



Kcell JSC

Network Sharing Agreement

Almaty, 4 May 2020 - Kcell Joint Stock Company ("Kcell" or the "Company") (LSE, KASE, AIX: KCEL, KCEL.Y), the leading provider of mobile telecommunications services in Kazakhstan, notifies that its Board of Directors has approved the decision on entering into a trilateral network sharing agreement between Kcell JSC, KaR-Tel LLP and Mobile Telecom-Service LLP ("Parties").

The Agreement provides an opportunity for the Parties to commence joint construction and operation of a mobile broadband network that covers settlements with a population of 250 to 1000 people, national and regional highways and railways. Each Party will independently build and operate the mobile broadband network and will allow the other Parties to use its network infrastructure within their coverage zone on the terms and conditions set forth in the Agreement.

The construction volume of the network infrastructure will be distributed between KaR-Tel LLP and Kazakhtelecom Group of companies as follows: 35 percent – KaR-Tel LLP and 65 percent – Kazakhtelecom Group of companies.

The Agreement does not provide for the Parties' joint ownership or disposal of the network infrastructure.

The Agreement is not intended to limit competition between the Parties in wholesale or retail business and nor does it constitute a market sharing arrangement. Each Party is fully entitled to continue to carry on its wholesale and retail business as it may deem appropriate.

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Company Overview

Kcell provides mobile voice telecommunications services, messaging services, value-added services (VAS) such as multimedia and mobile content services, as well as data transmission services including internet access. It has two brands: the Kcell brand, which is targeted primarily at corporate subscribers (including government subscribers), and the Activ brand, which is targeted primarily at mass-market subscribers. The Company offers its services through its extensive, high quality network which covers substantially all of the territory of Kazakhstan.

In December 2012, Kcell successfully completed its offering of GDR's on the London Stock Exchange and common shares on KASE. The price was set at USD 10.50 per GDR and KZT 1,578.68 per share with each GDR representing one share. The offering consisted of a sale of 50 million shares, which represent 25 percent of Kcell's share capital.

On 21 December 2018, Kazakhtelecom JSC purchased 75 percent of shares of Kcell owned by Telia Company and Fintur Holdings B.V.

The Company intends to continue to invest in the deployment of its 3G/4G network to expand coverage and to introduce high quality services. Kcell aims to maintain high standards of service in the market by offering its products and services at competitive prices, expanding its offering of products and services, maintaining the quality of its network and enhancing its brand value.