



The first 5G city is launching in Kazakhstan

Almaty, 14 December 2021 - Kcell Joint Stock Company ("Kcell" or the "Company") (KASE, AIX: KCEL), one of the leading provider of mobile telecommunications services in Kazakhstan, announces that Kcell and Ericsson have entered into a Strategic Agreement of Intent to accelerate the development of 5G technologies in Kazakhstan. Under the terms of the agreement, the companies are opening a new milestone in the development of advanced technologies in the country – the first pre-commercial 5G zone in Turkestan city.

The official launch of the first 5G city in Kazakhstan is taking place in Turkestan, the capital of the Turkic world. A large-scale project within the framework of the partnership is being implemented by the digital operator Kcell and Ericsson, the world-leading provider of telecommunications equipment.

Yuri Kharlamov, Kcell CEO:

"The launch of 5G in Kazakhstan will boost digital economy development. A new generation network will accelerate the development of artificial intelligence, the Industrial Internet of Things (IoT), the smart city concept, cloud computing, and Big Data. Today, there are 8 fully functioning outdoor stations, which cover the entire historical center of Turkestan. These are strategically important and tourist objects of the city: the city Akimat, Congress Hall, Turkestan Arena stadium, bus station, Farab Central Library, Batyr Youth Palace, etc. In addition to outdoor, it is planned to install indoor sites in important tourist objects, such as the airport, Kcell Subscriber Service Center, Rixos hotel. Already today, Kcell and activ subscribers will be able to connect to the 5G network from most smartphone models that support data transmission in a new generation network."

For Kazakhstan, this is the first launch of an entire city with 5G coverage, a new generation telecommunications standard, timed to coincide with the 30th anniversary of Kazakhstan's independence. It became possible thanks to the developed infrastructure of Kazakhtelecom JSC.

According to Timur Khudaiberdiyev, a member of the Board of Kazakhtelecom JSC: *"The group of companies, after multiple 5G testing, once again confirms the status of the technology industry leader. 5G technologies provide higher bandwidth, create ultra-reliable large-scale communication systems between devices, and also guarantee a shorter signal delay time. This technology will change business, cities, healthcare, and the public sector. For Turkestan, this is a new milestone in the development of the Internet of Things (IoT) concept, elements of a "smart city" with the ability to make management decisions based on big data analysis and the building of "smart industries", the activities of which will be fully automated. Such a technological breakthrough became possible thanks to the effective cooperation of Kazakhtelecom Group with Ericsson."*

Mobile technologies have already become an integral part of our life and work. The pandemic, in turn, has accelerated digitalization in many areas. Over the past 10 years, mobile traffic has grown 300 times, and 5G technology is becoming the fastest developing technology in the history of communications. According to the Ericsson

Mobility Report 2021, by the end of 2027, there will be 4.4 billion connections in 5G networks — almost half of all mobile connections in the world.

Today telecommunications is one of the important objects of state infrastructure. Its development will allow meeting the growing needs of society, business and industry. A whole ecosystem is being formed around the 5G network, and technologies based on a new generation of communication will develop rapidly in the coming years. 5G technologies will be in demand both among subscribers and at manufacturing enterprises for the introduction of various types of management and control, equipment monitoring and process automation.

"Within the framework of long-term cooperation, we are pleased to support Kcell on the way to introducing the latest 5G telecommunications technologies. In the future, 5 years in the area of 5G networks, fifth-generation communications will account for about 50% of mobile connections and 62% of global smartphone traffic. The joint project with Kcell will become the technical basis for further development of the digital ecosystem in Kazakhstan and will increase the availability of the latest technologies for both subscribers and businesses," said **Anatoly Ilyich, Vice President for Development of Radio and Transport Networks in the Eastern Europe and Central Asia region of the Ericsson company.**

Ericsson has a full range of technical solutions for implementation of 5G networks, as well as expertise in their implementation and integration. Thanks to the latest Ericsson Radio System equipment and other innovative developments of Ericsson, the Kcell network is ready to launch new services. 5G coverage inside buildings will be provided through the Ericsson Radio DOT System solution, which allows increasing the network bandwidth several times and reduce the number of communication interruptions to zero.

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Company Overview

Kcell is a national provider of the digital telecommunications services: mobile and fixed-mobile convergence (FMC) services, 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, collection and processing of big data 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 a competitive advantage 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.