

## Country performance continued

## Kazakhstan



Beeline



Simply

## Revenue

**KZT 293.1 billion**

## EBITDA

**KZT 147.8 billion**

## EBITDA margin

**50.4%**

## 4G customers

**7.2 million**

## 4G base penetration

**68.3%**

Evgeniy Nastradin  
Chief Executive Officer



**Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.**

With close to four-fifths of its population owning smartphones, Kazakhstan is one of VEON's most advanced markets for digital services.

#### The nation's leading digital operator

Here, Beeline is playing a leading role in the nation's digital transition through a digital operator strategy that embeds these capabilities at the core of its telecoms offer. These include BeeTV, Kazakhstan's largest OTT entertainment platform, hitter, our new local music app, and the nation's first neobank, Simply.

Constant innovation has helped cement Beeline's position as Kazakhstan's largest mobile operator and its reputation as the nation's leading provider of digital services for residential and business users.

MM4

At the heart of this success is a digital-led approach to services that has transformed the customer acquisition and service journey. The result is a growing number of customers using one or more of our digital products even before choosing Beeline as their mobile operator.

Our 'Multiplay Anywhere' strategy has enabled us to expand both our customer base and new revenues

through a connectivity-agnostic approach that does not depend on upselling subscribers from our existing core services. This has helped us to grow our digital revenues contribution from zero three years ago to over 9% today through a suite of products serving 5.2 million customers. It has contributed to the success of iZI, the nation's first digital teletainment (telecom + entertainment) operator, which is enabling us to expand our customer footprint beyond the Beeline brand.

We are extending our digital and network capabilities to B2B segment of users by developing capabilities in big data, AdTech, cloud, Internet of Things (IoT) integrations and cybersecurity through the constant upgrading of our infrastructure and automation of our operations.

MM2 MM3

2022 was a turbulent and challenging year, with social unrest at home underlining the vital importance of staying connected with each other. Throughout, we stood strong with our customers, who rewarded us with their loyalty and enabled us to record our fifth consecutive year of double-digit growth.

MM5 LO4

#### 2022 performance

Beeline Kazakhstan delivered YoY local currency revenue growth of 20.8% in 2022, supported by a 7.1% expansion in its customer base to 10.6 million. Fixed-line revenue growth was particularly strong (+40.4% YoY), helped by continued growth in Beeline's broadband customer base (+14.1% YoY) and a 15.1% rise in broadband ARPU. Mobile service revenue rose by 16.6%, driven by further growth in data revenue, which increased 19% YoY.

LO4

This was helped by greater customer engagement via our MyBeeline app, which increased its monthly active users (MAUs) by 33.1% YoY to 3.9 million, adding 1.0 million MAUs during 2022. The popularity of MyBeeline was illustrated recently when named the second most popular communications app in Kazakhstan by number of Google Play downloads.

Beeline's digital services enjoyed good customer traction during the year and helped us to grow new business streams, which comprised 9.5% of our operating revenues. Our BeeTV entertainment platform benefitted from streaming of FIFA World Cup games in December and reached 859,000 MAUs at the end of 2022 (+61.4% YoY), with 79.3% of its customers using the mobile version of the service.

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# Country performance continued



# Kazakhstan continued

Beeline Kazakhstan's digital-first sub-brand iZI saw significant growth in its customer base, which rose six times YoY in 2022 to almost 380,000 monthly active subscribers. Elsewhere in mobile financial services, our pioneering digital payment card, Simply, saw a 30.2% YoY increase in MAUs to 246,000 at the end of 2022.

Beeline demonstrated success in bundling its digital services for customers by growing multiploy customers by 40% YoY. These accounted for 38% of Beeline's customer base at the end of 2022 and, with higher ARPU and lower churn, collectively contributed to 51.8% of B2C revenues for the year.

MM2 MM4 MM5

### ESG milestones and achievements

As a provider of high-speed internet connectivity, Beeline plays a vital role in the sustainable development of Kazakhstan. Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.

LO5

Key to realising this vision is the continued investment we are making in our network infrastructure under our 'LTE Everywhere' programme. This aims to equip 97% of our base stations with 4G capabilities in order to provide our customers with the best possible experience of our services.

In parallel, we are proud to partner with our fellow operators in the government's 250+ programme to bring high-speed internet connectivity to every community in Kazakhstan with over 250 inhabitants. Since inception in 2020, Beeline has extended its services under this programme to more than 1,500 villages that enjoyed access to the internet for the first time.

MM1

Throughout our network, we are constantly optimising frequencies and upgrading technology in order to reduce energy consumption while experimenting with power alternatives to grid electricity. At the same time, we are strengthening our collaboration with competitors, consultants and regulators to develop clean energy solutions that can lower our carbon footprint and that of the wider industry.

Beyond connectivity, Beeline continued to invest in the educational future of our younger generations throughout partnership with the international student organisation Enactus. In 2022, we continued to support education through our investment in the Kazakhstan Khalkyna Fund. We invested over KZT 2 billion to provide modern equipment to eight schools in rural parts of the country. These schools are now equipped with high-end tools such as TV studios, STEM labs, etc. Children have access to state of the art education thanks to a three-year professional development program for teachers. Since 2018, 15 youth start-ups have received financial support from Beeline, and students from over 40 schools and universities have taken part in the digital project competition Beeline operates through Enactus.

In parallel, our Safer Internet Project has enabled Beeline to partner with the nation's largest educational platform, Bilim Media Group, to help over 200,000 school students develop vital online skills through digital literacy lessons.

MM2 LO5

None of this would be possible without the skills and enthusiasm of our employees. Beeline's 'growth from within' mindset creates a working environment that cultivates talent through a meritocratic culture of succession. This offers all employees equal opportunity to develop their careers through constant development and self-improvement through courses offered by our internal Beeline Academy and several schools such as Coding, Big Data, RPA, QA and Frontend School. The growth-minded culture this creates is united through a shared entrepreneurial spirit and an excitement about what we can achieve together as a business.

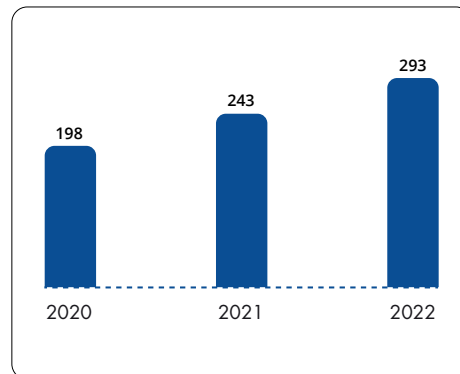
LO2

### Forward ambitions

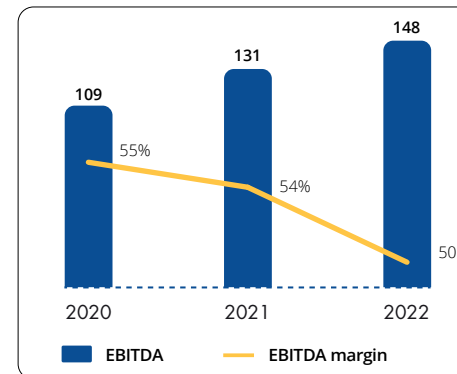
Some of the most exciting benefits we can offer our communities lie within our services as we reach beyond entertainment, financial services and payments to embrace social needs in the realms of healthcare and education.

By developing services that meet every day needs while offering wider social benefits, we are confident Beeline will continue to play a defining role in Kazakhstan's digital future.

Revenue (KZT billion)



EBITDA and EBITDA margin (KZT billion and percentage)



4G base and penetration (Million and percentage)

