



Kcell JSC

On results for Q3 and 9 months of 2024

Almaty, November 15, 2024. Kcell Joint Stock Company ("Kcell" or the "Company") (KASE, KCEL), one of the leading providers of mobile telecommunications services in Kazakhstan, informs of its financial results for Q3 and 9 months of 2024.

The leading mobile operator Kcell has announced a 7.5% increase in total revenue for Q3 2024 from the same period a year earlier, amounting to KZT 60.4 billion. The Company's representatives confirmed this today during the traditional 'Issuer Day' held by Kazakhstan Stock Exchange. The submitted statements confirm that the operator has demonstrated growth in revenues over the past 9 months.

The Company has achieved remarkable growth, with revenue exceeding KZT 180 billion for 9 months of the current year. This represents a 9% increase year-on-year. This clearly demonstrates the growth of the client base, increased sales and successful marketing strategies. The operator's service revenue increased by 6.4% to KZT 149.4 billion in 9 months of 2024. This resulted in an EBITDA of KZT 63.3 billion and a net profit of KZT 8 billion. The Company has embarked on a major investment cycle focused on the construction and modernization of the infrastructure that serves as the foundation for quality communications. This leads to higher costs for the use of radio frequency spectrum and the maintenance of the expanded network of base stations.

“As you are aware, over the past two years we’ve been actively deploying 5G networks, which of course involves significant capital expenditure. Overall, we invested almost KZT 65 billion in the development of our network over a 9-month period. Furthermore, in 2024 we accelerated the construction and development of our network, which has inevitably impacted our financial performance. In particular, the Company launched 129 5G base stations and 100+ 4G sites in Q3 of this year alone. As of the end of September, we had increased the number of 5G base stations across Kazakhstan to 1040, representing a 25% share of our total 4G sites in the country. Today, over one million customers in 20 cities of Kazakhstan are actively using 5G telecommunication services. Also, for the first time in the country we provided coverage based on the new technology in Almaty metro”, - noted Sabigat Rakhmetov, Chief Financial Officer of Kcell JSC, commenting on the financial statements presented at the Issuer's Day.

The Company's revenue for Q3 increased by 7.5% year-on-year, reaching KZT60.4 billion. Service revenue also grew by 2.8% to KZT 51.1 billion. EBITDA reached KZT 22.3 billion. The Company's subscriber base grew by almost 2% in 9 months 2024, reaching a total of about 7.7 million users. All of this together clearly demonstrates Kcell's strong position in the market, high cash flow generation and ability to maintain a stable growth trajectory for its operational and financial indicators.

“The Company will continue to increase capital expenditures and investments in the development and modernization of its network, including the construction of 5G, to increase the quality characteristics of telecommunication and digital services. By the end of the year, we, the management of the Company, are expecting to achieve a revenue level of KZT 240-250 billion,

an EBITDA margin of 36-37%, and a capex/revenue ratio of 30-35%”, - said Olga Tsoi, Chief Commercial Officer of Kcell JSC,

In Q3, the Company provided new coverage and improved existing mobile internet access in 123 remote areas by installing 123 own base stations. By the end of Q3 2024, the Company launched a total of 277 sites (including partner sites) to cover rural communities with mobile internet. Kcell also launched a roaming pack on cruise ships and cruise liners, called Cruise Data. In addition, the operator launched several new plans in summer, tailored to specific customer groups: 'Imba' for children and schoolchildren, 'Student' for students of universities and colleges, and 'Family', allowing up to 7 family members to share the plan's benefits. Kcell has also ensured that each plan includes all the necessary and interesting content to delight its customers.

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About Kcell

Kcell is a Kazakh provider of digital telecommunications services: mobile communications and converged services of fixed communications (FMC), data transmission and Internet access, financial services, digital services and mobile applications, IT solutions in the field of system integration, the Internet of things, machine-to-machine connectivity, big data collection and processing and cloud computing. Kcell is also a leading mobile operator in Kazakhstan providing the 'smartphone + tariff' service.

Kcell has become the largest digital ecosystem in Kazakhstan with competitive advantages through its value-added services such as mobile financial services, mobile TV, online movies, music, books and magazines, as well as unique solutions for business customers. The company holds leading positions in the B2B market thanks to its strategy of vertical infrastructure solutions and development and implementation of the cutting-edge technologies. The company's 4G/LTE network covers 67.5% of the country's population and provides high quality services.

The company operates under its two brands - Kcell and activ that are widely recognized in our highly competitive telecom market due to the high quality of customer service. Thanks to its clear multi-brand architecture, Kcell increases its business efficiency in the B2C segment through optimal pricing for bundled offerings, customer base profitability management and network quality.