



Termination of network sharing agreement with Kar-Tel LLP

Almaty, 15 April 2019 - Kcell Joint Stock Company ("Kcell" or "Company") (LSE, KASE: KCEL), the leading provider of mobile telecommunications services in Kazakhstan, has received a written notice ("the Notice") from Kar-Tel LLP terminating its cooperation under the Network Sharing Agreement in Kazakhstan dated 29 August 2016 ("the Agreement").

The termination follows a change in control of Kcell after Kazakhtelecom JSC acquired 75 percent of Kcell's shares. This has resulted in a termination penalty of KZT 14.5 billion which Kcell is obliged to pay within 30 calendar days.

The parties will agree on the period of withdrawal from the Agreement in a due course.

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Company Overview

Kcell provides mobile voice telecommunications services, messaging services, value-added services (VAS) such as multimedia and mobile content services, as well as data transmission services including internet access. It has two brands: the Kcell brand, which is targeted primarily at corporate subscribers (including government subscribers), and the Activ brand, which is targeted primarily at mass market subscribers. The Company offers its services through its extensive, high quality network which covers substantially all of the territory of Kazakhstan.

In December 2012, Kcell successfully completed its offering of GDR's on the London Stock Exchange and common shares on KASE. The price was set at USD 10.50 per GDR and KZT 1,578.68 per share with each GDR representing one share. The offering consisted of a sale of 50 million shares, which represent 25 percent of Kcell's share capital.

On 21 December 2018, Kazakhtelecom JSC purchased 75% of shares of Kcell owned by Telia Company and Fintur Holdings B.V.

The Company intends to continue to invest in the deployment of its 3G/4G network to expand coverage and to introduce high quality services. Kcell aims to maintain high standards of service

in the market by offering its products and services at competitive prices, expanding its offering of products and services, maintaining the quality of its network and enhancing its brand value.