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PRESS RELEASE

The income of the Kazakhtelecom JSC group of companies increased by 8.4% at the end of 2023

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Astana city

The country's largest telecom operator has disclosed its financial statements for 2023. According to the document, the Kazakhtelecom group of companies showed growth in revenue over the past year and ensured high business margins.

Thus, according to consolidated reporting, the group's income increased in 2023 by KZT 53.3 billion and amounted to KZT 687.8 billion (KZT 634.5 billion at the end of 2022). The growth was achieved due to increased revenues in both the fixed-line and mobile segments. EBITDA improved by 4.3% and its margin to revenue was 43.3%. Net profit for 2023 amounted to KZT 104.4 billion.

As noted by **Lyudmila Atamuratova, CFO of Kazakhtelecom JSC**, such financial indicators were achieved against the backdrop of a significant increase in capital expenditures aimed at implementing such major projects as the deployment of the fifth-generation communication standard, large-scale migration of clients from outdated ADSL technology to GPON and much more.

"The year 2023 for the group of companies turned out to be truly productive and eventful. Thus, we have entered the active phase of implementing a project of strategic and national importance - the deployment of the 5G network. In addition, as a socially responsible employer, for whom employees (more than 23 thousand people across the Group of Companies) are the main asset, we have significantly increased personnel costs and wages. But thanks to the implemented conservative policies and improvements in operating activities, business processes, cost optimization, and increased efficiency, in general, we managed to finish 2023 with fairly strong financial results," explained **Lyudmila Atamuratova**.

The words of the company's CFO are also confirmed by international rating agencies. Thus, at the end of 2023, S&P Global Ratings and Fitch Ratings noted the company's strengths and predicted further organic revenue growth, maintaining and confirming the high level of Kazakhtelecom's credit ratings at the levels of "BB+" and "BBB-", respectively, with a stable outlook.

"The assessment by reputable international rating agencies tells us - management, shareholders and the market - about the correctness of the chosen course and development strategy, as well as the elaboration of investment plans, which include substantial capital expenditures both for maintaining and expanding its telecommunications infrastructure, and for the implementation of large-scale projects - like 5G, Caspian fiber-optic communication line, ubiquitous in front of clients for "optics", etc. and at the same time the company retains the ability to generate the necessary cash flows, a comfortable level of liquidity and financial stability," noted **Kuanyshbek Yessekeyev, CEO of Kazakhtelecom JSC**.

Let us remind you that Kazakhtelecom is the undisputed leader in the telecommunications market of Kazakhstan, providing a wide range of services in all segments of the domestic telecommunications market: in the field of fixed telephony, broadband Internet access, mobile communications, pay television and IT products. The company's competitive advantage is its developed and powerful infrastructure, which includes an extensive fixed fiber-optic network (more than 88 thousand km throughout the country), as well as an extensive mobile network. This infrastructure allows the group of companies to provide high-quality services to 1.9 million subscribers in the broadband access sector, over 14.5 million subscribers in the mobile communications segment and serve more than 1 million pay TV connection points.

The audited financial statements of the Group have been previously approved by the Board of Directors of Kazakhtelecom JSC and are subject to final approval by the annual General Meeting of Shareholders, the meeting of which is scheduled for April 30, 2024.

Department of Communications
Kazakhtelecom JSC