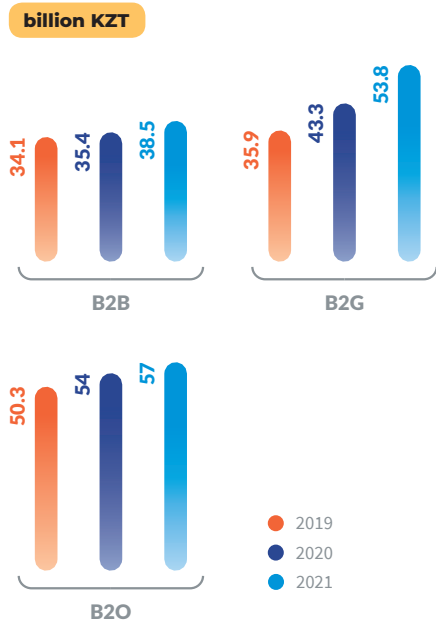


Corporate business

The Company's revenue in the corporate segment for 2021 amounted to KZT 149 bln 337 mln, net of VAT, broken down by B2B, B2G and B2O segments.

Company's income in the corporate segment



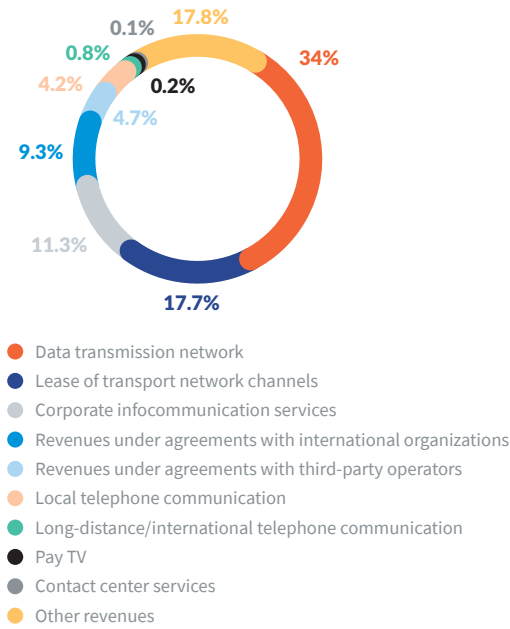
In 2021, the corporate segment focused on such areas as the development of the product line, identification of the most effective digital channels and their development, personalization and digitalization of services, and development of the OFD project.

As part of the implementation of the strategic objective of Kazakhtelecom JSC — the business partner of the digital economy in the corporate segment, revenue growth from new businesses in 2021 was 209% compared to the previous year, and from new services — 53%.

Despite quarantined restrictions, outflow of services in the corporate segment was reduced by 3.2 thousand (or 4%).

In the structure of income in the corporate segment, the largest share of 33.95% is made up of income from the provision of data transmission network services. The share of income from the lease of transport network channels equals 17.66%, and the share of income under the agreement with international operators equaled 9.29%.

Revenues structure of the Company in the corporate segment



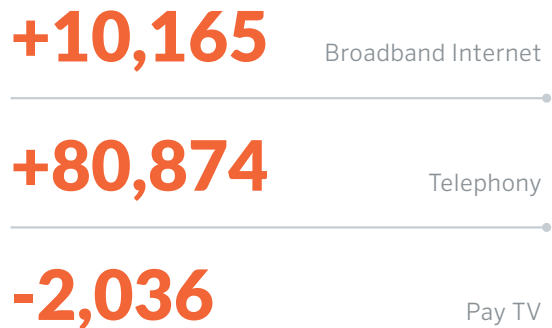
Total volumetric indicators

ports



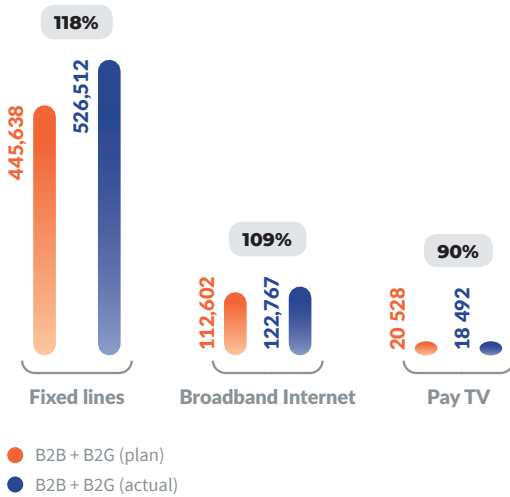
In absolute value

thousand ports



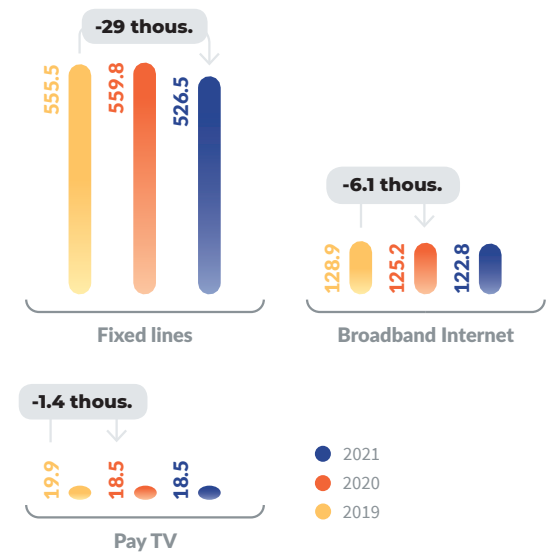
Implementation of the volume plan in the corporate segment for 2021

subscribers



Increase in volumes per B2B/B2G segment

thousand ports



Implementation of the planned volume of **115.4%**, in absolute terms — **89,000 ports**.

B2B's client portfolio at the end of 2021 is more than

87

thousand clients

B2G's client portfolio — more than

16

thousand state-owned enterprises

By the end of 2021, the corporate segment of Kazakhtelecom JSC attracted about

11,900

new clients

more than 3,500
legal entities

7,400
individual entrepreneurs

955
state-owned enterprises

Product line expansion and differentiation

Thanks to an effective understanding of the needs of corporate clients, the Company has developed and implemented a number of new products aimed at increasing the efficiency and efficiency of their operations. Innovation and the possibility to combine with the Company's products already in use are mandatory criteria when developing new products.

In 2021, an information security product was launched to protect the confidential information of subscription AntiDDoS subscribers. This DDoS protection service makes it possible to detect and block attacks aimed at theft or spoofing of site data. The site's vulnerabilities are also actively scanned and traffic to operate them is blocked.

In addition, in 2021 the Company launched Imou Kazakhtelecom, a video surveillance product, as a solution for small and medium-sized businesses. This is a packaged solution for quick video surveillance without connecting additional equipment.

In addition, the Company has developed TV+ B2B, which is intended for legal entities, and makes it possible to connect Smart TV to TV from Kazakhtelecom JSC without additional equipment based on the TV+ platform.

Digitalization

In 2021, Kazakhtelecom JSC accelerated its implementation of the online customer service practice. The work was aimed at the growth and attraction of new clients, at transferring clients to online services, and at improving client service and improving client loyalty.

At the end of 2021, more than 34,000 B2B customer requests were processed for one of the most popular online channels of the WhatsApp, which accounted for 25% of all online client requests, of which 40% were processed using chat bots. The transition of customers to digital channels reduced the Contact Center burden by 25%.

34,000

B2B customer requests

were processed for one of the most popular online channels of the WhatsApp

IT IS POSSIBLE TO RECEIVE VARIOUS SERVICES ON THE ISMET.KZ BUSINESS PLATFORM WITHOUT LEAVING THE OFFICE. USERS MAY:

- › to use the convenient process of ordering services of Kazakhtelecom JSC. The possibility to connect broadband data (optics) in digital format (up to the time of installation);
- › use the user account to submit/monitor requests/requests and monitor the status of service orders. The possibility to perform self-diagnostics of the problem and solve the problem without the participation of the operator. To receive information on the individual account, balance sheet, itemization, replenishment;
- › to receive and sign electronic documents (contracts, ABC, ESF, etc.);
- › Promote your business;
- › post information on its goods or services;
- › search for partners, clients, contractors, etc.

The introduction of the digital customer journey has increased the number of registered users of the ISMET.KZ platform by 2 times, and allowed the threshold of 63 thousand users to pass, while sales over the year through digital channels rose from 1.2% to 13.2%.

As part of the digital transformation, Kazakhtelecom JSC has launched a pilot project "Digital Partner in Village" in Turkmenistan region. The idea of the project is to engage private entrepreneurs to provide Internet services to rural communities, and the partner has the opportunity to earn money together with the operator. All interactions with the project partner are performed via a digital channel.

At the end of 2021, the "Level of loyalty of NPS B2B" fell to 15%. The main reasons for the decrease are the client's dissatisfaction with the quality of services. There was

an active increase in online interactions during the period of the disaster. Sales were transferred online, employees were transferred to remote work, and the transfer of schoolchildren and students to remote learning format created an unprecedented burden on the network.

Incoming and outgoing traffic in the B2X segment increased by 1.5-2 times. Businesses with relatively low speed in the pre-December period today require optical technologies and high speed. For this reason, in 2022 the corporate segment is facing global challenges to transfer the business to improved technical characteristics. In addition, the goals for 2022 are aimed at reducing expenses on paper, logistics, reducing the labor costs of sales and service personnel by transferring service transactions online and digitalizing the process of connecting using fiber-optic communications.

Fiscal data operator

Kazakhtelecom JSC was determined by Resolution of the Government of the Republic of Kazakhstan No. 1393 dated 29 December 2014 to ensure the transfer of information via public telecommunications networks by the fiscal data operator.

The Operator of Fiscal Data (OFD) project ensures the prompt transfer of information on cash settlements using CSM made during trading operations and/or the provision of services to the state revenue authorities.

According to the Order of the First Deputy Prime Minister of the Republic of Kazakhstan — the Minister of Finance of the Republic of Kazakhstan dated April 19, 2019 No. 363 "On Amendments to the Order of the Minister of Finance of the Republic of Kazakhstan dated February 16, 2018 No. regime to the state revenue authorities for public telecommunications networks" two more fiscal data operators were identified — Transtelecom JSC, Kar-Tel LLP and KazTransCom JSC.

Since 2015, Kazakhtelecom JSC has been providing services of accepting, processing, storing and transferring fiscal data in unchanged form to the tax authorities via wired and wireless VPN channels (SIM cards of Altel JSC, Kcell JSC, Kar-Tel LLP).

Despite the appearance of new players in the market of fiscal data operators, such as TTK, KazTransCom and Kar-Tel LLP, the Company retains its leading position in the market of OFD in Kazakhstan through the optimization and digitalization of business processes and provision of services to end users.

The number of active cash registers connections fell by 14,000 in 2021. The reason for the decrease was a change in the situation on the OFD market and strong price competition.

In January 2020, the final stage of the phased introduction of the Nationwide Classification of Economic Activities (NCEA) was completed in accordance with Order of the Minister of Finance of the Republic of Kazakhstan No. 1029 dated 27 November 2018 "On the Approval of the NCEA when taxpayers use cash registers with the Function of Fixation and/or Transfer of Data in Cash Settlements in the Republic of Kazakhstan". This means that all entrepreneurs, regardless of the type of activity and tax regime, have become obligated to switch to the next-generation online cash desks that transfer information on trading operations through the State Treasury Committee (STC) of the Ministry of Finance of the Republic of Kazakhstan.

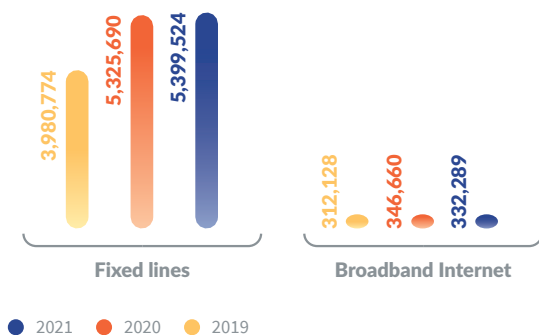
After January 2020, the growth of active cash registers connections was only possible due to the growth of new registered legal entities in the Republic of Kazakhstan and the exit of entrepreneurs from the shadow economy. For the entire duration of the project, the maximum coverage of the client base was set during the implementation of the plan of the STC of the Minister of Finance of the Republic of Kazakhstan, respectively, in 2020.

A new service "Scoring with Banks" was launched in 2021 as part of the development of the OFD project. This is a system for assessing the creditworthiness (credit risks) of an entity, based on numerical statistical methods according to the data of the OFD. The project was implemented as part of a joint service agreement with partners also providing technical support. In 2021, income from the project amounted to about KZT 27 million. The Company aims to retain and retain its client base in a competitive market.

Within the OFD project in 2022 Kazakhtelecom JSC plans:

- › launch of the subscription system for 1, 3, 6 and 12 months with competitive tariffs;
- › development of after-sales annual contractual tariffs;
- › development of promo codes with a tariff discount of up to 100%;
- › integration with CRM 2.0 for package solutions with traditional services;
- › launch of a free cash registers program;
- › development of software for a business — a commodity accounting system.

Income from the OFD, thousand KZT and number of cash registers



B2O

In 2021, Kazakhtelecom's JSC income from its local operating segment amounted to KZT 43,116 million, against a target of KZT 38,686 million. The plan was achieved by 111.45%, and increased by 5.43% compared to 2020.

Revenue from providing Internet channels to operators amounted to KZT 5.1 bln, while the total throughput capacity of Internet channels for communications operators of the Republic of Kazakhstan was 871,789 Mbit/s, an increase of 23.3% since the start of the year.

The increase in the throughput capacity of Internet channels was caused by active work on attracting outside operators and the sale of additional volumes by Kcell JSC and Mobile Telecom-Service LLP. The growth in the consumption of Internet services by cellular operators is a consequence of the continued growth in the consumption of mobile Internet traffic by end users of mobile operators.

Income from leasing communications channels, including data transmission channels, amounted to KZT 24.5 billion. The throughput capacity of the lines purchased by the communications operators of the Republic of Kazakhstan under the lease of transport channels was 5,186 Mbit/s; for IP VPN services it was 1,364,520 Mbit/s; the growth since the start of the year was 61.1%. The increase in the capacity for the lease of channels is explained by the conclusion of a supplemental agreement with Mobile Telecom-Service LLP on an increase in volumes.

Revenue from voice traffic was KZT 6.99 billion. The volume of transit international traffic at the end of the year was 44,106 thousand minutes.

43,116

million KZT

Kazakhtelecom's JSC income from its local operating segment

B2G

In November 2020, a Memorandum of Mutual Cooperation was signed between the Ministry of Internal Affairs of the Republic of Kazakhstan and Kazakhtelecom JSC to improve the level of public security through the introduction and development of video surveillance systems.

In order to ensure the transfer of video traffic from access video surveillance cameras to video monitoring platforms at the Central Office of the Regional Police Departments of the Ministry of Internal Affairs of the Republic of Kazakhstan, in 2021 the Company successfully implemented the project "Transport for Video Surveillance of the Ministry of Internal Affairs of the Republic of Kazakhstan", under which:

- › work has been performed on installing 10G switches in police departments;
- › 84 high-speed VPN ports were connected in 17 cities of the Republic of Kazakhstan: Taraz, Kokshetau, Schuchinsk, Nur-Sultan, Almaty, Aktobe, Aktau, Atyrau, Ust-Kamenogorsk, Pavlodar, Petropavlovsk, Karaganda, Kzyl-Orda, Uralsk, Taldysk;
- › in the cities of Nur-Sultan, Kokshetau, Schuchinsk and Taraz, integration with the platform of the police department was performed;
- › access to the cloud video surveillance has been removed in 13 other cities and the computerized control system has been installed;
- › a total of 34 000 cameras were connected in 17 cities.

Income under this project in 2021 amounted to KZT 529 million.

529

million KZT

income under the project "Transport for Video Surveillance of the Ministry of Internal Affairs of the Republic of Kazakhstan"

Development projects

In 2021, according to the project "Provision of broadband Internet access to rural population centers of the Republic of Kazakhstan using FOCL technology", OS base stations were connected to 164 population centers with a total capacity of 13,261 Mbit/s.

The following projects were implemented in the international operating segment in 2021:

- the IRU Internet project, under which the expansion of external Internet channels increased by 520 GB/s to 2,100 GB/s at the end of the year, the cost of 1 Mbit/s fell from USD 0.8 to USD 0.52 or 35%;
- a project to modernize the network to provide transit channels in China-Europe. During the implementation of the Transit 20x100G project, additional 5x100G transit channels were organized in the China-Europe direction;
- under the project "Construction of FOCL Uralsk-Ozinka", a new international border joint was organized with the Russian partner Rostelecom, which in turn opens up additional development prospects regarding the acquisition of external Internet channels and the organization of transit nx100 channels.

Project "Provision of broadband access to rural settlements of the Republic of Kazakhstan using the technology of fiber-optic communications lines"

In 2021, Kazakhtelecom JSC established 553 public access points for eQoldau (PPA) in the country's villages as part of the FOCL PPP project. With the help of a digital assistant, residents of settlements can now receive public services and services electronically, perform financial operations, order and purchase goods and services in marketplaces, and much more.

The PPA project aims to:

- reduce the level of digital disparity between the PSC and the city;
- to realize the possibility of receiving services without having to visit the regional center.

PPA is an information terminal with an intuitive interface and reliable communication with the central servers of state bodies to obtain various certificates and documents. Externally similar to a multipass, full-fledged computers are equipped with a touchscreen display, screen keyboards, printer and sound device.

In 2021, a project to construct a FOCL RS was successfully completed, under which Kazakhtelecom JSC connected 837 FOCL and built 14,380 km of FOCL to connect schools and government institutions in rural areas of Kazakhstan to the broadband Internet.

164

population centers

OS base stations were connected

14,380

km of FOCL

were built to connect schools and government institutions in rural areas of Kazakhstan to the broadband Internet

Marketing policy

In 2021, a number of marketing events were planned and implemented in digital and product areas, as well as research and brand positioning.

Digitally, the SERPIN 2021 roadmap provided systematic support for digital channels to increase the share of online customer service. In addition, digital campaigns were held to increase the level of knowledge of clients in support of products, new businesses, share offers, the ISMET.KZ digital platform for entrepreneurs and the Kazakhtelecom Business brand in the corporate segment.

A system marketing policy was implemented for the product line in 2021 in three segments: B2O, B2G, B2B (CCC/SME).

In the B2B and B2O segments:

- › emphasis was placed on maintaining market share, attracting new clients and expertise through the introduction of new products and cases;
- › products and cases on cyber security, traffic transit, and optical infrastructure have been implemented.
- › a number of events were held for representatives of local and international large business and partners, under which memoranda of cooperation were concluded with international companies and companies of the Kazakhstan investment holding company.

In the B2G segment, further strengthening of partnerships in the implementation of socially important state projects on digital transformation (Smart Cities), introduction of the latest technologies and development of innovations (IoT infrastructure), video surveillance systems with monitoring and analytics, both inside and outside the country. The Company took part in a number of events with representatives of government agencies to discuss opportunities for mutually beneficial cooperation and exchange of experience in these areas.

The B2B segment continued its maximum marketing activity. In 2021, in the year of combating the consequences of the coronavirus in Kazakhstan and the world, a marketing activity plan was developed, as part of which various marketing campaigns were held to support small and medium-sized businesses. The campaigns were launched with the provision of a special tariff line for individual entrepreneurs (the "Business Proposal" campaign), and the inclusion of the OFD (the "Connect to the OFD and Win" campaign). An additional bonus for clients was the opportunity to win a prize on the purchase of equipment and educational courses to satisfy business needs.

As part of the Almaty Business 2021 training and acceleration program and the Almaty Business-2025 regional entrepreneurship development program, an event was held jointly with the Family Business Association in Kazakhstan (AFBK), where the Company presented a case study on SME assistance in business development and strengthening through a digital platform and services.

Researches

The research and analysis of the external and internal environment, performed on an ongoing basis, is an integral part of the marketing function. The preparation of analytical materials is based on the systematic collection and detail of data on the corporate segment of the telecommunications market.

The implementation of dashboards in the Qlik Sense information system based on data on the telecommunications market accumulated using the API on the specialized Big Data platform is currently underway.

Active work is underway to research the attitude of market players to the brand of the open digital platform ISMET.KZ and the brand Kazakhtelecom Business as a whole. At the same time, we analyze the key segments of the telecommunications market, such as "young" enterprises (under 5 years old), small and medium-sized business and competitive environment.

In order to understand the situation on the regional telecommunications market, a Regional Certificate is prepared on a quarterly basis, which shows detailed information on the Company's positions in a specific region and local competitors.

Brand positioning

Regular surveys and surveys show the importance of the brand when selecting a telecommunications service provider. In order to further strengthen the brand position in the corporate segment through products, special projects,

the ISMET.KZ digital platform, and to increase knowledge of the Kazakhtelecom Business brand, online and offline marketing promotion was carried out in 2021, aimed at system communication between clients and the brand.

Plans and objectives for 2022

Plans for the corporate business for 2022 include the continuation of the growth trend in Internet traffic consumption. Similar to the previous period, the main growth in income is planned to be achieved through the sale of transit channels in China-Europe, as well as channels to Central Asia:

- 1 sales of new 2x100G transit channels to China-Europe;
- 2 sale of new transit channels to Uzbekistan and Kyrgyzstan, provided the implementation of the project "7x100G Uzbekistan, Kyrgyzstan";
- 3 introduction of the Antifrod system and an increase in the number of voice traffic.

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THE MAIN OBJECTIVES FOR 2022 ARE:

1. Active efforts to retain and increase existing volumes of Internet channels and prevent early termination of contracts.
2. Increase in the share of presence on the local B2O market and conclusion of new beneficial contracts with second-tier communications operators.
3. Meeting the volume needs of mobile operators.
4. Performance of measures to maintain the volume of international traffic from the networks of cellular operators by providing discounts on popular international lines.

Planned volumes

thousand ports

