

Q4 and Full Year 2020 Financial results

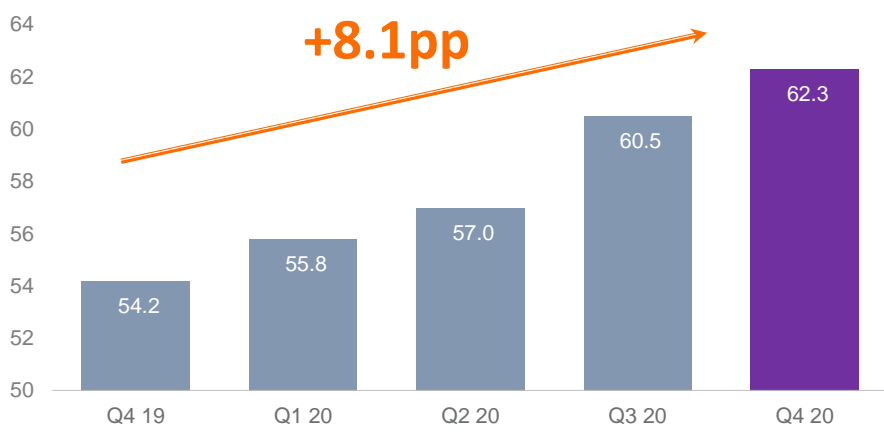


- ❑ Delivered strong financial and operational results in 2020, in line with provided outlook
- ❑ Net sales up 15.7% in Q4 and 11.5% YoY for FY2020
- ❑ Service revenue, excluding off-net bulk sms, grew by 7.6% YoY in Q4, and up 3.8% YoY in 2020
- ❑ Mobile device revenue up 75.5% in Q4 and 81.4% YoY in 2020
- ❑ ARPU grew 7.9% in Q4 and 9.3% YoY in 2020
- ❑ Stabilisation and gradual growth of the subscriber base as a result of the Company's efforts to retain its current subscribers, while attracting new ones through the development and launch of new tariff offers

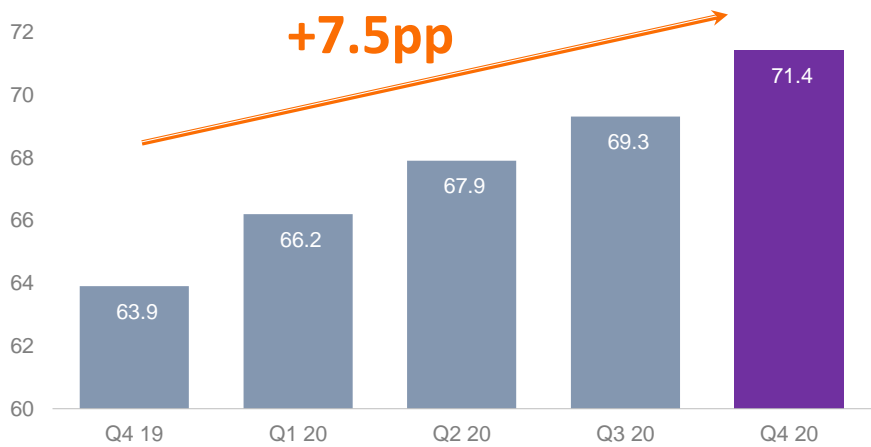


- ❑ Great progress in advancing connectivity across the country through our participation in the "250+" project
- ❑ Significant improvements in both service quality and capacity following the launch of the first phase of radio networks integration with Kazakhtelecom group companies in Q3.
- ❑ Started a project in Q4 to improve the efficiency of the commercial function aimed at:
 - ❑ improving customer experience
 - ❑ accelerating the process of launching new products and services
 - ❑ expanding in the field of VAS, OTT, and MFS
 - ❑ improving mobile application
 - ❑ developing online sales and customer service channels

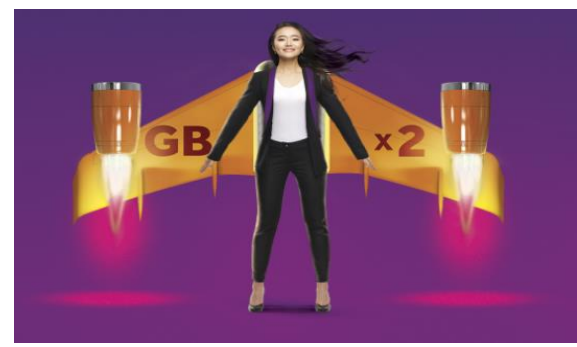
BUNDLE BASE %*



4G DEVICE PENETRATION %*

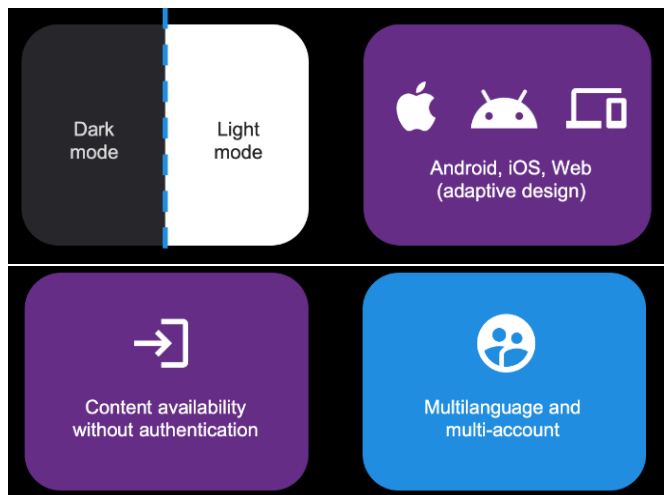


*% in the Company's network

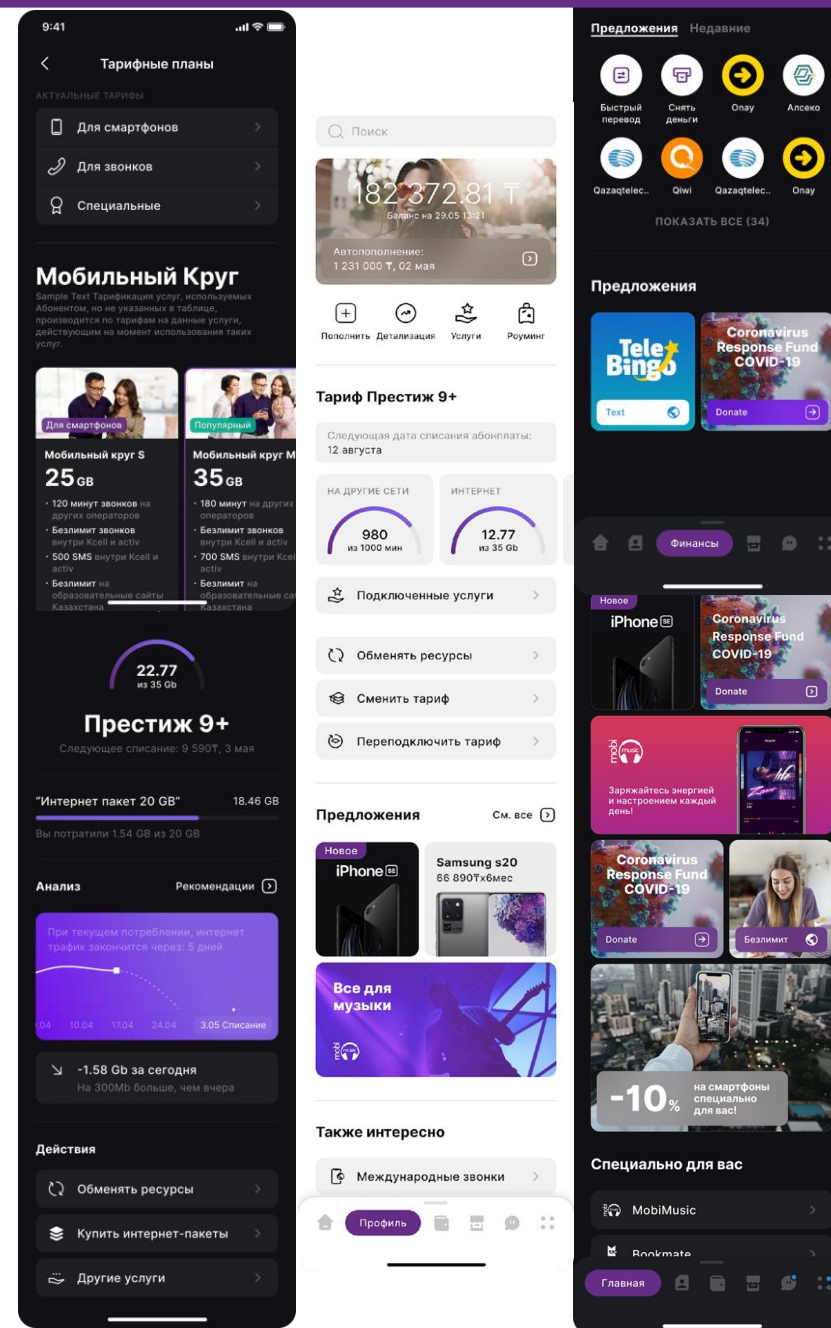


- Revenue growth driven by a rise in subscribers for high quality attractive tariff plans which include variety of additional services (ivi TV, Yandex+, Mobi Doctor, educational platforms, etc.)
- Systematic growth in the penetration of package offers is due to:
 - active promotion of new offers across all communication channels
 - launch of innovative and attractive service packages
 - introduction of a new "Reactive" tariff line with unlimited Internet access and the possibility of doubling bonus GB in case of early write-off of the subscription fee for the tariff
- Significant increase in 4G penetration due to record phone sales and new flagship phones from Apple and Samsung
- Launched "Cash back with Visa QR" campaign - Kcell is the only mobile operator in Kazakhstan providing contactless payments services using QR code in the Visa QR network around the world.

SuperApp



- Launch of a beta version of brand new mobile applications and websites for the convenience of using the Company's services
- An ecosystem comprising many integrated products for consistency and usability:
 - ✓ Core/VAS/OTT
 - ✓ MFS
 - ✓ On-line shop
 - ✓ Subscriber self-service (robot consultant, WhatsApp and Telegram bots, free SMS to 9090)
- Commercial launch with full functionality is planned for April 2021





138 PB
DATA TRAFFIC
+49.8% YoY



3,526 K
4G DATA USERS
+36.5% YoY

10 GB

Average data traffic per
user
+36.2% YoY

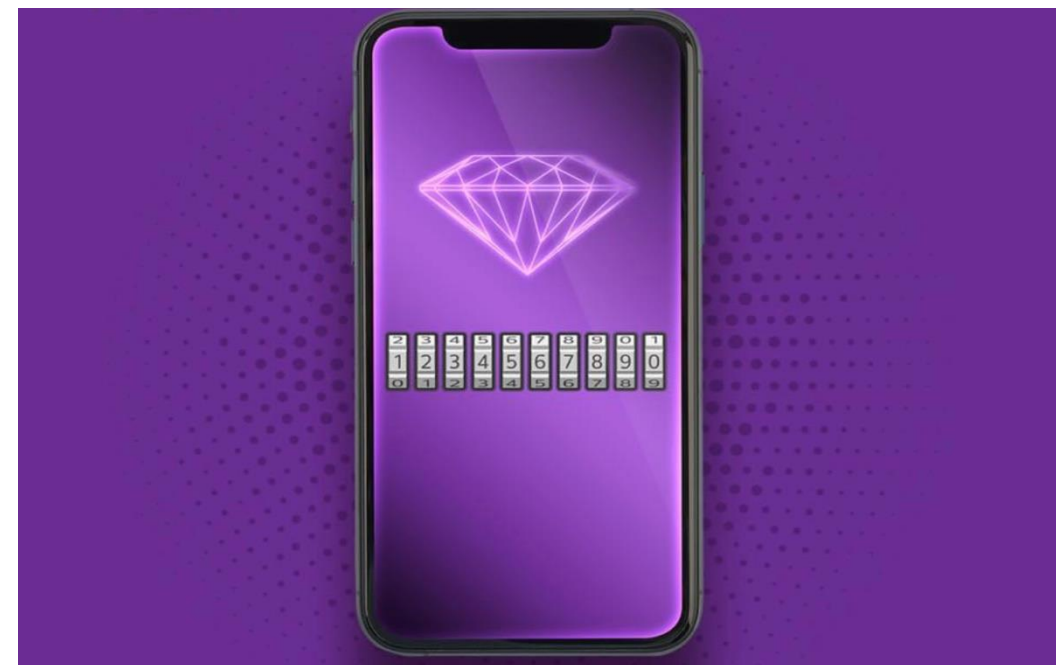


818 K
OTT USERS
+24.2% YoY



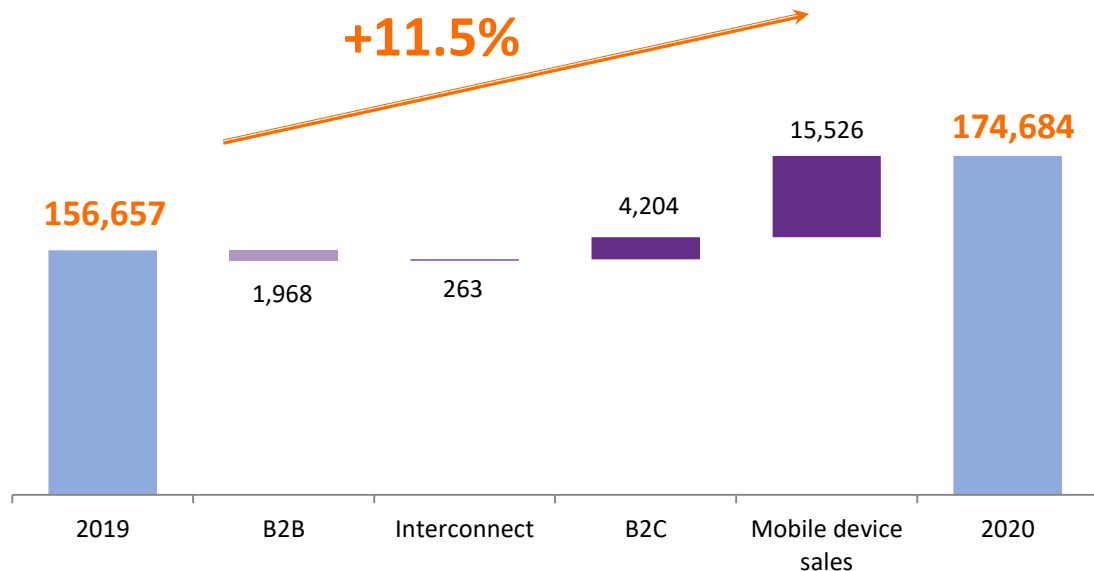


- ❑ Growth of 28.5% YoY in 2020, excluding off-net bulk sms
- ❑ Participation in the Digital Kazakhstan project:
 - ❑ launch of an electronic ticketing system to supply validators and fare payment terminals in public transport
 - ❑ currently operates in 5 large cities across Kazakhstan



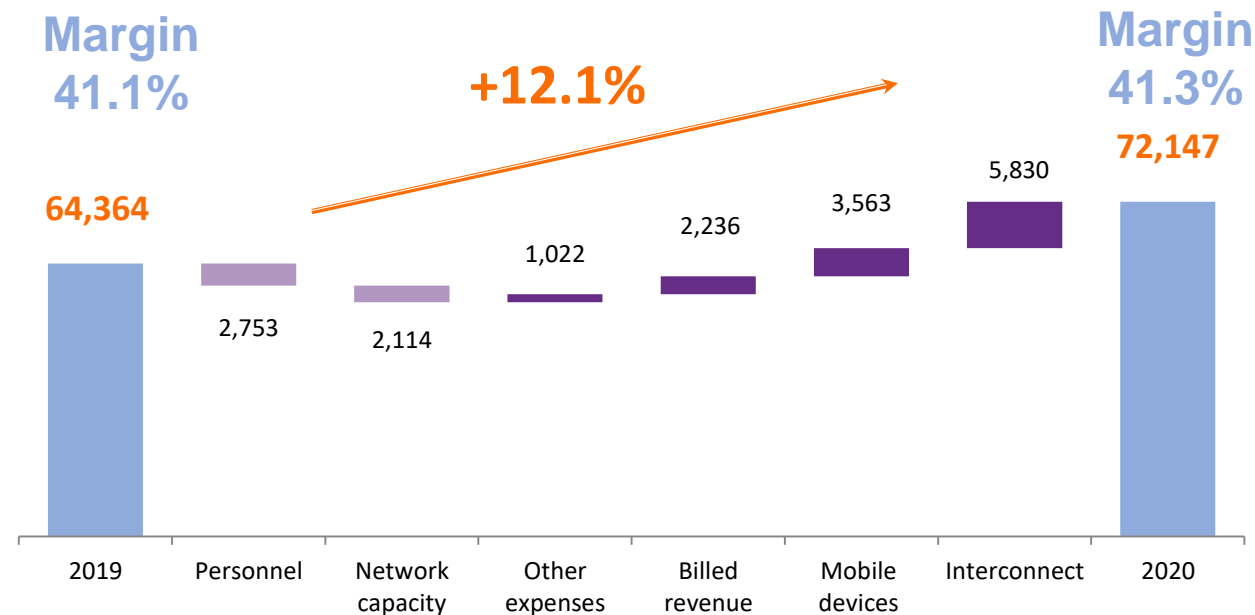
- ❑ Completion of the construction and launch of the first commercial Private LTE in Kazakhstan and one of the first in the CIS, autonomous networks for the mining industry - digitalisation and automation of mining and processing procedures
- ❑ IoT solutions are under development and piloting
- ❑ Introduction of a voice and video communication system (mission critical push-to-talk)

REVENUE GROWTH



- Revenue increase was driven by the introduction of new attractive tariff plans, increased number of customers with bundled offers and higher sales of devices in B2C and B2B segments
- Negative effect mostly resulted from a strategic decision at the start of Q2 to cease the provision of subsidized services (off-net bulk sms)

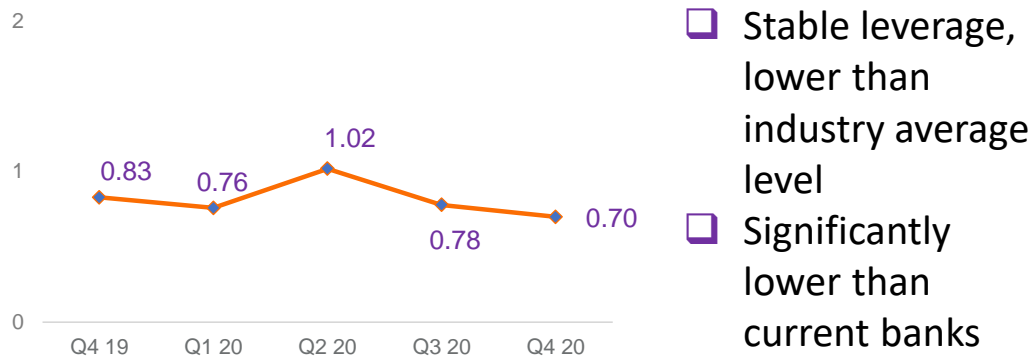
EBITDA* DEVELOPMENT



- Robust EBITDA growth was mainly driven by higher device sales and termination of provision of low margin services (off-net bulk sms)
- Double digit increase in EBITDA was also supported by thorough analysis and tight control of expenses, as well as substantial cost optimisation

*excluding non-recurring items

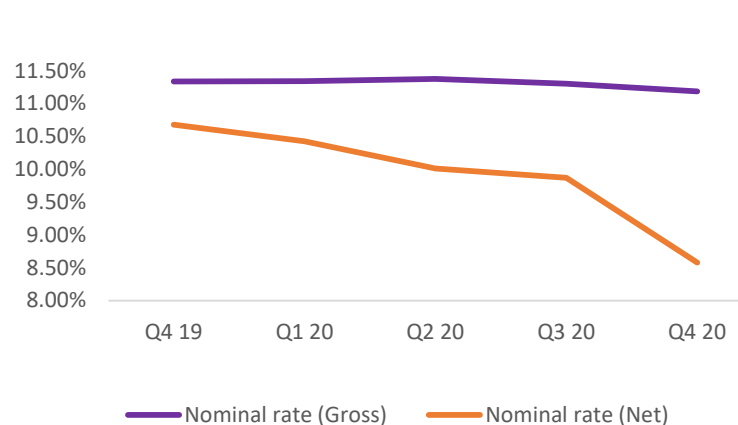
NET DEBT/EBITDA*



- Stable leverage, lower than industry average level
- Significantly lower than current banks covenants

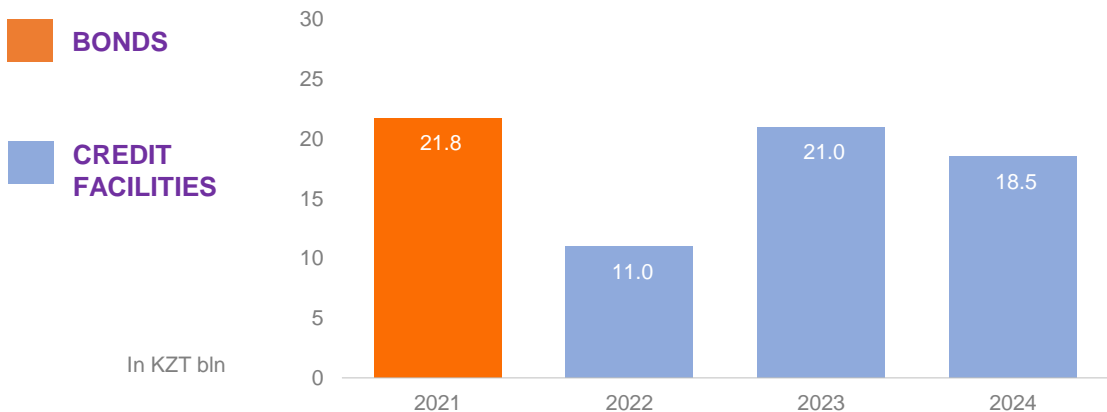
* excluding lease liabilities under IFRS 16

AVERAGE INTEREST RATE



- Interest rate with Halykbank reduced from 11.5% to 11.2%
- Interest rate with Bank of China Kazakhstan reduced from 10.5% to 10.3%
- KZT 6 bln obtained from VTB bank for 3 years, with interest rate of 10.7%

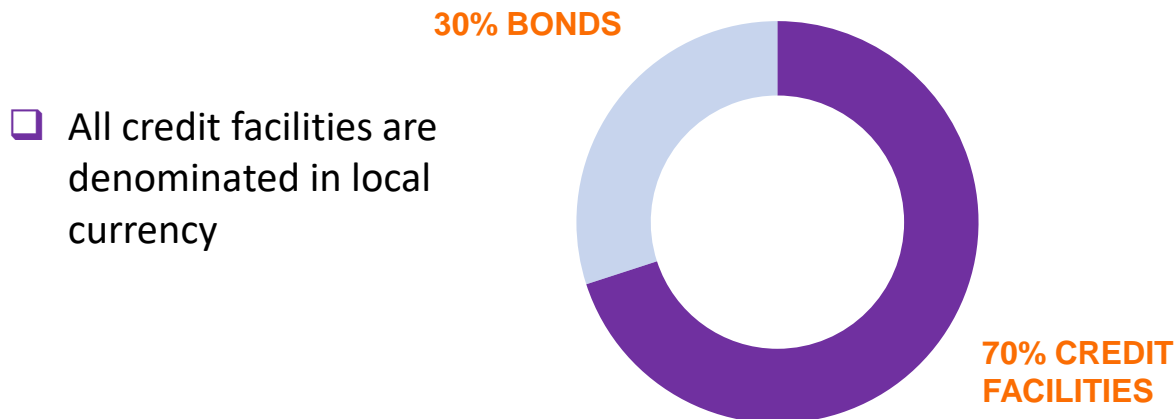
DEBT REPAYMENT SCHEDULE*



* As of 31 Dec 2020

* On 26 January 2021, the principal and bond interest were fully repaid

DEBT PORTFOLIO COMPOSITION



- All credit facilities are denominated in local currency



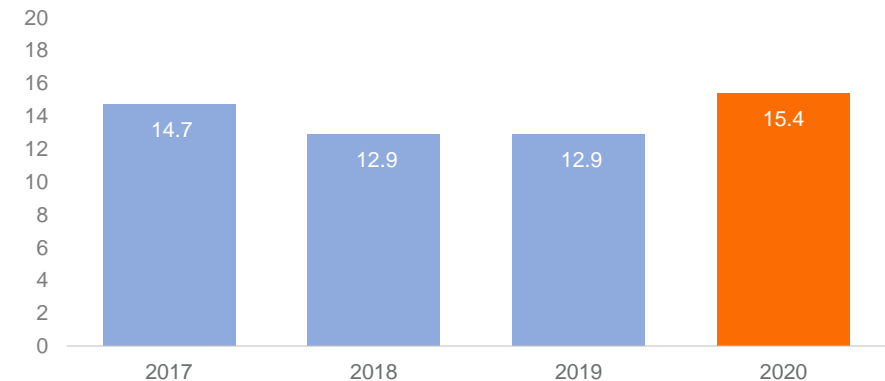
- ❑ Launch of 527 sites covering 563 settlements under the 250+ project (providing mobile communications for all settlements with a population of more than 250 people)
- ❑ As part of the implementation of the first stage of integrating networks with the Kazakhtelecom group of companies 263 sites in 17 cities of Kazakhstan were migrated to Tele2 network by the end of 2020
- ❑ Plans to migrate 2,201 sites to Tele2 network in 38 cities by the end of 2021

75.1% LTE traffic of total data traffic

65.1% LTE population coverage

83.8% 3G population coverage

CAPEX-TO-SALES RATIO



KZT 26,842 mln

Investments in 2020

- ❑ With signs of gradual stabilization of the situation in Kazakhstan, and on the basis of no unexpected events or situations that would undermine this stability, the Company provides an outlook for 2021 of high **single-digit growth** in both **revenue** and **EBITDA**
- ❑ The **Capex** projection will be provided upon completion of the planning of the second stage of the radio access networks integration project with the Kazakhtelecom group of companies.



Q&A

The conference call will be held on **8 February 2021** at 11:00 London time / 14:00 Moscow / 17:00 Almaty.

Kcell Participants: **Yuri Kharlamov** (CEO/CFO), **Aibek Nurkadyr** (Director of Strategic Development Department), **Irina Shol** (Head of IR)

Webcast

<https://mm.closir.com/slides?id=411747>

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