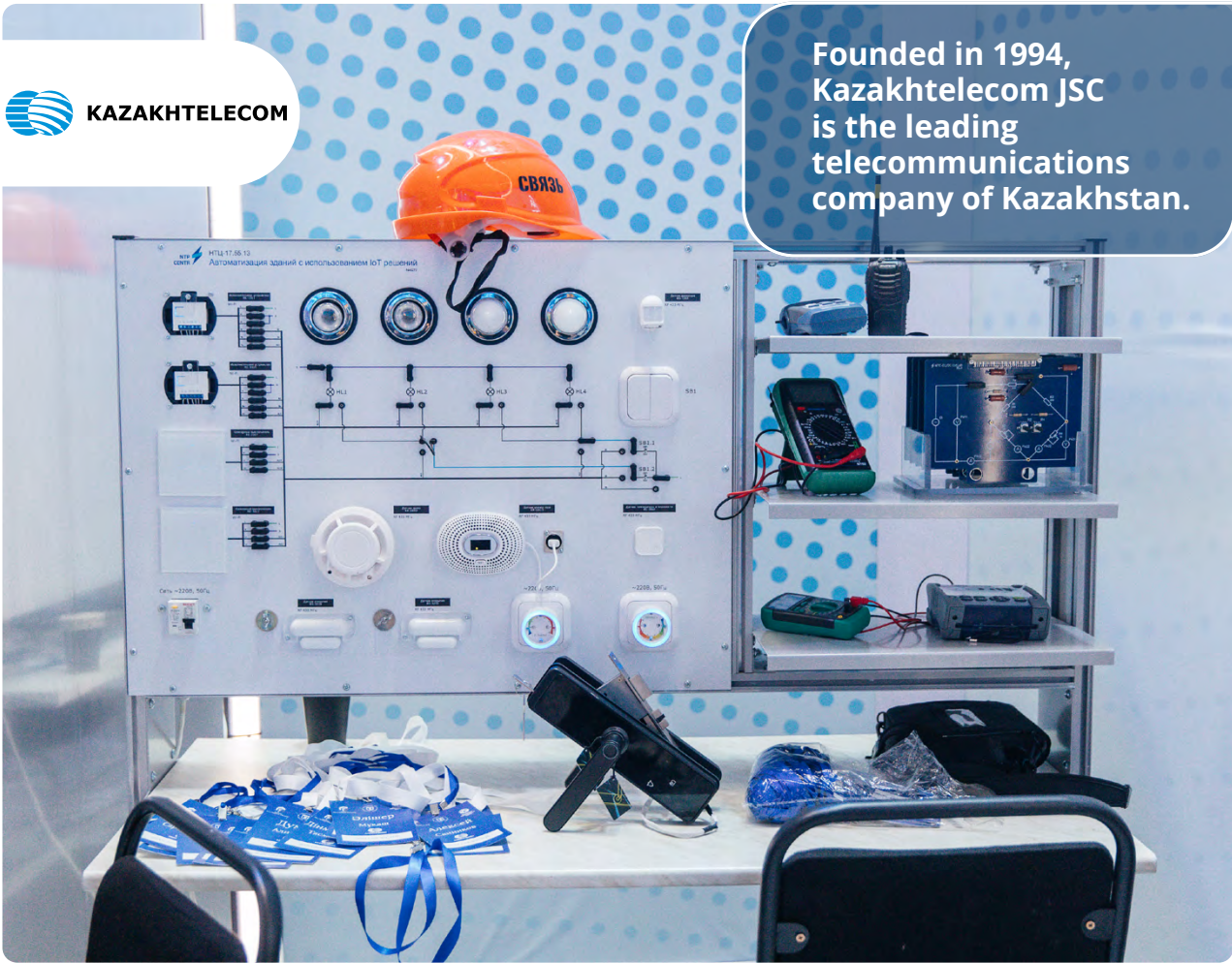


# Information and Communication Operators



As a telecommunications operator of the Republic of Kazakhstan, the company carries out activities for installation, operation and maintenance of the public telecommunications network and private telecommunications systems, performs functions of an operator of the public telecommunications network and, among others, an operator of long-distance and international communications with the right to make settlements with telecommunications administrations of other countries, companies, users and international organisations in accordance with the Regulations of the International Telecommunication

Union and the legislation of the International Telecommunication Union (ITU).  
  
Kazakhtelecom owns the National Information Superhighway – a fibre-optic transport ring that connects major cities of Kazakhstan with the network for high-speed data transmission. The Company's infrastructure consists of more than 91,000 kilometres of fibre-optic lines, 23 data centres, over 14,000 base stations (including MT-S LLC as of 31.12.2024) – 4G/LTE network is deployed in all major cities of Kazakhstan. In 2024, 1,823 5G base stations had been installed across the country.

## KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
<b>Production figures:</b>		
Number of fixed lines, '000 lines	2,510.5	2,277.50
Number of fixed broadband subscribers, '000 ports	1,889.3	1,857.66
Pay TV, '000 subscribers	1,049.2	1,162.45
Mobile subscribers, '000 subscribers	14,471.5	14,848.90
<b>Financial indicators<sup>24</sup>, billion KZT:</b>		
Revenue	687.8	744.5
Operating expenses	517	544.7
Operating profit	171.5	199.8
Net profit	104.4	77.2
EBITDA	297.9	309.0
Dividends paid	33.4	23.1
Taxes paid	107.9	173.4
<b>Sustainable development indicators:</b>		
Emissions to atmosphere, tonnes	228.57	66.29
Accidents	4	5
Fatal accidents	0	0

In 2024, Kazakhtelecom continued active implementation of strategically significant projects, such as deployment of 5G network

and construction of a fibre-optic line under the Caspian Sea along the Azerbaijan-Kazakhstan route (Trans-Caspian FOCL).

## INFRASTRUCTURE DEVELOPMENT

Over the recent years, Kazakhtelecom has been investing annually significant funds in long-term assets. In 2024, within the framework of implementation of investment projects on technical development and support of telecommunications networks, the works on the following key areas of telecommunications

networks development were continued:

- main transport network;
- data network;
- access network.

<sup>24</sup> The financial figures are as per the company's consolidated financial statements for 2023 and 2024.

## MOBILE BUSINESS

Over the past 20 years has managed to build one of the most modern, technologically advanced and extensive mobile communication networks in Kazakhstan. The companies provide 2G/3G/4G (LTE/LTE Advanced) mobile communication services, short message services, value-added services (VAS) such as multimedia messaging, access to mobile content, and data services, including Internet access.

In 2024, mobile operators launched 1,823 5G base stations across the country.

In December 2022, a consortium of Kcell JSC and Mobile Telecom-Service LLP (hereafter – mobile operators) was recognised as the winner in the auction for the allocation of frequency bands for the introduction and development of fifth-generation 5G/IMT mobile communications in Kazakhstan.

5G POPULATION COVERAGE IN 2024

45.8%

## BUSINESS

Kazakhtelecom's services are represented both in the retail and wholesale markets of telecommunication services.

### SERVICES ON THE WHOLESALE TELECOMMUNICATIONS MARKET

In the wholesale market, the Company provides services in the operator segment, strictly adhering to the norms of the current legislation and the principles of mutually beneficial partnership. The Company strives to maintain and develop the factors of its competitive advantage – availability of the necessary number of network resources to connect operators' networks and pass all types of traffic, an extensive telecommunications network built on the latest digital equipment with high bandwidth capacity, providing high-quality and reliable service to operators and their subscribers. Operator services include: connection of telecommunications networks and transmission of inter-network, local, long-distance and

international traffic, access to the Internet, leasing of backbone communication channels, additional services for laying networks through cable channelisation, billing services, connection to Kazakhtelecom's clock network synchronisation system.

### SERVICES ON THE RETAIL TELECOMMUNICATIONS MARKET

In the retail market of telecommunications services, Kazakhtelecom provides telecommunications services for end consumers, individuals (B2C) and legal entities (B2B, B2G).

In order to improve the quality of services provided, Kazakhtelecom continues a large-scale project on upgrading its own infrastructure by transferring from outdated copper ADSL technologies to modern fibre-optic lines.

## DEVELOPMENT OF TRANSIT POTENTIAL

The Company pays great attention to the development of transit potential and increasing transit telecommunication flows through Kazakhstan, as it has a network of backbone fibre-optic communication lines connecting all border areas, providing connections to China, Russia, Europe and Central Asian republics. Kazakhtelecom continues to build up its international presence and infrastructure abroad to improve the quality of services, strengthen national and global network security.

In 2024, Kazakhtelecom completed organisation of direct connections with the largest Internet companies: Facebook, Amazon, Apple, Microsoft, Google in Europe and Asia and now exchanges traffic with them directly without transit systems.

## MODERNISATION OF IT INFRASTRUCTURE

As part of the project to upgrade and improve the Company's IT infrastructure, new high-performance server and network equipment was installed and commissioned, the corporate network core was upgraded, and a large programme to upgrade network segments in the regions was launched. In 2024, construction was completed and a new containment area was commissioned in the bunker-type data centre in Akkol, located 120 km from the capital. It meets the TIER II reliability level with TIER III elements and provides a high degree of data protection due to the N+1 redundancy of engineering equipment, which guarantees uninterrupted operation even in case of failure of individual elements. Next year, the telecom operator plans to build a new TIER III data centre in Astana for 300 racks, where demand is currently growing exponentially.

## TV PLATFORM DEVELOPMENT+ CLOUD TECHNOLOGIES

Creating and promoting original content remains a key area of development for the TV+ platform to further attract and retain new users. The number of TV+ users increased by 60% compared to 2023.

The development of its own content strategy, the expansion of its catalogue of films and series, as well as technological improvements have enabled TV+ to maintain its leading position among Kazakhstan's television platforms and continue its dynamic growth in 2024.

In order to develop cloud technologies and expand the line of cloud solutions and products, Kazakhtelecom entered into a co-operation agreement with Smart Cities LLP, a member of the AITU digital ecosystem from BTS Digital.

In addition, in order to improve public safety, law and order in educational institutions in 2024, cloud video surveillance projects were implemented in 371 educational facilities in Almaty region, 86 schools in Karaganda city, as well as in 202 educational institutions in Atyrau region.

## TRANS-CASPIAN FIBRE-OPTIC COMMUNICATION LINE PROJECT

Within the framework of the Trans-Caspian fibre-optic communication line project, the joint venture CASPINET B.V. (50% – Kazakhtelecom JSC, 50% – Azertelecom Int. LLC) prepared tender documentation and held a tender to select an EPC-contractor for the design and construction of an underwater fibre-optic communication line under the Caspian Sea.

### CLOSER TO THE CONSUMER

In October 2024, the SAPA+ project was launched in order to improve the quality of Wi-Fi connection for customers connected via optical lines (FTTx). As part of this initiative, Kazakhtelecom JSC replaced equipment/installed additional equipment free of charge, which enabled to significantly improve the speed and reliability of the network.

To simplify the process of connection and processing of applications, Megaliner software has been implemented in production, allowing employees to easily connect customers.

For 2024, a multichannel application system has been organised: through the mobile application telecom.kz, the official website, Call Centre 160, technical support, official WhatsApp and Telegram accounts, company branches, as well as applications from employees through Megaliner.

Internal processes were optimised, interaction between departments was improved, and work with clients was automated. The developed technical solutions allowed to automate processes and increase the efficiency of employees' work.

**IMPROVING CUSTOMER EXPERIENCE**

For 2024, 6.3 million calls were received, which is 16% less than in 2023. Decrease in requests is observed across all channels (Subscriber Department, KC 160 and KC 165), except for the Online Channel (21% increase). The largest share of references to the quality of services is 40%.

- Agent Performance (AP) reached 97% (+2%);
- First Request Resolution (FRR) was 96% at the end of the year (+5%);
- Transactional NPS (tNPS) reached 80% at the end of the year (+9%).

During the reporting period, a touch screen electronic queue was installed. A total of 416,751 subscribers were served using the electronic queue in 2024. In SRM 2.0, the electronic queue was integrated and the functionality of online queue booking in the mobile application was implemented.

### NETWORK DEVELOPMENT

In 2024, optical networks were put into operation in Kazakhstan under the project for the development of broadband access network using FTTx technology, providing high-speed Internet connection to 49,780 subscribers in 644 apartment blocks and 2,341 subscribers in the private sector of cities.

In addition, in 2024, optical networks were put into operation under the partnership model of network construction, enabling 48,687 households to be connected to high-speed internet.

### SUSTAINABLE DEVELOPMENT

In 2024, the international agency S&P Global raised Kazakhtelecom's ESG rating from 32 to 50 points, which is above the industry average (42 points) and confirms the company's strong position in sustainability management.

ESG strategy for 2024–2032 was approved.

Key priorities of Kazakhtelecom's ESG strategy:

- Human capital development – inclusive and balanced;

- Becoming one of the international ESG leaders by 2030;
- Integrating technologies to protect data and combat cyber threats;
- Strategic transition to low-carbon development.

### PLANS FOR 2025

In 2025, the Company will focus on strengthening digital capabilities, developing mobile and optical networks, expanding internet access in rural areas, and participating in international telecoms projects.

As part of the long-term construction programme until 2027, the Company will continue to actively deploy the 5G network.

Modernisation of optical networks and connection of new households continues. In particular, it is planned to connect at least 70,412 subscribers under the Tazartu project. The project "Reconnection of PPP 2.0 FOCL subscribers" will also be launched.

In 2025, the Company will connect more than 3,000 villages under the national project "Affordable Internet" using GPON, LTE and radio relay technologies. It is also planned to install aggregation equipment in 12 regions, while coverage expansion will cover hard-to-reach areas of the Republic of Kazakhstan.

The Company will continue implementation of the Trans-Caspian FOCL (fibre optic communication line) project.

In addition, Kazakhtelecom JSC will continue to develop digital platforms, including cloud technologies, artificial intelligence and machine learning.



## Postal services and logistics, financial and digital services



This is the only subsidiary Samruk-Kazyna JSC with full state participation, which bears social responsibility for the delivery of pensions, allowances and periodicals.

## KEY PERFORMANCE RESULTS 2024

Indicator	2023	2024
<b>Production figures:</b>		
Items posted, '000 units	106,964	103,628
Financial and agency services, million KZT	1,186,744	1,154,177
<b>Financial indicators<sup>25</sup>, million KZT:</b>		
Revenue	54,477	62,551
Net profit	2,413.8	697.8
Costs	-83,392	-105,216
Operating profit	2,413.8	482.3
Net debt	7,000	7,000
Taxes paid	5,299	6,654
<b>Sustainable development indicators:</b>		
Emissions into the atmosphere, '000 tonnes	0.565	0.402
Accidents	3	5
Fatal accidents	0	0

<sup>25</sup> Financial indicators are stated according to the Company's consolidated financial statements for 2023 and 2024.

Kazpost remains a key player in logistics, financial services and digital transformation in Kazakhstan. 2024 was a year of dynamic growth, transformation and implementation of innovative solutions for Kazpost. Despite external challenges, Kazpost achieved significant successes, strengthening the Company's position in logistics, digital services, financial solutions and e-commerce.

For the first time, the company was included in the top 50 postal operators in the world according to the Universal Postal Union, which testifies to the high level of services provided.

## LOGISTICS AND POSTAL SERVICES: SPEEDING UP TRAFFIC

The development of logistics infrastructure and postal services remains a key focus for the Company.

The introduction of an automated sorting system has reduced processing time by 30%.

In addition, the network of self-service terminals is being actively expanded. 500 new OMNIC parcel terminals have been installed, making delivery even more convenient for customers.

Postal services also show steady growth: in 2024, the number of parcels processed increased by 117% compared to the previous year. Revenues from postal services grew by 122% to KZT 10 billion.

MORE THAN

# 7.8

million parcels were  
processed in 2024

Three new logistics centres were put into operation in Almaty, Astana and Aktope, which helped speed up the processing and distribution of parcels.



## E-COMMERCE: KAZAKHSTAN IN GLOBAL TRADE

Kazpost continues to develop e-commerce and improve services for customers. The QazPost Marketplace was launched, which simplifies online shopping for residents of all regions of Kazakhstan. QazPost Super App, a digital ecosystem that combines parcel tracking, payment and financial transaction services, was introduced.

Co-operation with global e-commerce leaders has significantly expanded the Company's capabilities.

Direct deliveries with Pinduoduo from China have helped open 118 order release points, with over 100,000 parcels dispatched in March 2024 alone. Partnerships with Alibaba.com, Ozon, Wildberries and Cainiao are being developed, which speeds up international delivery and makes it more affordable. The Ozon RFBS project has also been implemented, which gives Kazakhstani sellers the opportunity to ship goods to Russia.

## FINANCIAL SERVICES: DIGITAL SOLUTIONS FOR EVERYONE

Kazpost strives to make financial services more accessible and convenient.

In February 2024, Fitch Ratings assigned Kazpost an international rating of "BBB-" with a "Stable" outlook, which emphasised the Company's important role as a national operator and its financial strength. This result strengthened the trust of partners, confirmed the strategic importance of the Company for the economy of Kazakhstan, opened new opportunities for international co-operation and increased its investment attractiveness.

The development of the brokerage business brought the securities portfolio to KZT 600 billion, and income from brokerage operations totalled KZT 888 million. Within the framework

**In 2024, Kazpost's deposit portfolio increased to KZT 233 billion – 10 times more than in 2023.**

of the national project "Comfortable School", 100 settlement accounts were opened with revenues totalling KZT 99 billion. Apple Pay and Google Pay projects were also implemented, which allowed Kazpost's customers to make contactless payments.

## INTERNATIONAL CO-OPERATION: PUSHING THE BOUNDARIES

In 2024, Kazpost significantly strengthened international co-operation. It opened an Overseas Exchange Place in Singapore and received an IMPC code from the Universal Postal Union. Co-operation with the world's largest postal and logistics companies, such as Omniva, Ozon, Wildberries and YTO Express, allowed for a significant increase in shipments and improved conditions for the transit of goods.

With direct shipments from Pinduoduo, AliExpress and Alibaba.com, international shipping has become even faster and more convenient for customers.

Co-operation with Ozon and Wildberries is developing, and a joint venture with Omniva (Estonian Post) has increased the turnover of postal items from Europe.

## SUSTAINABLE DEVELOPMENT

Environmental responsibility and care for employees remain at the centre of the Company's attention. In 2024, the Company gasified 7 facilities, modernised lighting systems on the territory of 5,076.5 square metres,

and purchased 53 vehicles with EURO-5 environmentally friendly engines. The Company is also actively involved in landscaping, planting over 1,000 trees in 19 regions of the Republic of Kazakhstan during the year.

## PLANS FOR 2025

In 2025, the Company faces ambitious tasks: expanding its logistics infrastructure and digital services, introducing new solutions

in e-commerce and financial services, and deepening international co-operation to enhance competitiveness.

