile devices • Expansion into new business lines • Superior network quality perception
 <p>Understanding and Meeting Customer Needs</p>	<ul style="list-style-type: none"> • A customer base actively using up-to-date tariffs and products • Proactive growth of the subscriber base and behavioural segmentation through Customer Value Management (CVM) • Full digital support for key customer journeys and operations
 <p>Unlocking B2B Potential</p>	<ul style="list-style-type: none"> • Customised partner solutions and personalised service for corporate clients • Convenient, specialised offerings for small and medium-sized businesses
 <p>Improving Operational Efficiency</p>	<ul style="list-style-type: none"> • Increased employee productivity • Optimised cost structure and expenditure levels • High levels of simplicity and process automation
 <p>Becoming the Employer of Choice</p>	<ul style="list-style-type: none"> • A decision-making culture built on agile collaboration and employee empowerment • Ambitious yet achievable business targets for each team, supported by quarterly planning • Cross-functional teams working effectively across core business priorities • Recognition as the leading employer for telecom talent in the market





NETWORK OPTIMIZATION AND ADOPTION OF NEW TECHNOLOGIES

In 2024, Kcell exceeded its 5G rollout obligations, underscoring its leadership in technological advancement. The Company significantly increased the capacity of its base stations, which led to improved network quality and customer experience.

Looking ahead, Kcell will continue expanding its network and integrating new technologies throughout 2025. Key strategic projects for the year include IMS and VoLTE integration to enhance voice service quality, spectrum refarming in the 5 MHz band to optimise 3G and LTE

networks, and large-scale network optimisation efforts. The Company also plans to launch the Ericsson Network Intelligence (ENI) platform to enable more efficient network management and faster response to network changes.

A major priority will be the active development of the 5G Standalone (SA) network, which will deliver higher data speeds, lower latency, and enable new technological capabilities. These initiatives aim to elevate the user experience and further strengthen Kcell's competitive market position.

COMPANY PRIORITIES FOR 2025

In 2025, Kcell expects revenue growth to be driven by the development of FMC (Fixed-Mobile Convergence) products, increased roaming revenues, and the expansion of B2B and VAS (Value-Added Services), alongside the launch of new solutions such as EdTech and IoT offerings.

The Company's strategic focus areas for 2025 include delivering innovative service offerings, enhancing service quality through digitalisation and personalisation, and

upgrading and expanding its network infrastructure. These initiatives are designed to reinforce Kcell's market leadership and increase the appeal of its services, laying a strong foundation for long-term sustainable growth.

