

If you are in any doubt as to the contents of this Prospectus Summary, you are recommended to seek your own financial advice from an appropriately authorised independent financial adviser, accountant, legal or professional adviser.

This document is a Prospectus Summary (this "**Prospectus Summary**") relating to Kcell JSC, a company with legal entity identifier 213800SGNTF5K1LZY79 (the "**Issuer**" or the "**Company**" or "**Kcell**"). This Prospectus Summary has been prepared by the Issuer pursuant to Rule 1.4 of the AIFC Market Rules (AIFC Rules No. FR0003 of 2017) (the "**MAR Rules**") of the Astana International Financial Centre ("**AIFC**") in connection with the application for the admission of global depository receipts each representing [one] ordinary share of no par value in the Issuer, currently admitted to trading on the London Stock Exchange plc with ISIN US48668G2057, and ordinary share of no par value in the Issuer, currently admitted to trading on the Kazakhstani Stock Exchange with ISIN KZ1C00000876, to the Official List of the Astana International Exchange Ltd. ("**AIX**") and to trading on the AIX (together, "**Admission**"). Application has been made to the AIX for Admission. It is expected that Admission will become effective and that dealings for normal settlement in the Global Depository Receipts ("GDRs") and ordinary Shares (together, the "**Shares**") will commence at open of trading hours on 7 February 2020 under the ticker "KCEL".

The Issuer is not offering any new Shares nor any other securities in connection with Admission. This Prospectus Summary does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any Shares or any other securities of the Issuer in any jurisdiction. The Shares will not be generally made available or marketed to the public in Kazakhstan or in any other jurisdiction in connection with Admission.

Kcell JSC

(Incorporated as a Joint Stock Company organised under the laws of the Republic of Kazakhstan with registered number BIN 980540002879)

Admission to the Official List of the AIX and to trading on the AIX

The AIX does not accept responsibility for the content of the information included in this Prospectus Summary, including the accuracy or completeness of such information. Liability for the Prospectus Summary lies with the Issuer and the Directors. Nor has the AIX assessed the suitability of the Shares to which this Prospectus Summary relates for any particular investor or type of investor. If you do not understand the contents of this Prospectus Summary or are unsure whether the Shares are suitable for your individual circumstances, you should consult an authorised financial advisor.

The Issuer is exempt from the requirement to produce a prospectus pursuant to Rule 1.2.2(h) of the MAR Rules. Further information on the Company may be found in: (i) the annual report of the Issuer for the year ended 31 December 2018; (ii) announcements made by the Issuer in compliance with applicable law and regulations; and (iii) the Company's prospectus dated 12 December 2012 issued by the Company under Part VI of the Financial Services and Markets Act 2000 in connection with the offering ("**Global offer**") of 42,123,528 common shares in the form of global depository receipts, each global depository receipt representing one common share to trading on the London Stock Exchange plc (the "**Prospectus**") (together, the "**Disclosed Information**"). Separately from the Global Offer, on 12 December 2012, the Selling Shareholder offered 4,876,472 common shares in a domestic offering (the "**Domestic Offer**") through JSC "Kazakhstan Stock Exchange" (the "**KASE**"). The Disclosed Information and other financial information published by the Company pursuant to its ongoing disclosure obligations may be found on the Company's website at <https://investors.kcell.kz/en>. The content of the Company's website, the Disclosed Information and other financial information published by the Company pursuant to its ongoing disclosure obligations do not form part of this Prospectus Summary. This Prospectus Summary should be read in conjunction with the Disclosed Information. Any decision to invest in the Shares should be based on a consideration of the Disclosed Information. An investment in the Shares is subject to a number of risks in addition to the risks identified in this Prospectus Summary. Investors and prospective investors should consider these risks and uncertainties together with all the other information set out in the Disclosed Information prior to making any investment decision. If any of the risks actually materialise, the Company's business, financial condition or financial results could be materially adversely affected and the value of the Shares could decline. The risks and uncertainties described in this Prospectus Summary and the Disclosed Information are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the Company's business, financial condition or financial results and could negatively affect the price of the Shares and investors could lose all or part of their investment. Prospective investors should carefully consider whether an investment in the Shares is suitable for them in light of the information contained in this Prospectus Summary and the Disclosed Information and their personal circumstances.

Introduction and warnings

ISIN - KZ1C00000876 (ordinary shares), US48668G2057 (GDRs)

Legal entity identifier - BIN 980540002879, 1201-1910-06-AO(IY) dated 27 August 2012.

Contact details – Almaty, 2G Timiryazev street, 050013.

Tel. +7 727 2582755 ext 1002. www.investors.kcell.kz

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not, subject to certain exemptions, be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). In addition, the Issuer has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**US Investment Company Act**"), and the recipient of this Prospectus Summary will not be entitled to the benefits of that act. This Prospectus Summary should not be distributed into the United States or to US Persons.

This Prospectus Summary does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction. The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. No Jersey regulatory consent is required and, accordingly, no consent has been sought from the Jersey Financial Services Commission in connection with this Prospectus Summary. The contents of this Prospectus Summary are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

The price of the Shares may decline and investors could lose all or part of their investment. The Shares offer no guaranteed income and no capital protection and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Issuer and each of the directors of the Issuer, whose names appear on page 3 of this Prospectus Summary (together, the "**Directors**"), accept responsibility for the information contained in this Prospectus Summary. To the best knowledge of the Issuer and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus Summary is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dated: 4 February 2020

PROSPECTUS SUMMARY

1 Key Information about the Issuer

Who is the Issuer of the Shares?

The Company was established as a limited liability partnership (GSM Kazakhstan OAO Kazakhtelecom LLP) on 1 June 1998 to design, construct and operate a cellular telecommunications network in the Republic of Kazakhstan, using the GSM (Global System for Mobile Communications) standard.

The Company began its commercial operations in 1999 through direct sales and a network of distributors. Prior to 2 February 2012, the Company was owned 51 percent by Fintur Holdings B.V. ("Fintur") and 49 percent by Kazakhtelecom JSC ("Kazakhtelecom"). Fintur itself is owned jointly by Sonera Holding B.V. ("Sonera") and Turkcell Iletisim Hizmetleri A.S., with holdings of 58.55 percent and 41.45 percent, respectively.

On 2 February 2012, the 49 percent stake in the Company owned by Kazakhtelecom was sold directly to Sonera, a subsidiary of Telia Company.

On 1 July 2012, the General Meeting of the participants of GSM Kazakhstan approved a conversion of the Company from Limited Liability Partnership to Joint Stock Company ("the Conversion"), with 200,000,000 common shares to be transferred to Fintur and Sonera in proportion to their ownership percentage. The General Meeting also approved the Company's change of name to Kcell JSC.

On 27 August 2012, the Ministry of Justice registered the Company as a Joint Stock Company. Under Kazakhstani law, upon the Conversion, retained earnings as of the date of the Conversion became share capital of the Company and ceased to be available for distribution to shareholders.

On 13 December 2012, the Company successfully completed its offering of Global Depository Receipts on the London Stock Exchange and common shares on the Kazakhstan Stock Exchange. The offering consisted of a sale by Sonera of 50 million shares, which represented 25 percent of the Company's share capital.

On 4 May 2016, the 24 percent stake in the Company owned by Sonera was sold directly to TeliaSonera Kazakhstan Holding B.V. ("TeliaSonera Kazakhstan"), a subsidiary of Telia Company.

On 21 December 2018, the 75 percent stake in the Company owned by Telia Company was sold directly to Kazakhtelecom JSC ("Parent"). Kazakhtelecom JSC is controlled by the Government of the Republic of Kazakhstan through Sovereign Wealth Fund "Samruk-Kazyna" JSC ("Samruk-Kazyna") which owns 51% of Kazakhtelecom's controlling shares.

The legal entity identifier of the Issuer is 213800JKJ5HJWYS4GR61. The investor relations contact details of the Issuer are Timiryzeva street 2G, Almaty, 050013, The Republic of Kazakhstan, and its telephone number is +7 701 0011002 or +7 701 2119797

Board of Directors

Alexey Buyanov, Independent Director, Chairman of the Board of Directors

Rashit Makhat, Independent Director

Dinara Inkarbekova, Independent Director

Vladimir Popov, Independent Director

Jere Calmes, Independent Director

Kuanyshbek Yessekeyev, representative of shareholder Kazakhtelecom JSC

Timur Turlov, representative of shareholder Freedom Finance JSC

Major shareholders

As at 4 February 2020 and in accordance with the United Kingdom Financial Conduct Authority's Disclosure and Transparency Rules (DTR 5), the Company has received notification of the following material interests in voting rights over the Company's issued ordinary share

Full name of shareholder	Details of person subject to the notification obligation	Total number of shares	% of total shares
Kazakhtelecom JSC	Kuanyshbek Yessekeyev	150,000,000	75.0%
JSC "Raiffeisen Bank" (Nominal Holder)	Irina Guseva	23,610,857	11.8%

Auditors

The external auditors of the Company are Ernst & Young LLP, Essentai Tower, Al-Farabi Ave., Almaty -5—6-, Kazakhstan.

Principal activity

Kcell provides mobile voice telecommunications services, messaging services, value-added services 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 populated territory of Kazakhstan.

On 25 December 2010, the competent authority signed an addendum to the existing GSM license, which provided the Company with a right to operate a 3G network. In December 2010, the Company launched 3G services in Nur-Sultan and Almaty. As of 1 January 2015, the Group provided all locations with a population of over 10,000 people with mobile services using UMTS/WCDMA based on the terms of the addendum.

In January 2016, the Group paid 14 billion Tenge as the first tranche for LTE radio frequencies. In accordance with the decision made by Kazakhstan's Ministry of Investments and Development ("the MID") in January 2016, the Group had to pay a one-time fee of 4 billion Tenge by 1 February 2016 for 10/10 MHz radio frequency within the 1700/1800 MHz band, and the first tranche of 10 billion Tenge by 1 March 2016 to gain access to 10/10 MHz radio frequency within the 700/800 MHz band. On 1 March 2016, the Group launched LTE in its network on the previously granted 700/800 MHz and 1700/1800 MHz bands.

What is the key financial information regarding the Issuer?

The tables below set out summary financial information of the Company on a consolidated basis as at and for the years ended 31 December 2018, 2017 and 2016 prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The summary financial information has been extracted from the financial statements of the Company without material adjustment. Rounding differences may occur.

The tables presented below as at and for should be read in conjunction with the Company's Audited Financial Statements. Details are available at the company website at:

<https://investors.kcell.kz/en/article/show/1595/false?navipageId=1255>

Historically there have been no any qualifications in the audit reports.

Consolidated income statement, in KZT millions	2018	2017 (restated)	2016 (restated)
Revenue	149,701	147,475	147,037
Cost of sales	(99,432)	(92,194)	(92,742)
Gross profit	50,269	55,281	54,295
Selling and marketing expenses	(9,805)	(10,388)	(10,988)
General, administrative and selling expense	(19,227)	(15,561)	(14,150)
Other operating income	1,010	1,028	2,872
Other operating expenses	(1,192)	(618)	(1,864)
Operating profit	21,055	29,741	30,165
Finance income	1,103	957	2,650
Finance costs	(9,894)	(10,377)	(10,935)
Profit/loss before income tax	12,264	20,321	21,880
Income tax expense	(3,733)	(8,622)	(6,073)
Profit for the financial period	8,531	11,699	15,807

Consolidated balance sheet, in KZT millions	2018	2017 (restated)	2016 (restated)
Assets			
Property, plant and equipment	88,676	93,680	95,322
Intangible assets	40,606	43,061	42,842
Long-term trade receivables	3,010	1,617	1,163
Restricted cash	37	38	86
Cost to obtain contract	389	221	104
Total non-current assets	132,717	138,618	139,517
Inventories	4,728	3,425	3,587
Trade and other receivables	22,581	20,317	18,855
Prepaid current income tax	-	3,148	8,660
Due from related parties	1,018	810	739
Cash and cash equivalents	6,029	12,660	8,477
Total current assets	34,356	40,360	40,317
TOTAL ASSETS	167,073	178,978	179,834
EQUITY			
Share capital	33,800	33,800	33,800
Retained earnings	34,275	36,739	36,718
Total Equity	68,075	70,539	70,518
LIABILITIES			
Deferred income tax liability	1,504	4,667	5,888
Other non-current liabilities	1,362	1,355	1,285
Borrowings	14,936	12,000	8,000
Total non-current liabilities	17,802	18,022	15,173
Borrowings	51,783	58,418	57,415
Trade and other payables	18,000	24,405	28,043
Due to related parties	675	1,177	1,526
Deferred revenue	7,297	6,007	6,760
Income tax payable	1,854	-	-
Taxes payable	1,586	409	401
Total current liabilities	81,195	90,417	94,143
Total liabilities	98,997	108,439	109,316
TOTAL EQUITY AND LIABILITIES	167,073	178,978	179,834

Consolidated statement of cash flows, in KZT millions	2018	2017 (restated)	2016
Operating cash flows before changes in working capital	48,172	49,594	45,299
Changes in working capital	(20,601)	(16,111)	(14,752)
Net cash generated by operating activities	27,571	33,483	30,547
Purchase of property, plant and equipment	(12,460)	(18,951)	(14,982)
Purchase of intangible assets	(6,791)	(3,633)	(28,858)
Net cash used in investing activities	(19,251)	(22,584)	(43,840)
Proceeds from bank borrowings	26,840	48,000	33,000
Proceeds from bond issued	4,950	-	-
Repayment of borrowings	(35,210)	(43,000)	(18,000)
Dividends paid	(11,678)	(11,678)	(23,316)
Purchase of investment in subsidiaries	-	-	(2,185)
Net cash from/(used in) financing activities	(15,098)	(6,678)	(10,501)
Net increase/(decrease) in cash and cash equivalents	(6,779)	4,221	(23,794)
Cash and cash equivalents at the beginning of the period	12,660	8,477	31,589
Effect of foreign exchange rate changes on cash and cash equivalents	148	(37)	682
Cash and cash equivalents at the end of the period	6,029	12,660	8,477

What are the key risks that are specific to the Issuer?

Strategic risk is categorised as the potential for losses due to changes or errors in defining and implementing the business strategy and the Company's development, changes in the political or regional environment, and fluctuations in the market or customer behavior.

Operational risk is defined as the potential for losses due to defects or errors in internal processes, the supply chain, recruitment, culture, and regulations. Most of them have a low-risk rating and mitigating actions are already in place as part of the daily risk management procedures. The exception to this are our information systems and technologies, which we categorise as high risk.

Financial risk, Kcell can be subject to financial volatility, originating from any number of sources.

Credit risk, Kcell's Credit Risk Policy ensures that products and services are only sold to customers and distributors with an appropriate credit history.

Foreign exchange risk. Kcell's purchases of property, plant and equipment and inventories, as well as certain services such as roaming, partially are denominated in US dollars.

Legal risk is defined as the potential for uncertainty due to legal action or ambiguity in the application or interpretation of contracts, laws or regulations.

In October 2018, the Committee on Regulation of Natural Monopolies, Protection of Competition and Consumer Rights of the Ministry of National Economy of the Republic of Kazakhstan ("Committee") initiated administrative proceedings against Kcell for an alleged administrative violation related to the abuse of its dominant position in 2017.

On October 25, 2019, the Specialized Inter-district Administrative Court of Almaty ruled to terminate the administrative case initiated against Kcell in accordance with item 3-1 of Article 159 of the Administrative Offence Code of Kazakhstan, due to the lack of evidence of offence. The ruling has come into force

Tax audit

In July 2017, the Kazakhstan tax authority completed its complex tax audit for the period 2012-2015. Following the audit, the tax authority made a total claim of KZT 9.0 billion, of which KZT 5.8 billion is for unpaid taxes and KZT 3.2 billion represents fines and penalties for late payment.

On 23 July 2019, the Supreme Court considered the petition, granted the petition and overturned the decision of the Specialised Inter-District Economic Court and the Court of Appeal in respect of an unjustified additional assessment of Withholding Tax (WHT) for a non-resident (Sonera Holding B.V.) as a result of the reorganisation of a legal entity; and an unjustified additional assessment of WHT and VAT for non-residents for remote technical support services. With regard to the remaining contested issues, the decision of the Specialised Inter-District Economic Court and the Court of Appeal was upheld.

As a result of the Supreme Court decision, the KZT 9.0 billion provision for taxes, penalties and fines reduced in total by KZT 5.0 billion, comprising KZT 3.0 billion for unpaid taxes, KZT 0.2 billion in fines and a KZT 1.8 billion reduction of the penalty due to the expiration of the limitation period.

Natural disasters or catastrophes are defined as natural phenomena or processes that provoke catastrophic situations and which are characterised by a sudden reduction in the population, the destruction of infrastructure and property and/or death. Kcell has implemented measures to help minimise disasters such as fires, accidents and incidents arising from human neglect.

Key Information on the Shares

The total issued share capital of the Company comprises 200,000,000 ordinary shares, with 50,000,000 free float on London Stock Exchange and Kazakhstan Stock Exchange

Ordinary Shares ISIN - KZ1C00000876, GDRs ISIN - US48668G2057

Currency - USD (London Stock Exchange plc), KZT (KASE)

Share rights

All Shares rank equally in respect of dividends and capital, and each Share carries one vote

Selling Restrictions

The distribution of this Prospectus Summary may be restricted by law. No action has been or will be taken by the Issuer to permit the possession or distribution of this Prospectus Summary in any jurisdiction where action for that purpose may be required. Accordingly, neither this Prospectus Summary nor any advertisement or any other material relating to it may be distributed or published in any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus Summary comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not, subject to certain exemptions, be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). In addition, the Issuer has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**US Investment Company Act**"), and the recipient of this Prospectus Summary will not be entitled to the benefits of that act. This Prospectus Summary should not be distributed into the United States or to US Persons

The rights attached to the securities - All Shares rank equally in respect of dividends and capital, and each Share carries one vote.

The relative seniority of the Securities in the Issuer's capital structure in the event of insolvency - All Shares rank equally in respect of dividends and capital, and each Share carries one vote.

Dividend policy

In accordance with the legislation of the Republic of Kazakhstan, the Company's Charter and this Policy, the Company's Board of Directors prepares a proposal on the procedure for distribution of the Company's net profit and amount of Dividends for the last financial year, quarter or six month period based on the results of the Company's audited financial statements for the relevant period.

The decision to pay Dividends and approve Dividends per ordinary share is taken by the General Meeting of Shareholders.

The amount of annual Dividends on the Company's ordinary shares will be not less than 50% and not more than 100% of the Company's net cash flow for the previous financial year (cash flow from operations and investments).

The payment of Dividends should not lead to a breach of the Company's financial covenants to creditors.

The minimum amount of Dividends, subject to cash flow from operations and investments, should be 20% of net profit for the past financial year.

Where will the Shares be traded?

The Shares are traded in the United Kingdom (London Stock Exchange plc) and Kazakhstan (KASE) in each case under the ticker "KCEL". Application has been made for Admission to the AIX and it is expected that Admission will become effective and that dealings for normal settlement in the Shares will commence at open of trading on the AIX on 7 February 2020 under the ticker "KCEL" for ordinary shares and under the ticker "KCEL.Y" for GDRs.

What are the key risks that are specific to the Shares?

- Prior to the Admission, there has been no public trading market for the Shares on the AIX. The Issuer can give no assurance that an active trading market for the Shares will develop or, if developed, can be sustained on the AIX. If an active trading market on the AIX is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.
- The share prices of publicly traded companies can be highly volatile.
- Future sales of shares, or the possibility of future sales, could depress the market price of the shares.
- Holders of shares may not be able to exercise pre-emption rights and, as a result, may experience substantial dilution upon future issuances of shares.

Key Information on Admission to trading

Application has been made for Admission, and it is expected that Admission

will become effective and that dealings for normal settlement in the Shares will commence at open of trading on the AIX on 7 February 2020 under the ticker "KCEL" for ordinary shares and under the ticker "KCEL.Y" for GDRs.

Trades in respect of the Shares on the AIX will be made through the trading system of the AIX in accordance with the AIX Business Rules and the relevant AIX Market Notice. Payment and settlement will be made through the facilities of the AIX Central Securities Depository (the "AIX CSD") in accordance with the AIX Central Securities Depository Business Rules (the "AIX CSD Rules"), in particular delivery of the Shares will be executed through the AIX CSD system and payment for the Shares will be made through the AIX CSD Settlement Bank(s). The AIX CSD maintains an account with a participant of the Euroclear system (the "AIX CSD Custodian Bank"). Indirect access to CREST, the United Kingdom paperless settlement system to which the Shares are subject, is available to AIX CSD through the AIX CSD Custodian Bank. The settlement period in relation to Shares traded under the AIX CSD Rules is T+2.

In order to take delivery of Shares on the AIX purchasers are required to have an account with a broker which has a valid and active trading membership agreement with the AIX and an agreement with the AIX CSD. Shares will be held on behalf of investors in the relevant AIX Trading Member's nominee or custodial account at the AIX CSD. Purchasers of the Shares are required to take all action in accordance with the applicable law and regulations to take delivery of the Shares.

The AIX CSD is not acting as the registrar for the Issuer. Distribution of the dividend will be performed in compliance with Kcell JSC dividend policy.

Why is this Prospectus being produced?

This Prospectus has been produced in connection with Admission. The Issuer is seeking Admission to:

- Provide full local and foreign investors' access to trading in the local shares and GDR's on one market
- Promote integrated equity market in Kazakhstan
- Develop the investor base via diversified trading members' base on AIX
- Potentially raise liquidity through one or more share issues, in the future (albeit that the Company is not offering any new Shares nor any other securities in connection with Admission).

Kcell Joint Stock Company

<i>Place of business</i>	<i>Registered office</i>
2G Timiryazev street	Samal 2, 100
Almaty	Almaty
050013	050051
Kazakhstan	Kazakhstan