

## Country performance continued

## Uzbekistan



## Revenue

**UZS 2,575 billion**

## EBITDA

**UZS 1,372 billion**

## EBITDA margin

**53.3%**

## 4G customers

**5.5 million**

## 4G base penetration

**65.8%**

Andrzej Malinowski  
Chief Executive Officer



**Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population.**

Uzbekistan is a country in which our business and national development go hand-to-hand. Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population. Smartphone adoption remains at a relatively early stage and the concept of bundled services, pioneered by Beeline, is still in its infancy. The popularity of these services, underpinned by our ambitious 4G network expansion programme, is rewarding Beeline with a pace of growth that ranks among the Group's fastest.

Much of this growth stems from new customer acquisition given that the penetration of SIM cards within the population remains low at around 80%. This provides Beeline with an organic growth opportunity which our digital operator strategy is tailored to. Beeline is the industry's pathfinder here, offering a differentiated range of bundled services that are transforming the smartphone experience of customers through a range of products including media streaming, mobile financial services and edtech.

MM2

The popularity of Beeline's offer is reflected in the growth of our customer base. This grew by 18.8% in 2022, from 7.1 million to 8.4 million, with a rising proportion opting for our 4G services as we continued to this network across a nation with a growing appetite for digital products.

#### 2022 performance

Beeline delivered 25.2% revenue growth in 2022. This reflects the rise in customer numbers, as well as strength in data revenue, which rose by 35.7% YoY as our 4G customer base expanded. 4G was taken by 28.4% of our total customers by the end of 2022; still a relatively small proportion by global standards, underscoring the 4G growth runway we have ahead of us in Uzbekistan.

Beeline's bundled digital services continued to attract new customers. Our multiplay offer was taken by 39.6% of our customers by the end of 2022, contributing over a half of our B2C revenues. The popularity of our Beepul mobile services app was boosted in the summer after Beeline was granted a licence to provide payment services, enabling our customers to use Beepul to pay

for around 500 services. Our digital entertainment platforms, including Beeline TV and Beeline Music, saw growth and together accounted more than 1.5 million MAUs by year end, a 24.2% YoY rise.

MM4 MM5

EBITDA grew by 45.2% YoY, helped by the rise in our multiplay customers and higher usage of our digital services, as well as successful cost control. Throughout, Beeline continued to invest and extend its 4G network, which recorded a 16 percentage-point rise in coverage in 2022 to 78% of the country. This now includes the Tashkent Metro, where passengers now enjoy high-speed data access in each of the capital's 31 metro stations.

#### ESG milestones and ambitions

As the nation's largest mobile operator, Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself. Our scale and the nature of our services enable us to play a leading role in advancing digital literacy and

Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself

## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**26% increase YoY**

4k sites

(2021:3k)



#### Digital operator

Multiply customers penetration



**10pp increase YoY**

40% base penetration

(2021:30%)



#### Ventures

MAUs<sup>1</sup> of digital services



**25% increase YoY**

1.8 million MAUs

(2021: 1.4 million)

<sup>1</sup> MAUs = monthly active users

## Uzbekistan continued

education across communities while modernising the infrastructure through which is this delivered.

MM2 LOS

During 2022, Beeline invested USD 50 million in network upgrades, its largest investment ever. We view this as genuinely sustainable investment, since it is expanding the reach of services such as digital education which offers access to self-improvement opportunities that currently lie beyond the reach of many. We are currently in the process of expanding these via an integrated education platform that will offer modules at a variety of attainment levels, from elementary through to vocational in areas including cybersecurity and software development. Importantly, these will be offered in Uzbek, addressing a pressing shortage of local language education resources available elsewhere.

MM1

Our investment in network and services is reinforcing access to high-speed connectivity across Uzbekistan. Yet it is conferring valuable skills to its workforce in an important process of knowledge transfer that Beeline is proud to facilitate. In a nation where around 12% of GDP is derived via remittances from Uzbeks working abroad, there is a clear need to develop both local skills and the opportunities for these to be employed at home. We view this as an opportunity for Beeline to invest in human capital in a very real sense. With the majority of the population under the age of 30, we have a golden

opportunity to equip individuals to pursue careers in technology-related industries such as ours.

LOS

This ambition starts at home. Throughout Beeline, we place positive pressure on our managers to develop their successors from our pool of local talent, and over time, this will help ensure that technology businesses do not need to draw on expat expertise to fill roles, while curbing the exodus of talent from Uzbekistan in search of opportunity elsewhere.

LO2

One of the areas we are particularly excited in developing local talent is Big Data management, specifically in the realm of AdTech. We plan to develop a local centre of excellence around this capability, developing skills and capabilities that will benefit both our people and our Company through adjacent revenue streams.

Alongside this, we see a growing opportunity in Cloud Storage. One of our priorities for 2023 is to establish our own commercial data centre to provide a highly secure domestic storage facility. This will help strengthen the foundations of data sovereignty within Uzbekistan by helping to ensure this digital commodity is stored and monetised locally, not offshore by global tech companies. We see this encouraging a circular economy in itself as local enterprises develop expertise and services around data, widening the pool of knowledge and prosperity it generates locally.

LO3

One initiative we are particularly proud to support is Tumaris Tech, a regional project designed to boost the participation of women in information technology. In May 2022, Beeline hosted the nation's first ever women-only hackathon, bringing together individuals from across Central Asia to create prototype digital products that address pressing socioeconomic problems facing their societies. IT remains a male-dominated industry in Uzbekistan, and we are proud that the vast majority of Beeline's Data Management team is female, which reflects the focus we place on workplace diversity.

LOS

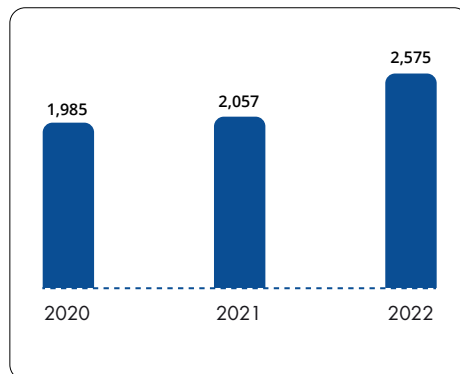
### Forward ambitions

As market leader in a digital marketplace, we have ourselves defined, our ambitions for Beeline are bigger than our already considerable achievements. We are challenging ourselves to deliver even faster revenue growth in 2023 as we build on the growth momentum of our digital services. We shall continue to develop the breadth of these while extending the 4G networks that deliver them, with the long-term aim of raising our 4G coverage to 85% from the 78% achieved at the end of 2022.

In doing so, we will to the best of our abilities deliver a business that matches the needs of its customers as well as that of wider society, playing our role in transferring knowledge and skills to a nation which we hope has become a better place for Beeline's role in it.

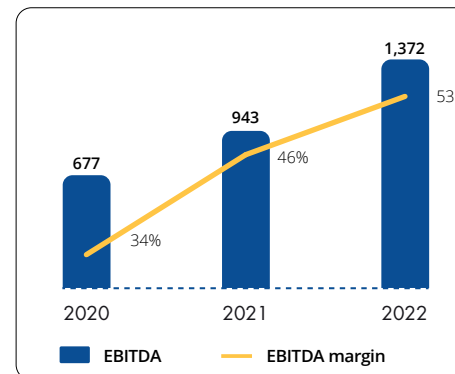
### Revenue

(UZS billion)



### EBITDA and EBITDA margin

(UZS billion and percentage)



### 4G base and penetration

(Million and percentage)

