

Kcell JSC

Consolidated financial statements

*For the year ended 31 December 2025
together with independent auditor's report*

The logo for Kcell, featuring the word "Kcell" in a bold, purple, sans-serif font. The letters are closely spaced, and the "K" is particularly prominent.

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Independent auditor's report

To the Shareholders, Board of Directors and Management of Kcell JSC

Opinion

We have audited the consolidated financial statements of Kcell JSC and its subsidiary (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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Key audit matter	How our audit addressed the key audit matter
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Revenue recognition from the provision of telecommunications services

The Group's revenue from telecommunication services consists of a significant volume of low-value transactions, sourced from multiple systems, including the billing system. The processing and recording of revenue are highly automated and is based on established tariff plans.

We identified this matter as a key audit matter due to the complexity of information systems involved in the revenue recognition process and the risks associated with incorrect recognition and measurement of revenue, arising from the diversity and constant evolution of tariff plans, marketing offers and discounts provided to customers. The auditing of revenue required an increased extent of audit effort, including the need for us to involve professionals with expertise in information technology ("IT") to identify relevant systems, and evaluate and test automated controls.

The Group's disclosure of information in respect of the accounting policies on revenue recognition is included in *Note 3* to the consolidated financial statements, and disclosures by types of revenue are included in *Note 21* to the consolidated financial statements.

We assessed the design and tested the operating effectiveness of IT general controls supporting the operation of the billing system and other IT systems. We tested IT application controls over the capturing and recording of data, and IT application controls over the calculation of amounts to be billed to customers and recording of amounts collected from customers.

We tested controls related to transfer of data among relevant IT systems related to the recording and recognition of revenue.

We examined the authorization of changes in tariffs implemented in the billing system.

We conducted test calls and data usage to verify the connection detection, duration, and tariffication.

We analyzed correlation among journal entries to revenue, trade receivables and cash.

We performed analytical procedures, including monthly fluctuations analysis and analysis of changes in the number of subscribers and tariffs impacting revenue, and compared trends in financial data with trends in non-financial data.

We analyzed the key judgements used by management in the accounting for revenue.

We evaluated the Group's accounting policy for revenue recognition.

We analyzed the disclosures in the consolidated financial statements related to revenue recognition.

Other information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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Responsibilities of management and the Audit Committee of the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

Ernst & Young LLP



Adil Syzdykov
Auditor

Auditor Qualification Certificate
No. МФ-0000172 dated 23 December 2013

A15E3H4, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

30 January 2026



Rustamzhan Sattarov
General Director
Ernst & Young LLP

State audit license for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of finance of the Republic of Kazakhstan on 15 July 2005

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

<i>In millions of tenge</i>	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property and equipment	7	252,002	197,815
Intangible assets	8	109,919	117,561
Advances paid for non-current assets	7	979	1,103
Right-of-use assets	15	60,368	49,010
Long-term trade receivables	9	8,617	5,404
Cost to obtain contracts		1,352	895
Deferred tax assets	27	4,519	2,856
Total non-current assets		437,756	374,644
Current assets			
Inventories	10	8,371	9,180
Trade receivables	9	28,094	26,402
Other current non-financial assets	11	12,636	5,031
Other current financial assets		389	370
Prepaid income tax		177	146
Financial assets at amortised cost	12	6,583	-
Cash and cash equivalents	13	32,144	8,801
Total current assets		88,394	49,930
Total assets		526,150	424,574
Equity and liabilities			
Equity			
Share capital	6	33,800	33,800
Retained earnings		161,983	147,877
Total equity		195,783	181,677
Liabilities			
Non-current liabilities			
Borrowings: non-current portion	14	78,403	47,667
Long-term lease liabilities	15	61,583	46,652
Government grants: non-current portion	20	30,508	21,179
Long-term trade payables	16	7,354	3,754
Asset retirement obligation	18	4,123	4,711
Total non-current liabilities		181,971	123,963
Current liabilities			
Borrowings: current portion	14	62,979	42,972
Short-term lease liabilities	15	3,790	5,265
Government grant: current portion	20	7,870	5,853
Short-term trade payables	16	45,455	39,738
Contracts liabilities	17	9,189	8,726
Provisions	19	8,543	7,476
Due to employees		8,034	6,199
Advances received		804	-
Taxes payable other than income tax		1,732	2,705
Total current liabilities		148,396	118,934
Total liabilities		330,367	242,897
Total equity and liabilities		526,150	424,574


 Sabigat Rakhmetov

Acting Chief Executive Officer,
Chairman of the Management Board


 Sabigat Rakhmetov

Chief Financial Officer, Member of the
Management Board


 Adiyar Medetbek

Chief Accountant

The accounting policies and notes on pages 6 to 55 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

<i>In millions of tenge</i>	Notes	2025	2024
Revenue from contracts with customers	21	254,749	235,467
Income from government grants	20	7,239	5,853
Cost of sales	22	(199,122)	(183,731)
Gross profit		62,866	57,589
General and administrative expenses	23	(10,904)	(10,603)
Selling expenses	24	(4,621)	(3,305)
Impairment of financial assets	9	(2,598)	(3,156)
Other operating income	26	7,279	154
Other operating expenses	26	(8,483)	(6,374)
Operating profit		43,539	34,305
Finance costs	25	(26,787)	(22,172)
Finance income	25	5,381	3,400
Net foreign exchange loss		(1,980)	(375)
Profit before tax		20,153	15,158
Income tax expenses	27	(6,047)	(4,999)
Profit for the year		14,106	10,159
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		14,106	10,159
Earnings per share			
Basic and diluted, tenge	6	70.53	50.80




Sabigat Rakhmetov




Sabigat Rakhmetov




Aldiyar Medetbek

Acting Chief Executive Officer,
Chairman of the Management Board

Chief Financial Officer, Member of the
Management Board




Chief Accountant


The accounting policies and notes on pages 6 to 55 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

<i>In millions of tenge</i>	Share capital	Additional paid-in capital	Retained earnings	Total equity
Balance at 1 January 2024	33,800	1,260	136,458	171,518
Net profit for the year	-	-	10,159	10,159
Total comprehensive income	-	-	10,159	10,159
Reclassification from additional paid-in capital (Note 14)	-	(1,260)	1,260	-
At 31 December 2024	33,800	-	147,877	181,677
Net profit for the year	-	-	14,106	14,106
Total comprehensive income	-	-	14,106	14,106
At 31 December 2025	33,800	-	161,983	195,783



Sabigat Rakhmetov
 Sabigat Rakhmetov
 Aizhan Medetbek

Acting Chief Executive Officer,
Chairman of the Management Board

Chief Financial Officer, Member of the
Management Board

Chief Accountant

The accounting policies and notes on pages 6 to 55 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 December 2025**

<i>In millions of tenge</i>	Notes	2025	2024
Cash flows from operating activities			
Profit before tax		20,153	15,158
Adjustments for:			
Impairment of financial assets	9	2,598	3,156
Recovery of provision for legal claims on contractual obligation	19, 26	-	(14)
Accrual of provisions	19, 26	1,067	5,428
Accrual of provision for advances paid	26	876	-
Finance costs	25	26,787	22,172
Depreciation of property and equipment, right-of-use assets	7, 15	37,860	29,171
Amortisation of intangible assets	8	23,115	22,024
Write-off of inventory to net realizable value	10, 23	842	441
Income from accounts payable write-off	26	(6,966)	(51)
Finance income	25	(5,381)	(3,400)
Loss on disposal of property and equipment, intangible assets	26	6,538	205
Income from government grants	20	(7,239)	(5,853)
Net foreign exchange loss		1,526	733
Operating cash flows before working capital changes		101,776	89,170
Change in inventories		(33)	(612)
Change in trade receivables		(3,049)	1,335
Change in other current non-financial assets		(7,746)	1,341
Change in other current financial assets		(19)	1,797
Change in cost to obtain contracts		(457)	(221)
Change in trade payables		9,991	(5,932)
Change in due to employees		1,835	247
Change in contract liabilities		463	(1,135)
Change in taxes payable other than income tax		6,067	17,948
Change in advances received		804	-
Cash flows generated from operations		109,632	103,938
Income tax paid		(5,620)	(5,600)
Interest received		1,148	808
Interest paid	29	(24,231)	(19,926)
Net cash inflows from operating activities		80,929	79,220
Cash flows from investing activities			
Purchase of property and equipment		(83,621)	(61,442)
Purchase of intangible assets		(19,187)	(18,094)
Proceeds from disposal of property and equipment		-	87
Proceeds from redemption of financial assets at amortised cost	12	6,712	-
Purchase of financial assets at amortised cost	12	(13,785)	-
Other		-	(2)
Net cash flows used in investing activities		(109,881)	(79,451)

The accounting policies and notes on pages 6 to 55 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Notes	2025	2024
Cash flows from financing activities			
Proceeds from borrowings	29	106,200	167,177
Repayment of borrowings	29	(47,134)	(162,281)
Repayment of principal portion of lease liabilities	29	(5,460)	(7,253)
Other		(857)	-
Net cash flows from / (used in) financing activities		52,749	(2,357)
Net increase / (decrease) in cash and cash equivalents		23,797	(2,588)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		(454)	358
Cash and cash equivalents at 1 January		8,801	11,031
Cash and cash equivalents at 31 December	13	32,144	8,801

NON-CASH TRANSACTIONS

The following significant non-cash transactions have been excluded from the consolidated statement of cash flows

In 2025 the Group received government grants represented by 90% reduction in the annual fee for use of radio frequencies in the total amount of 9,156 million tenge (2024: 14,748 million tenge)

In 2025 the Group received the loan from Development Bank of Kazakhstan JSC at a below-market interest rate. The difference between the loan is fair value and actual proceeds was recognized as a government subsidy in the total amount of 9,429 million tenge

In 2025, the Group paid 26,951 million tenge for property and equipment and intangible assets purchased in prior year (2024: 30,777 million tenge). Property and equipment and intangible assets in the amount of 30,562 million were purchased in 2025 but not paid as at 31 December 2025 (2024: 31,763 million tenge).

In 2025, the Group set off overpayment for RFS tax in the amount of 2,121 million tenge with current income tax payable.

		Satymat Rakhmetov	Acting Chief Executive Officer, Chairman of the Management Board
		Satymat Rakhmetov	Chief Financial Officer, Member of the Management Board
		Nurair Medetbek	Chief Accountant

The accounting policies and notes on pages 6 to 55 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the year ended 31 December 2025****1. GENERAL INFORMATION**

Kcell JSC (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’s registered address is Alimzhanova 51, Almaty, the Republic of Kazakhstan.

On 27 August 2012 the Ministry of Justice registered the Company as a Joint Stock Company.

The Group operates 3G, 4G, LTE and 5G licenses.

As at 31 December 2025 and 2024 the Company is controlled by Kazakhtelecom JSC. Kazakhtelecom JSC is controlled by the Government of the Republic of Kazakhstan through Sovereign Wealth Fund Samruk-Kazyna JSC (Samruk-Kazyna) which owns 79.2% of Kazakhtelecom’s issued common shares. Issued shares of the Company are listed on the Kazakhstan Stock Exchange (KASE).

As at 31 December 2025 and 2024, the shareholders of the Company are presented as follows:

	31 December 2025	31 December 2024
Kazakhtelecom JSC	51.00%	51.00%
Private company KC HOLDING LTD	14.87%	14.87%
Alatau City Bank JSC	9.08%	9.08%
Single accumulative pension fund JSC	7.06%	7.10%
Sovereign Wealth Fund “Samruk-Kazyna” JSC	5.64%	2.97%
KAZPOST JSC	3.01%	3.36%
ZHASYL DAMU JSC	2.08%	2.73%
Raiffeisenbank JSC	1.54%	1.54%
Other	5.72%	7.35%
	100.00%	100.00%

As at 31 December 2025 and 2024, the Company has the following subsidiary:

	31 December 2025	31 December 2024
KazNet Media LLP	100.00%	100.00%

The accompanying consolidated financial statements include the financial statements of Kcell JSC and its subsidiary (further referred to as “the Group”).

These consolidated financial statements were authorized for issue by the Chairman of the Management Board on 30 January 2026.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standard Board (IASB).

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements. The consolidated financial statements are presented in Kazakhstani tenge (“tenge”) and all amounts are rounded to the nearest millions, except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)**Going concern**

As at 31 December 2025 the Group's current liabilities exceeded its current assets by 60,002 million tenge. This position primarily reflects the classification of short-term loans and borrowings amounting to 62,979 million tenge, as well as trade payables of 45,455 million tenge, taxes payable of 1,732 million tenge, and other current financial and non-financial liabilities.

The Group manages its liquidity and net working capital on a continuous basis and closely monitors its cash flows, debt maturity profile, and compliance with contractual terms. Management prepares rolling cash flow forecasts covering at least the next 12 months from the date of authorization of these consolidated financial statements, taking into account expected operating cash inflows, planned capital expenditures and other investing activities, scheduled debt repayments, and the availability of committed borrowing facilities.

As at 31 December 2025 the Group had available undrawn committed borrowing facilities amounting to 169,554 million tenge (*Note 14*), which provide sufficient liquidity headroom to meet its short-term obligations as they fall due. In addition, management expects the Group to continue generating positive net operating cash flows, supported by effective financial management of net working capital.

Based on the above, management believes that the Group has adequate financial resources to continue its operations in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3. MATERIAL ACCOUNTING POLICIES**New and amended standards and interpretations**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements*, which replaces *IAS 1 Presentation of Financial Statements*. IFRS 18 introduces new requirements intended to enhance the comparability of financial performance between entities and to improve the relevance and transparency of information provided to users of financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Standards issued but not yet effective (continued)***IFRS 18 Presentation and Disclosure in Financial Statements (continued)*

IFRS 18 does not affect the recognition or measurement of items in the financial statements. However, its impact on presentation and disclosure is expected to be pervasive, particularly in relation to the statement of profit or loss and the disclosure of management-defined performance measures within the financial statements.

Under IFRS 18, entities are required to classify all income and expenses presented in the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 also introduces specified totals and subtotals in the statement of profit or loss and enhanced principles on aggregation and disaggregation of financial information based on the roles of the primary financial statements and the notes.

Management is currently assessing the detailed implications of applying IFRS 18 to the Group's consolidated financial statements. Based on a high-level preliminary assessment, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the grouping of income and expenses into the new categories may impact how operating profit is calculated and presented. In particular, foreign exchange gains or losses will be presented in the category consistent with the nature of the underlying items to which they relate, which may result in changes in their presentation compared to current practice;
- The line items presented in the primary financial statements may change as a result of the application of the concept of a "useful structured summary" and the enhanced aggregation and disaggregation principles;
- The Group does not expect a significant change in the nature of information currently disclosed in the notes to the financial statements; however, the way in which information is grouped and presented may change. In addition, IFRS 18 introduces new disclosure requirements, including:
 - Disclosures of management-defined performance measures;
 - A breakdown, for certain line items presented by function in the operating category of the statement of profit or loss, of expenses by nature; and
 - For the first annual period of application, reconciliations between the amounts presented under IFRS 18 and those previously presented under IAS 1;
- From a statement of cash flows perspective, IFRS 18 removes the optionality in the classification of interest cash flows. Interest paid will be classified as financing cash flows and interest received as investing cash flows, rather than being included in operating cash flows.

IFRS 18, together with related amendments to other standards, is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted but not expected to be applied by the Group. IFRS 18 will be applied retrospectively, and comparative information for the financial year ending 31 December 2026 will be restated accordingly.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are listed and traded on public markets, the Group has public accountability and therefore does not qualify for the application of IFRS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Standards issued but not yet effective (continued)***Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued Amendments to *IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments;
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group’s financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in *IFRS 1 First-time Adoption of International Financial Reporting Standards*, *IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, *IFRS 9 Financial Instruments*, *IFRS 10 Consolidated Financial Statements* and *IAS 7 Statements of Cash Flows*.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group’s financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to *IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the ‘own-use’ requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts;
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

In August 2025, the IASB issued amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. The amendments further reduce the disclosure requirements of IFRS 19 by simplifying the reduced disclosure framework for new IFRS Accounting Standards and amendments issued between February 2021 and May 2024. In particular, certain disclosure objectives were removed in order to avoid creating the impression that entities applying IFRS 19 are required to provide the same level of disclosures as entities applying full IFRS disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are listed and traded on public markets, the Group has public accountability and therefore does not qualify for the application of IFRS 19 or its amendments. Accordingly, the amendments to IFRS 19 are not applicable to the Group.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the IASB issued *Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates*. The amendments address situations in which an entity's functional currency is the currency of a non-hyperinflationary economy, while its presentation currency is the currency of a hyperinflationary economy. In such cases, the amendments require that all amounts in the financial statements, including comparative information, are translated into the presentation currency using the closing exchange rate at the date of the most recent statement of financial position. The amendments also introduce additional disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group's functional and presentation currencies are not currencies of hyperinflationary economies. Accordingly, the Group does not expect that these amendments will have any impact on its financial statements.

Foreign currency translation

The consolidated financial statements of the Group are presented in tenge, which is the functional currency of the Company and its subsidiary. Tenge is the currency of the primary economic environment in which the Company and its subsidiary operate. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the official rate established by the KASE and published by the National Bank of the Republic of Kazakhstan (the NBRK) at the reporting date. All translation differences are recognized in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange rates are presented in the following table:

	31 December 2025	31 December 2024
US dollar	505.53	523.54
Euro	593.44	546.47
Russian ruble	6.34	4.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 (twelve) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 (twelve) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 (twelve) months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 (twelve) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the *Note 29*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The respective unit of the Group (hereinafter, the “Working Group”) determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The composition of the Working Group is determined by the Management of the Group.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Working Group after discussion with and approval by the Group’s Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Working Group decides, after discussions with the Group’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Working Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group’s accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Working Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Please refer to asset retirement obligation (*Note 18*) for further information about decommissioning provision recognised. As at 31 December 2025 the Group has reassessed the timelines related to the asset retirement obligation, due to changes in plans for asset usage and assessment of their useful lives. The corresponding obligations have been adjusted in the accounting records.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Buildings and constructions	10-50
Machinery (including base stations)	3-10
Equipment, tools and installations	2-8

Land is not depreciated.

An item of property and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

As at 31 December 2025 the Group reassessed the useful lives of base stations. These changes were reflected in the Group's accounting policies. The revision represents a change in accounting estimates and was accounted for prospectively. This had no impact on depreciation for the year ended 31 December 2025, and the reassessed useful lives will be applied from 1 January 2026.

Construction-in-progress

Construction-in-progress represents property and equipment under construction and machinery and equipment awaiting installation and is recorded at cost. Construction-in-progress includes cost of construction and equipment and other direct costs. When construction of such assets is completed or when the machinery and equipment are ready for their intended use, construction-in-progress is transferred to the appropriate category of depreciable assets. Construction-in-progress is not depreciated.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Intangible assets have finite useful lives.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Expenses on amortization of intangible assets with finite useful life are recognized in the consolidated statement of comprehensive income in the category of expenses, which corresponds to the function of the intangible asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Intangible assets are amortized on a straight-line basis within the following estimated useful lives.

	Years
Telecommunication licenses	5-15
Software and license	3-8
Other	8-10

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Intangible assets (continued)***Research and development costs (continued)*

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's or cash-generating unit's (CGU) recoverable amount is the higher of the fair value of an asset (cash generating unit) less costs of disposal and its value in use (cash generating unit). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of 5 (five) years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

Financial assets*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Financial assets (continued)***Initial recognition and measurement (continued)*

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets of the Group include cash and cash equivalents, trade and other accounts receivable, financial assets at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Financial assets (continued)*****Derecognition***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. excluded from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, the Group evaluates if it has retained the risks and rewards of the property, and to which extent, if any. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets carried at amortised cost

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets carried at amortised cost

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Financial liabilities***Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities comprise trade and other accounts payable, loans and borrowings, lease liabilities and financial guarantees.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. Further details are contained in *Note 14*.

Trade and other accounts payable

Liabilities for trade and other accounts payable are recognised at fair value to be paid in the future for goods and services received, whether or not billed to the Group.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are only offset and reported at the net amount in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Group intends to either settle on a net basis, to realise the asset and settle the liability simultaneously.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

	Years
Buildings and constructions	5-15

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section *Impairment of non-financial assets*.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of base station that have a lease term of 12 months or less from the commencement date and the lessor has unconditional right to terminate contract. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of cost of acquisition and net realisable value.

Cost comprise expenses incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The same cost formula is used for all inventories having a similar nature and use. All inventories are determined based on weighted average cost method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Provisions***General*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

Decommissioning liabilities are recognized in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the reporting period when the related environmental disturbance occurs. Decommissioning costs are recorded at the discounted value of expected liability settlement costs calculated using estimated cash flows and recognized as part of the initial cost of the particular asset. Cash flows are discounted at the current rate before tax, which reflects risks inherent to the decommissioning obligations. Unwinding of discount is expensed as incurred and recognised in the consolidated statement of comprehensive income as finance costs. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Employee benefit*Social tax*

The Group pays social tax according to the current statutory requirements of the Republic of Kazakhstan. Social tax expenses are charged to expenses as incurred.

Besides, the Group withholds 10% of the salary of employees paid as contributions of employees to the accumulating pension funds. Under the legislation, employees are responsible for their retirement benefits and the Group has no present or future obligation to further compensate its employees upon their retirement, except as provided below.

Pension payments

The Group does not incur any expenses in relation to provision of pensions or other post-employment benefits to its employees. In accordance with the legal requirements of the Republic of Kazakhstan, the Group withholds pension contributions from employee salaries and transfers them into state or private pension funds on behalf of its employees. Pension contributions are the responsibility of employees, and the Group has no current or future obligations to make payments to employees following their retirement. Upon retirement of employees, all pension payments are administered by the pension funds directly.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The bulk of service revenue relates to prepaid contracts.

Revenue is categorised as follows: voice and data services, value added services, sale of handsets and other services.

Voice service includes call out revenue, interconnect fees, roaming revenues charged to the Group's subscribers for roaming in other wireless operators' network, and roaming revenues charged to other wireless operators for non-Group subscribers using the Group's network.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Revenue from contracts with customers (continued)**

Data services include revenues from 3G, 4G, 5G and LTE internet, WAP services and other data services.

Value added services consists of SMS, MMS, info services and providing content of third parties, fax and voice mail services.

The Group may bundle services and products into one customer offering. Offerings may involve the delivery or performance of multiple products, services, or rights to use assets (multiple deliverables). In some cases, the arrangements include initial installation, initiation, or activation services and involve consideration in the form of a fixed fee or a fixed fee coupled with a continuing payment stream. Costs associated with the equipment are recognised when revenue is recognised. The revenue is allocated to separate product and services on a relative stand-alone selling price method.

The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices and telecommunication services. Customised equipment that can be used only in connection with services or products provided by the Group is not accounted for separately and revenue is deferred over the total service arrangement period.

In revenue arrangements where more than one performance obligation, transaction price is allocated between the goods and services using relative stand-alone selling price method. Determining the transaction price for each separate performance obligation can require complex estimates. The Group generally determines the stand-alone selling price for each separate performance obligation based on prices at which the good or services are regularly sold on a stand-alone basis after considering volume discounts where appropriate.

The Group sells handsets to the customers that is payable within the period of 18 to 24 months. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the product, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Call out revenue

Call out revenue is recognised based on the actual airtime used by the subscribers. Prepayments received for call out revenue are not recognised as revenue until the related service has been provided to the subscriber. Revenue is recognised based on the actual traffic time elapsed, at the customer selected calling plan rates.

(i) Interconnect revenues and costs

The Group charges interconnect per minute fees and fixed monthly payments to other local wireless and fixed line operators for calls originated outside and terminated within the Group's network. The Group recognises such revenues when the services are provided. The Group is charged interconnect fees per minute and fixed monthly payments by other local wireless and fixed line operators for calls originated within the Group's network and terminated outside of the network. The Group recognises such costs when the services are provided.

(ii) Data revenue

The data service is recognised when a service is used by a subscriber based on actual data volume traffic or passage of time (monthly subscription fee).

(iii) Roaming revenues charged to the Group's subscribers

Roaming revenue from the Group's subscribers for roaming in other operators' network is charged based on information provided by other operators to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Revenue from contracts with customers (continued)***Call out revenue (continued)**(iv) Roaming fees charged to other wireless operators*

The Group charges roaming per minute fees to other wireless operators for non-Group subscribers utilising the Group's network. The Group recognises such revenues when the services are provided.

(v) Value added services

Value added services mainly consists of content provided by third parties, different info services, fax and voice mail. When invoicing the end-customer for third party content service, amounts collected on behalf of the principal are excluded from revenue.

Roaming discounts

The Group enters into roaming discount agreements with a number of wireless operators. According to the terms of the agreements the Group is obliged to provide and entitled to receive a discount that is generally dependent on the volume of inter operator roaming traffic. The Group uses various estimates and assumptions, based on historical data and adjusted for known changes, to determine the amount of discount to be received or granted. Such estimates are adjusted monthly to reflect newly-available information.

The Group accounts for discounts received as a reduction of roaming expenses and discounts granted as reduction of roaming revenue. The Group considers terms of the various roaming discount agreements to determine the appropriate presentation of amount of receivable from and payable to its roaming partners in its consolidated statements of financial position.

Customer loyalty program

Successfully completed promotional transactions using mobile balance, OGO bank cards, as well as other actions by subscribers of the Company that result in award credits for customers, under the Group's OGO Bonus Loyalty Programme, are accounted for as two separate performance obligations embedded into one contract, the commission. The transaction price is allocated between the commission price and the award provided based on their stand-alone selling prices. The transaction price of credit award is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Group's performance obligations have been fulfilled.

Costs to obtain a contract

The Group sells part of payment scratch cards, sim cards, and handsets using dealers. The Group pays a certain commission to dealers depending on the number of payment scratch cards, sim cards or handset sold. Sales commissions and equipment subsidies granted to dealers for obtaining a specific contract are capitalised and deferred over the period over which the Group expects to provide services to the customer. Other commissions to dealers are recognised when the item is sold to the subscriber.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Revenue from contracts with customers (continued)***Contract balances**Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "*Financial instruments – initial recognition and subsequent measurement*".

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The interest income is recorded as part of finance income in the consolidated statement of comprehensive income.

Expense recognition

Expenses are recognized as incurred and reported in the consolidated statement of comprehensive income in the period to which they relate on the accrual basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Taxes (continued)***Current income tax (continued)*

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the same time of transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements. Where an inflow of economic benefits is probable, they are disclosed.

Contingent liabilities are not recognized in the consolidated financial statements unless an outflow of resources embodying economic benefits has become probable. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)**Related parties**

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Transactions with related parties are used to reflect the status of settlements for property, works and services received from companies or sold to companies that are related parties to the Group. Items of a similar nature are disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the consolidated financial statements.

Transactions with related parties when there is a difference between the borrowing amount and its fair value (present value using current market rates for similar instruments) is treated as an equity contribution as additional paid in capital. When the contractual obligations are finalized, the Group reclassify the amount of the additional paid in capital in retained earnings.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial instruments and financial risk management objectives and principles *Note 29*.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

As of 31 December 2025, the Group reassessed the useful lives of base stations. The revised useful life was determined based on management's judgement and an analysis of the average useful life of all base stations. The updated accounting policy will be applied prospectively and will be effective from 2026. The effect of the modification of the useful life of base station amounted to 14,752 million tenge (2024: 8,575 million tenge) (*Note 15*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Judgements (continued)***Leases – estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Useful lives of property and equipment and intangible assets

The Group assesses the remaining useful lives of items of property and equipment and intangible assets at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Capitalisation of licensed products

During 2023 the Group signed the long-term subscription agreement for licensed products and software upgrade. In case of termination of the agreement the Group is obliged to repay the residual amount of unpaid fees in accordance with the agreement.

During 2024, the Group signed an additional agreement with the same conditions.

Accordingly, the Group recognized trade payables for both contracts as of the date of the start of the agreements for the full amount and capitalized it within property, plant and equipment.

Impairment of non-financial assets

As at 31 December 2024 the Group determined the change in the forecast cash flows for the period 2025-2028 as an indicator of impairment and performed impairment test. By the results of the impairment test recoverable amount exceeded the carrying value of non-current assets. For impairment testing the Company was identified as one cash-generating unit. In 2024, the recoverable amount has been determined based on the calculation of value-in-use.

Estimation of future cash flows requires assumptions to be made in respect to uncertain factors, including management expectations in relation to Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) margin, timing and amount of capital expenditures, terminal growth rates and appropriate discount rates to reflect the risks involved. Therefore, EBITDA margin and capital expenditures used for value in use calculation are primarily derived from internal sources, based on past experience and extended to include management expectations. For the purposes of impairment testing EBITDA is calculated as earnings before interest, taxation, depreciation and amortisation measured on the basis consistent with IFRS consolidated financial statements.

Decommissioning liability

Decommissioning liabilities are recognized in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs in the reporting period when the related environmental disturbance occurs. Decommissioning costs are recorded at the discounted value of expected liability settlement costs calculated using estimated cash flows and recognized as part of the initial cost of the particular asset. Cash flows are discounted at the current rate before tax, which reflects risks inherent to the decommissioning obligations. Unwinding of discount is expensed as incurred and recognised in the consolidated statement of comprehensive income as finance costs. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. In estimating the expected cost, the Group takes into account changes in environmental legislation and regulations that may impact the dismantling process. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Judgements (continued)***Provision for expected credit losses*

The Group recognizes provision for expected credit losses for trade and other accounts receivable and funds in credit institutions (cash and cash equivalents, bank deposits).

For trade and other receivable, the Group has applied the standard's simplified approach and has calculated expected credit losses based on lifetime of these financial instruments. The Group used a provision model that is prepared taking into account Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in *Note 9*.

For funds in credit institutions (cash and cash equivalent, bank deposits), the Group calculated expected credit losses based on the 12-month period. The 12-month expected credit losses is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit losses.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. Also, it is considered a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Thus, as at 31 December 2025 provision for expected credit losses was created in the amount of 5,491 million tenge (as at 31 December 2024: 8,181 million tenge) (*Notes 9*). Changes in the economy, industry or specific customer conditions would have impact to these allowances recorded in the consolidated financial statements.

Costs to obtain a contract

The Group considers commission to sales agents to be an additional cost to obtain a contract and capitalizes such costs as an asset on expenses under contracts with customers. The Group depreciates the costs to obtain a contract with customers on a systematic basis, which corresponds to the timing of the provision of services to customers. The Group reviews depreciation periods if the expected service dates have changed.

Contract liabilities

Deferred revenues are recognized as contract liabilities and recognized over the expected period of the customer relationship. In making its judgments, management considered the detailed criteria for the recognition of revenues from contract with customers set out in IFRS 15, industry practice and the Group's historical churn rate.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

As at 31 December 2025 net deferred tax assets of the Group were equal to 4,519 million tenge (at 31 December 2024: 2,856 million tenge). Further details are contained in *Note 27*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Judgements (continued)***Fair value measurement of financial instruments*

When the fair value of financial instruments and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on data in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value reported in the consolidated financial statements. For more details on the fair values refer to *Note 29*.

Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures;
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products;
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning one of the Group's manufacturing facilities.

5. SEGMENT INFORMATION

The Group's main operations are concentrated in the Republic of Kazakhstan and are mainly represented by provision of mobile communication services. The Group identifies the segment in accordance with the criteria set in IFRS 8 *Operating Segments* and based on the way the operations of the Group are regularly reviewed by the chief operating decision maker to analyze performance and allocate resources among business units of the Group.

The Group's Chairman of the Management Board has been determined as the chief operating decision-maker ("CODM"). The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements prepared in accordance with IFRS. Management has determined a single operating segment being mobile communication services based on these internal reports.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. SHARE CAPITAL AND EARNINGS PER SHARE**

Share capital of the Group is as follows:

	31 December 2025		31 December 2024	
	Share	Number of shares	Share	Number of shares
Kazakhtelecom JSC	51.00%	102,000,000	51.00%	102,000,000
Private company KC HOLDING LTD	14.87%	29,745,215	14.87%	29,745,215
ALATAU CITY BANK JSC	9.08%	18,167,753	9.08%	18,167,753
Single accumulative pension fund JSC	7.06%	14,116,287	7.10%	14,207,642
Sovereign Wealth Fund "Samruk-Kazyna" JSC	5.64%	11,282,855	2.97%	5,943,939
KAZPOST JSC	3.01%	6,023,197	3.36%	6,719,658
ZHASYL DAMU JSC	2.08%	4,165,671	2.73%	5,458,754
Raiffeisenbank JSC	1.54%	3,070,664	1.54%	3,070,664
Other	5.72%	11,428,358	7.35%	14,686,375
	100.00%	200,000,000	100.00%	200,000,000

The total authorized number of ordinary shares is 200,000,000 shares with a par value of 169 tenge per share, all of which are issued and fully paid.

The calculation of basic and diluted earnings per share is based on the following data:

<i>In millions of tenge</i>	2025	2024
Profit for the year attributable to equity shareholders	14,106	10,159
Weighted average number of ordinary shares	200,000,000	200,000,000
Earnings per share (Kazakhstani tenge), basic and	70.53	50.80

The Group has no dilutive or potentially dilutive securities outstanding. During the year ended 31 December 2025 and 2024, the Group did not declare and did not pay any dividends.

Additional information disclosed in accordance with KASE requirements

The cost of ordinary shares, calculated in accordance with the requirements of the KASE

According to the requirements of the KASE, the Group has calculated its cost per ordinary share, which was calculated based on the number of ordinary shares outstanding at the reporting date. The cost per ordinary share as at 31 December 2025 and 2024 is presented below.

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Net assets, excluding intangible assets	85,864	64,116
Number of ordinary shares issued	200,000,000	200,000,000
Cost of ordinary share, calculated in accordance with listing requirements of KASE (Kazakhstani tenge)	429.32	320.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**7. PROPERTY AND EQUIPMENT**

Movements of property and equipment for the years ended 31 December 2025 and 2024 were as follows:

<i>In millions of tenge</i>	Land	Buildings and construction	Machinery	Equipment, tools and installations	Assets under construction	Total
Cost						
At 1 January 2024	2,109	19,876	269,932	39,711	90,650	422,278
Additions	-	45	5,752	3,494	53,137	62,428
Provision for dismantling (Note 18)	-	-	628	-	-	628
Transfer between the groups	-	192	51,636	-	(51,828)	-
Transfer from investment property	-	597	-	-	-	597
Disposals	-	(20)	(2,422)	(2,985)	(63)	(5,490)
At 31 December 2024	2,109	20,690	325,526	40,220	91,896	480,441
Additions	-	554	16,775	6,273	68,624	92,226
Provision for dismantling (Note 18)	-	-	(1,110)	-	-	(1,110)
Transfer between the groups	-	263	55,440	-	(55,703)	-
Disposals	-	-	(17,455)	(1,904)	(484)	(19,843)
At 31 December 2025	2,109	21,507	379,176	44,589	104,333	551,714
Accumulated depreciation and impairment						
At 1 January 2024	-	(8,363)	(220,261)	(33,029)	(4,512)	(266,165)
Depreciation charge	-	(834)	(15,178)	(5,394)	-	(21,406)
Transfer from investment property	-	(323)	-	-	-	(323)
Disposals	-	13	2,274	2,981	-	5,268
At 31 December 2024	-	(9,507)	(233,165)	(35,442)	(4,512)	(282,626)
Depreciation charge	-	(870)	(23,642)	(5,790)	-	(30,302)
Disposals	-	-	11,314	1,902	-	13,216
At 31 December 2025	-	(10,377)	(245,493)	(39,330)	(4,512)	(299,712)
Net book value						
At 31 December 2024	2,109	11,183	92,361	4,778	87,384	197,815
At 31 December 2025	2,109	11,130	133,683	5,259	99,821	252,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**7. PROPERTY AND EQUIPMENT (continued)**

As of 31 December 2025 the Group made prepayments for certain property and equipment mainly represented by equipment for base stations in the amount of 979 million tenge (31 December 2024: 1,103 million tenge).

As at 31 December 2025 the historical cost of property and equipment which has been fully depreciated and still in use, was 201,895 million tenge (as at 31 December 2024: 195,646 million tenge).

During 2025 the Group has written off the fully amortized property and equipment with historical cost in the amount of 176 million tenge (2024: 1,496 million tenge).

8. INTANGIBLE ASSETS

Movements of intangible assets for the years ended 31 December 2025 and 2024 were as follows:

<i>In millions of tenge</i>	Software and licenses	Intangible assets in development stage	Total
Cost			
At 1 January 2024	224,866	2,634	227,500
Additions	13,423	2,349	15,772
Transfer between the groups	870	(870)	-
Disposals	(12,093)	-	(12,093)
At 31 December 2024	227,066	4,113	231,179
Additions	13,412	2,061	15,473
Transfer between the groups	-	-	-
Disposals	(648)	-	(648)
At 31 December 2025	239,830	6,174	246,004
Accumulated amortization and impairment			
At 1 January 2024	(103,676)	-	(103,676)
Amortization charge	(22,024)	-	(22,024)
Disposals	12,082	-	12,082
At 31 December 2024	(113,618)	-	(113,618)
Amortization charge	(23,115)	-	(23,115)
Disposals	648	-	648
At 31 December 2025	(136,085)	-	(136,085)
Net book value			
At 31 December 2024	113,448	4,113	117,561
At 31 December 2025	103,745	6,174	109,919

As at 31 December 2025 the carrying amount of 5G license was 65,029 million tenge (31 December 2024: 70,231 million tenge) and its remaining amortization period was 13 years. As at 31 December 2025 the carrying amount of the 4G license was 8,811 million tenge (31 December 2024: 10,544 million tenge) and its remaining amortization period was 5 years. As at 31 December 2025 the 3G license was fully amortized over its useful life (31 December 2024: 333 million tenge).

As at 31 December 2025 the historical cost of intangible assets, which have been fully amortized and still in use, was 49,955 million tenge (31 December 2024: 34,526 million tenge).

During 2025 the Group has written off the fully amortized intangible assets with historical cost in the amount of 648 million tenge (during 2024: 12,075 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**8. INTANGIBLE ASSETS (continued)**

During 2025 the Group continued the development of its own digital products that represent identifiable and separable software-based solutions and are intended to generate future economic benefits through their use in the Group's operations and in services provided to clients. These projects include, among others, the development of a scoring system, the enhancement of the SuperApp platform and the development of an internal multichannel tool for partner companies. The projects are aimed at creating new digital functionality, improving the automation of business processes, expanding digital channels of interaction with customers and partners, and supporting the launch of new digital services and revenue streams.

All capitalised costs relate to projects that have passed the research stage and are in the development stage in accordance with IAS 38. Management has assessed that, for these projects, the technical feasibility of completion has been demonstrated, the Group has the intention and the ability to complete and use the developed products, adequate technical, financial and other resources are available, and the expenditures attributable to the projects can be reliably measured. The Group also expects that the developed products will generate probable future economic benefits through increased operational efficiency, expansion of digital service offerings, improvement of customer experience and the potential generation of additional revenue.

As at 31 December 2025, the carrying amount of intangible assets at the development stage included in development costs amounted to 6,174 million tenge (31 December 2024: 4,113 million tenge). These assets represent digital products that are not yet available for their intended use. Upon completion of development and when the products become ready for operation, the respective amounts will be transferred to intangible assets in use and amortised over their estimated useful lives.

9. TRADE RECEIVABLES

As at 31 December 2025 and 2024, trade receivables comprised of the following:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Trade receivable from subscribers	37,939	34,383
Trade receivable from interconnect services	939	1,840
Trade receivables from roaming operators	597	779
Trade receivables from dealers and distributors	737	799
Trade receivables from related parties (Note 28)	1,990	2,186
Less: allowance for expected credit losses	(5,491)	(8,181)
	<u>36,711</u>	<u>31,806</u>
Less: long-term portion of trade receivable from subscribers	(8,617)	(5,404)
	<u>28,094</u>	<u>26,402</u>

During the years ended 31 December 2025 and 2024, movements in the allowance for expected credit losses were as follows:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Allowance for expected credit losses at the beginning of the year	(8,181)	(4,830)
Charge for the year	(2,598)	(3,156)
Write-off for the year	5,288	83
Other	-	(278)
Allowance for expected credit losses at the end of the year	<u>(5,491)</u>	<u>(8,181)</u>

During 2025 the Group sold overdue receivables with gross value in the amount of 5,074 million tenge and net book value of 775 million tenge for 775 million tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**9. TRADE RECEIVABLES (continued)**

Below is information as of 31 December 2025 and 31 December 2024 about the credit risk exposure on the Group's trade receivables using a provision matrix:

<i>In millions of tenge</i>	Total	Current	Days past due				
			1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days
31 December 2025							
Estimated total gross book value for default	42,202	22,282	12,381	992	761	1,154	4,632
Expected credit loss rate		0.62%	1.25%	16.33%	19.71%	45.84%	94.04%
Expected credit losses	5,491	139	155	162	150	529	4,356

<i>In millions of tenge</i>	Total	Current	Days past due				
			1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days
31 December 2024							
Estimated total gross book value for default	39,987	23,550	2,034	4,031	1,616	1,481	7,275
Expected credit loss rate		0.042%	1.33%	5.04%	8.66%	41.66%	98.75%
Expected credit losses	8,181	10	27	203	140	617	7,184

As at 31 December 2025 and 2024 the Group's trade receivables were denominated in the following currencies:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Tenge	35,232	29,973
US dollars	1,255	1,658
Euro	208	165
Other currency	16	10
	36,711	31,806

10. INVENTORY

As at 31 December 2025 and 2024, inventories comprised:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Handsets and accessories (at lower of cost and net realizable value)	7,289	7,713
Start packages (at cost)	255	245
SIM-cards (at cost)	182	195
Marketing materials (at cost)	67	31
Other materials (at cost)	578	996
	8,371	9,180

During 2025, the Group recognised write off of 842 million tenge (2024: 441 million tenge) for inventories carried at net realisable value within general and administrative expenses (*Note 23*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**11. OTHER CURRENT NON-FINANCIAL ASSETS**

As at 31 December 2025 and 2024, other current non-financial assets comprised of the following:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Prepaid radio frequency fee	5,674	759
Advances paid	3,017	1,919
Prepaid expenses	1,506	1,150
Prepaid taxes other than income taxes	1,387	1,118
VAT recoverable	1,052	85
	12,636	5,031

Under the previous version of the Tax Code, the 90% incentive on the radio frequency spectrum fee was applicable only until 1 January 2025; therefore, starting from 2025, the Group accrued and paid the fee at the full rate, as no incentive was legally effective at that time. According to the new Tax Code approved during 2025, the 90% incentive was reinstated with retrospective effect from 1 January 2025 and its application was extended until 1 January 2031, subject to the fulfillment of the relevant regulatory obligations. In September 2025, the Group received official confirmation enabling the practical application of the incentive and the recalculation of the radio frequency spectrum fee, following which the Group recalculated the fee retrospectively from the beginning of the year and reduced the accrued charges by applying the 90% incentive. As a result, the amounts previously paid at the full rate exceeded the revised liability and were recognized as a prepayment, which explains the significant increase in the prepaid balance related to the radio frequency spectrum fee.

During 2025, the Group recognised a provision for advances paid for 876 million tenge (*Note 26*), which is recognised within other operating expenses (2024 year: 523 million tenge).

12. FINANCIAL ASSETS AT AMORTIZED COST

During 2025, the Group purchased U.S. Treasury Bills (T-bills) denominated in U.S. dollars with a total acquisition cost of 13,785 million tenge and realized T-bills with a carrying amount of 6,712 million tenge. As at 31 December 2025, financial assets at amortized cost in the amount of 6,583 million tenge (31 December 2024: nil) were represented by short-term U.S. Treasury Bills (T-bills) denominated in USD, which were acquired at purchase price USD 13.098 million at 28 November 2025.

The Group recognized the financial assets at amortized cost as the contractual cash flows are solely principal and interest and the financial assets are held within a business model for collecting contractual cash flows.

As at 31 December 2025, financial assets at amortised cost comprised of the following:

<i>In millions of tenge</i>	Maturity date	Yield to maturity	Nominal value	31 December 2025	31 December 2024
U.S. T-bills	03 March 2026	3.8%	13,223,000 USD	6,583	-
			13,223,000 USD	6,583	-

13. CASH AND CASH EQUIVALENTS

As at 31 December 2025 and 2024, cash and cash equivalents comprised of the following:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Bank deposits with original maturity of less than 90 days	29,784	7,044
Cash on current bank accounts	2,353	1,750
Cash on hand	7	7
	32,144	8,801

As of 31 December 2025, short-term bank deposits represent overnight deposits in tenge in Halyk Bank JSC at interest rate 17.50% in the amount of 4,880 million tenge, Bereke Bank JSC at interest rate 17.50% in the amount 9,904 million tenge and Kazpost JSC at interest rate 17% in the amount 15,000 million tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**13. CASH AND CASH EQUIVALENTS (continued)**

As at 31 December 2025 and 2024, cash and cash equivalents were denominated in various currencies as follows:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Tenge	31,994	3,795
US dollars	149	5,005
Euro	1	–
Russian roubles	–	1
	32,144	8,801

14. BORROWING

As at 31 December 2025 and 2024, borrowings comprised of the following:

<i>In millions of tenge</i>	Currency	Effective interest rate	Nominal interest rate	Maturity date	31 December 2025	31 December 2024
DBK JSC	Tenge	20.00%	12.60%	November 2040 September 2027	30,996	–
AIX Bonds	Tenge	20.15%	18.50%	June 2028	30,432	30,355
AIX Bonds	Tenge	20.15%	18.50%	April 2027	25,295	–
AIX Bonds	Tenge	20.74%	19.00%	October 2027	15,691	15,572
AIX Bonds	Tenge	20.15%	18.50%		15,532	15,430
Bank of China Kazakhstan JSC	Tenge	19.00%	18.50%	February 2026 September 2026	15,370	–
Nurbank JSC	Tenge	17.00%	15.75%	July 2028	3,866	4,000
Nurbank JSC	Tenge	18.40%	17.00%	August 2028	1,500	–
Nurbank JSC	Tenge	18.40%	17.00%	September 2028	1,000	–
Nurbank JSC	Tenge	18.40%	17.00%	June 2025	1,700	–
AIX Bonds	Tenge	17.50%	17.50%		–	25,282
					141,382	90,639
Less: non- current portion					(78,403)	(47,667)
					62,979	42,972

Borrowings are repayable as follows:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Current portion of borrowings	62,979	42,972
Maturity between 1 and 2 years	49,177	2,667
Maturity between 2 and 5 years	6,085	45,000
Maturity over 5 years	23,141	–
Total non-current portion of borrowings	78,403	47,667

The Group's borrowings and bonds are denominated in Kazakhstani tenge and unsecured. The borrowings have financial and non-financial covenants. Breaches in meeting the covenants would permit the banks to immediately call loans and borrowings. As at 31 December 2025 and 2024, there were no breaches of the covenants.

The Group has not entered into any hedging arrangements in respect of its interest rate exposures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)*AIX Bonds*

In March 2024 the Group approved a bond program for a total amount of KZT 70,000 million at the Astana International Exchange (Astana International Exchange JSC). As part of this program, in the first half of 2024, the Group issued two tranches of bonds with a nominal value of 15,000 million and 25,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 1 %) with the maturity till April 2027 and June 2025 respectively. In accordance with the terms and conditions of the first tranche of 15,000 million tenge of the bonds program the bondholder can request early redemption of the bonds after 12 months from the date of acquisition of 8 April 2024. Accordingly, the Group classified these bonds within current liabilities.

In September 2024, the Group issued third tranche of bonds with a nominal value of 30,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 0.5%) with the maturity till September 2027.

In October 2024 the Group increased bond program for a total amount of KZT 100,000 million at the Astana International Exchange (Astana International Exchange JSC). As part of this program, in October 2024, the Group issued fourth tranche of bonds with a nominal value of 15,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 0.5%) with the maturity till October 2027.

In June 2025, the Group repaid second tranche of bonds in the amount of 25,000 million tenge and issued fifth tranche of bonds with a nominal value of 25,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 0.5%) with the maturity till June 2028. In accordance with the terms and conditions of the fifth tranche of 25,000 million tenge of the bonds program the bondholder can request early redemption of the bonds at any time from the date of acquisition of 9 June 2024. Accordingly, the Group classified these bonds within current liabilities.

Nurbank JSC

In September 2023 the Group obtained a loan from Nurbank JSC of 15,000 million tenge. The effective interest rate of the loan is 18,69% per annum. Maturity date of the loan is 8 September 2026. In April 2024, the Group fully repaid this loan.

In April 2024, the Group obtained a loan from Nurbank JSC of 15,000 million tenge with the effective interest rate of 16.67% per annum. Maturity date of the loan is 8 September 2026.

In May 2024, the Group obtained a loan from Nurbank JSC of 3,000 million tenge with the effective interest rate of 16.65% per annum. Maturity date of the loan is 8 September 2026.

In September 2024, the Group repaid 18,000 million tenge.

In October 2024, the Group obtained a loan from Nurbank JSC of 1,200 million tenge with the effective interest rate of 16.10% per annum. Maturity date of the loan is 8 September 2026. In October 2024, the Group repaid 1,200 million.

In December 2024, the Group obtained a loan from Nurbank JSC of 4,000 million tenge with the effective interest rate of 16.06% per annum. Maturity date of the loan is 8 September 2026. In January 2025, the Group repaid 4,000 million.

In January 2025, the Group obtained a loan from Nurbank JSC of 4,000 million tenge with the effective interest rate of 17.00% per annum. Maturity date of the loan is 8 September 2026. In November 2025, the Group repaid 1,333 million.

In February 2025, the Group obtained a loan from Nurbank JSC of 2,000 million tenge with the effective interest rate of 17.00% per annum. Maturity date of the loan is 8 September 2026. In December 2025, the Group repaid 800 million.

In July 2025, the Group obtained a loan from Nurbank JSC of 1,500 million tenge with the effective interest rate of 18.40% per annum. Maturity date of the loan is 3 July 2028.

In August 2025, the Group obtained a loan from Nurbank JSC of 1,000 million tenge with the effective interest rate of 18.40% per annum. Maturity date of the loan is 7 August 2028.

In September 2025, the Group obtained a loan from Nurbank JSC of 1,700 million tenge with the effective interest rate of 18.40% per annum. Maturity date of the loan is 29 September 2028.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)*Halyk Bank of Kazakhstan JSC*

In February 2023, the Group signed an agreement on non-revolving credit line with JSC Halyk Bank of Kazakhstan with limit of 50,000 million tenge on investments in capital expenditures. In September 2023 the Group signed an addendum to the existing credit line and extended the limit to 90,500 million tenge with a revolving limit of 40,500 million tenge for working capital financing.

During 2024, the Group received tranches within the credit line in the amount of 43,977 million tenge with a repayment period of 36 months and an effective interest rate of 17.50%-20.10%. During 2024, the Group repaid 97,581 million tenge of principal amount.

Bank of China Kazakhstan JSC

On 2 June 2021 the Group obtained tranche from Bank of China JSC within the existing credit line agreement of 2,000 million tenge. In June 2023 the Group obtained tranche of 13,000 million tenge from Bank of China JSC with the effective interest rate of 16.95% within the credit line agreement and maturity date of 1 February 2026. In June 2024, the Group repaid 2,000 million tenge. In September 2024, the Group repaid 13,000 million tenge.

During 2024, the Company received a loan in the amount of 15,000 million tenge, with a maturity of 36 months at an effective interest rate of 15.80% per annum. In October 2024, the Company repaid 15,000 million tenge.

In May 2025, the Group obtained a loan from Bank of China Kazakhstan JSC of 15,000 million tenge with the effective interest rate of 18.40% per annum. Maturity date of the loan is 23 February 2026. The loan is secured by a financial guarantee provided by Kazakhtelecom JSC. The Group considers the financial guarantee provided by parent company to be an integral part of the loan and therefore does not recognize the guarantee separately in consolidated financial statements.

First Heartland Jusan Bank JSC

On 10 November 2021, the Group and First Heartland Jusan Bank JSC, one of the shareholders of the Company, signed a credit line agreement in the amount of 60,500 million tenge. During 2021 the Group received three tranches of totalling 40,000 million tenge. At the date of initial recognition, the tranches were recognized at fair value based on expected cash outflows at a market rate observable for similar instruments at the time the loan was issued. On initial recognition of all three tranches total discount in the amount of 1,260 million tenge was recognised within equity as the additional paid-in capital.

In 2023, the Group became an affiliate of First Heartland Jusan Bank JSC. Accordingly, on 8 September 2023, the Group early repaid the debt in the amount of 40,000 million tenge. The remaining balance of the debt as of 31 December 2023 amounted to 500 million tenge, bearing interest at 11% per annum, with a contractual maturity date of 10 November 2024.

In July 2024, the Group fully repaid the loan of 500 million tenge. Following the full settlement of the liability, the discount that had been initially recognised within equity was reclassified from additional paid-in capital to retained earnings in the amount of 1,260 million tenge, in accordance with the Group's accounting policy.

Development Bank of Kazakhstan JSC

As of 21 November 2025, the Group entered into a credit line agreement in the total amount of 141,120 million tenge for the purpose of financing expenditures under the investment project related to the construction and modernization of the 4G and 5G network in the Republic of Kazakhstan, including reimbursement of previously incurred costs. The credit line consists of two limits.

Limit 1 amounts to 40,000 million tenge with an availability period until 31 December 2025. In November 2025, the Group obtained a loan under this limit in the amount of 40,000 million tenge, with a contractual maturity date in November 2040 and an effective interest rate of 13.2% per annum. Under the terms of Limit 1, interest is payable on a quarterly basis, while the principal is repayable in equal annual installments.

Limit 2 amounts to 101,120 million tenge and will be available for a period of 24 months after signing of supplementary agreement upon decision of DBK's loan committee, bearing interest at the Bank's cost of funding plus 1.31% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**14. BORROWINGS (continued)***Development Bank of Kazakhstan JSC (continued)*

The credit line is guaranteed by the parent company, JSC Kazakhtelecom. As the guarantee is inseparable from the borrowing and cannot be transferred or separately measured independently from the loan, it was not recognized separately in the financial statements.

As the financing was provided on preferential terms within a state development program, the Group determined the fair market borrowing rate at the date of obtaining Limit 1 to be 20% per annum. The loan was initially recognized at fair value using this market-based rate, and the difference between the nominal amount of the loan and its fair value was recognized as a government grant in the amount of 9,429 million tenge (*Note 20*).

The loan agreements include financial covenants that the Group is required to comply with throughout the term of the borrowings.

Undrawn credit facilities

At 31 December 2025, the Group had available 169,554 million tenge of undrawn committed borrowing facilities.

Covenants

The Group's non-current borrowings include borrowings amounting to 78,403 million tenge that contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period.

As at 31 December 2025 the Group complied with all the covenants that were required to be met on or before 31 December 2025. The covenants that are required to be complied after the end of the current period do not affect the classification of the related borrowings as current or non-current at the end of the current period. Therefore, all these borrowings remain classified as non-current liabilities. The Group does not expect any issues with respect to compliance of the future covenants for the next 12 months from the reporting date.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group's right of use assets are represented by lease of offices, warehouses, site rents and shops. Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

<i>In millions of tenge</i>	Total
Cost	
At 1 January 2024	64,988
Additions	7,038
Modification	8,575
At 31 December 2024	80,601
Additions	4,308
Modification	14,752
Cancellation	(144)
At 31 December 2025	99,517
Accumulated depreciation	
At 1 January 2024	(23,826)
Depreciation charge	(7,765)
At 31 December 2024	(31,591)
Depreciation charge	(7,558)
At 31 December 2025	(39,149)
Net book value	
At 31 December 2024	49,010
At 31 December 2025	60,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
At the beginning of the year	51,917	43,557
Interest expenses	6,892	5,993
Payments	(12,352)	(13,246)
Modifications	14,752	8,575
Additions	4,308	7,038
Cancellation	(144)	-
At the end of the year	65,373	51,917
Long-term lease liabilities	61,583	46,652
Short-term lease liabilities	3,790	5,265

The following amounts were recognised in profit or loss:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Depreciation expense of right-of-use assets	7,558	7,765
Interest expense on lease liabilities	6,892	5,993
Total amount recognized in profit or loss	14,450	13,758

The modification mainly relates to the reassessment of the expected lease terms of base stations. As disclosed in *Note 4* to the accounting estimates, during the year the Group revised the expected lease terms of base stations from 7 to 10 years on a prospective basis.

All significant extension and termination options included in lease contracts have been assessed and incorporated into the measurement of lease liabilities where the Group is reasonably certain to exercise such options. Accordingly, the Group is not exposed to material future cash outflows arising from extension or termination options that are not reflected in the carrying amount of lease liabilities.

Lease payments relating to optional periods are excluded from the measurement of lease liabilities only in cases where the Group is not reasonably certain to exercise the respective option. Based on management's assessment, such potential cash outflows are not material.

Therefore, the Group does not have significant future cash outflows arising from extension and termination options that are not reflected in the measurement of lease liabilities.

The Group does not have any material restrictions or covenants imposed by lease agreements that would significantly limit its ability to use the leased assets, distribute dividends, incur additional borrowings or conduct its normal business activities. Lease contracts do not contain significant financial covenants similar to those typically included in loan agreements.

16. LONG-TERM AND SHORT-TERM TRADE PAYABLES

As at 31 December 2025 and 2024, trade payables comprised of the following:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Trade payables to third parties	49,833	37,987
Trade payables to related parties (<i>Note 28</i>)	2,976	5,505
	52,809	43,492
Less: long-term portion of trade payables	(7,354)	(3,754)
	45,455	39,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**16. LONG-TERM AND SHORT-TERM TRADE PAYABLES (continued)**

As at 31 December 2025 and 2024, the Group's trade payables were denominated in the following currencies:

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Tenge	27,214	24,618
EUR	25,106	17,313
US dollars	475	1,554
Other currency	14	7
	52,809	43,492

17. CONTRACT LIABILITIES

As at 31 December 2025 and 2024, contract liabilities comprised of the prepayments from customers. Movement of contract liabilities was as follows:

<i>In millions of tenge</i>	2025	2024
Contract liabilities as at 1 January	8,726	9,861
Deferred during the year	185,197	175,459
Recognized as revenue during the year	(184,734)	(176,594)
Contract liabilities as at 31 December	9,189	8,726

18. ASSET RETIREMENT OBLIGATION**Decommissioning liabilities**

Provision for decommissioning liabilities is recognized at the discounted value of expected costs to bring the sites and facilities to their original condition using estimated cash flows and is recognized as part of the cost of the specific asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability.

Movements in provision for decommissioning liabilities for the years ended 31 December 2025 and 31 December 2024 were as follows:

<i>In millions of tenge</i>	2025	2024
Provision for decommissioning liabilities as at 1 January	4,711	3,676
Change in estimate (Note 7)	(1,110)	628
Unwinding of discount (Note 25)	522	407
Provision for decommissioning liabilities as at 31 December	4,123	4,711
Current portion	-	-
Non-current portion	4,123	4,711

The provision was determined at the end of the reporting period using the projected inflation rate for the expected period of the fulfilment of obligation, and the discount rate at the end of the year which is presented below:

	31 December 2025	31 December 2024
Discount rate	9.9%	11.08%
Period of fulfillment of obligation	15 years	6 years

19. PROVISIONS

In 2025 the Group accrued provision related to fines and penalties on contractual obligations and contractual liabilities that Management considers as probable in the amount of 1,067 million tenge.

<i>In millions of tenge</i>	31 December 2025	31 December 2024
Fines and penalties on contractual obligations	8,543	7,476
	8,543	7,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19. PROVISIONS (continued)**

Movements in provisions for the years ended 31 December 2025 and 2024 were as follows:

<i>In millions of tenge</i>	2025	2024
Provision as at 1 January	7,476	2,062
Accrual of provision	1,067	5,428
Reversal of fines and penalties provision	–	(14)
Provision as at 31 December	8,543	7,476

20. GOVERNMENT GRANTS

<i>In millions of tenge</i>	2025	2024
Government grants as at 1 January	27,032	18,137
Received during the year	18,585	14,748
Released to the consolidated statement of comprehensive income	(7,239)	(5,853)
Government grants as at 31 December	38,378	27,032
Government grants current portion	7,870	5,853
Government grants non-current portion	30,508	21,179

Under the Law of the Republic of Kazakhstan dated 15 July 2025 No. 208-VIII 3PK “On Amendments and Additions to the Code of the Republic of Kazakhstan ‘On Taxes and Other Mandatory Payments to the Budget’ (Tax Code) and Related Legislative Acts of the Republic of Kazakhstan”, effective 1 January 2025, the fee for the use of the radio frequency spectrum will be reduced by ninety per cent from the current rate and rate for the 5G spectrum was reduced. This reduction applies to operators that have assumed obligations under permits for the use of the radio frequency spectrum issued by the authorized communications body and that allocate – either independently or jointly – an amount at least equal to the savings from this fee reduction to the development of broadband Internet projects in both urban and rural areas.

The funds released as a result of reduction in the annual fee for use of radio frequencies for 2025 in the amount of 9,156 million tenge (for 2024: 14,748 million tenge) were used by the Group for the purchase and construction of broadband internet. Government grants related to assets are recognized as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. As of 31 December 2025, the balance of deferred income recognized was equal to 29,028 million tenge (As of 31 December 2024: 27,032 million tenge), and part of the government grants released to the profit and loss over the period necessary to match the related depreciation charges equal to 7,160 million tenge in 2025 (5,853 million tenge in 2024)

As of 31 December 2025, there are no unfulfilled conditions or contingencies attributable to these grants.

In November 2025, the group obtained a long-term loan from Development Bank of Kazakhstan JSC under a state development financing program on preferential terms to support the implementation of the investment project related to the construction and modernization of the 4G and 5G network. The preferential nature of the financing relates to the interest rate being set below the market level. The group determined the fair market borrowing rate at the date of obtaining the loan to be 20% per annum. As the contractual interest rate was lower than the market rate, the loan was initially recognised at fair value using the market-based discount rate, and the difference between the nominal amount of the loan and its fair value was recognised as a government grant in the amount of 9,429 million tenge (*Note 14*).

The government grant is recognised as deferred income and is subsequently recognised in profit or loss on a systematic basis over the useful life of the related assets acquired or constructed within the 4G/5G network development and modernisation projects, so as to match the grant income with the depreciation expense of those assets. The amortisation of the government grant is recognised in profit or loss as part of “income from government grants”, consistently with the presentation of other government grants recognised by the group. In 2025, the amount of the government grant recognised in profit or loss in relation to the loan obtained from Development Bank of Kazakhstan JSC amounted to 79 million tenge.

As of 31 December 2025, the carrying amount of the deferred income related to this government grant on the DBK loan amounted to 9,350 million tenge.

The Group has complied with all conditions attached to this government assistance, and as of 31 December 2025 there are no unfulfilled conditions or contingencies relating to the grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. REVENUE FROM CONTRACTS WITH CUSTOMERS**

<i>In millions of tenge</i>	2025	2024
Voice and data services	186,538	182,354
Sale of handsets and equipment	42,234	36,559
Value added services	14,206	9,781
Other	11,771	6,773
	254,749	235,467
Over time	212,515	198,908
At a point of time	42,234	36,559
	254,749	235,467

As at 31 December 2025 and 31 December 2024, the contract liabilities in the amount of 9,189 million tenge and 8,726 million tenge, respectively, were represented by deferred revenue.

22. COST OF SALES

<i>In millions of tenge</i>	2025	2024
Depreciation and amortization	58,507	48,895
Cost of sales of handsets and equipment	40,189	35,530
Personnel costs	20,290	17,721
Transmission services	15,847	15,082
Repair and maintenance	15,423	12,904
Fees for use of frequency range	12,831	18,112
Interconnect fees and expenses	11,430	13,422
Electricity	9,298	7,496
Network sharing agreement	8,415	7,416
Mobile service tax	2,183	2,038
Security and safety	385	356
Materials	324	210
Short-term rent expenses	9	9
Other	3,991	4,540
	199,122	183,731

23. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	2025	2024
Personnel costs	2,943	2,888
Depreciation and amortization	2,468	2,300
Taxes other than income tax	1,426	1,510
Consulting services	606	745
Write-down of inventories to net realizable value (<i>Note 10</i>)	842	441
Repair and maintenance	625	1,041
Representative expenses	350	262
Business trips	124	144
Insurance	73	121
Trainings	52	42
Inventories	69	23
Other	1,326	1,086
	10,904	10,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SELLING EXPENSES**

<i>In millions of tenge</i>	2025	2024
Marketing and advertising	3,324	2,023
Amortization of cost to obtain a contract	936	725
Commissions for dealers and cash collection	117	211
Other	244	346
	4,621	3,305

25. FINANCE COSTS / FINANCE INCOME

<i>In millions of tenge</i>	2025	2024
Finance costs		
Interest expense on borrowings and bonds	18,521	15,392
Interest expense on lease liabilities (<i>Note 15</i>)	6,892	5,993
Unwinding of discount of asset retirement obligation (<i>Note 18</i>)	522	407
Other	852	380
	26,787	22,172
Finance income		
Unwinding of discount of trade receivables	4,094	1,851
Interest income on cash balances and deposit	1,148	789
Discount on initial recognition of the borrowings	–	503
Other	139	257
	5,381	3,400

26. OTHER OPERATING INCOME/OTHER OPERATING EXPENSES

<i>In millions of tenge</i>	2025	2024
Other operating income		
Income from write-off accounts payable	6,966	51
Income from the write-off of fixed assets and non-fixed assets	152	–
Income from sale of property and equipment	89	87
Reversal of provision	–	14
Other	72	2
	7,279	154
Other operating expenses		
Loss on disposal of property and equipment and IA	6,538	205
Accrual of provisions (<i>Note 19</i>)	1,067	5,428
Accrual of provision for advances paid (<i>Note 11</i>)	876	523
Write off of advances paid	–	117
Other	2	101
	8,483	6,374

In 2025, the Company entered into a new long-term contractual arrangement with Ericsson SBS for the provision of software supporting the continuous operation of the Group's network infrastructure. As part of this transition, the previous contract was terminated prior to its contractual expiry.

Following the early termination of the previous contract, the Company derecognised the remaining balances associated with that arrangement. This resulted in the recognition of income from the write-off of accounts payable, reflecting the derecognition of outstanding liabilities under the terminated contract, as well as a loss on disposal of property and equipment and intangible assets, representing the write-off of the remaining carrying amount of related assets.

Upon commencement of the new contractual arrangement, the Company recognised the related assets and corresponding liabilities in accordance with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**27. INCOME TAX EXPENSES**

<i>In millions of tenge</i>	2025	2024
Current income tax expense	7,710	6,259
Adjustments in respect of income tax of previous year	-	(2,552)
Deferred income tax (benefit) / expense	(1,663)	1,292
	6,047	4,999

Kcell and its subsidiary are subject to taxation in the Republic of Kazakhstan. Tax rate for Kcell and its subsidiary was 20% in 2025 and 2024.

A reconciliation of income tax expenses applicable to profit before taxation at the statutory rate, with the current corporate income tax expenses for the years ended 31 December 2025 and 2024 is set out below:

<i>In millions of tenge</i>	2025	2024
Profit before taxation	20,153	15,158
Income tax at statutory income tax rate of 20%	4,031	3,032
Non-deductible expenses	2,016	1,634
Adjustments in respect of income tax of previous year	-	(2,552)
Adjustments in respect of deferred income tax of previous year	-	2,885
Total income tax expenses	6,047	4,999

Non-deductible expenses include representative expenses, taxes, and other expenses which in accordance with Tax Code of the Republic of Kazakhstan are non-deductible.

Deferred tax assets and liabilities are presented in the consolidated statement of financial position as follows:

<i>In millions of tenge</i>	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	31 December 2025	31 December 2024	2025	2024
Deferred tax assets				
Expected credit losses	603	525	78	113
Accrued bonuses to employees	1,022	722	300	63
Lease liabilities	1,001	598	403	150
Provision for unused vacation	355	361	(6)	26
Asset retirement obligation	758	942	(184)	134
Legal claims on contractual obligations	1,709	1,495	214	1,083
Other	1,349	1,501	(152)	482
Government grants	5,805	5,406	399	1,779
Deferred tax assets	12,602	11,550	1,052	3,830
Deferred tax liabilities				
Property and equipment and intangible asset	(7,813)	(8,515)	702	(5,179)
Other	(270)	(179)	(91)	57
Deferred tax liabilities	(8,083)	(8,694)	611	(5,122)
Deferred tax assets, net	4,519	2,856		
Change in deferred tax assets/(liabilities), net			1,663	(1,292)

The Group performs offsetting of tax assets and liabilities only if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relating to income tax collected by the same taxation authority.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In accordance with legislation of the Republic of Kazakhstan, tax losses may be deferred for 10 (ten) years from the date of their origination. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. RELATED PARTY DISCLOSURES**

Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's primary transactions with related parties are consulting services, technical assistance and operational support, transmission rent, roaming and interconnect.

As at 31 December 2025, the Group recognized an allowance for expected credit losses in the amount of 95 million tenge in respect of receivables from related parties (31 December 2024: 379 million tenge).

Parent (Kazakhtelecom JSC) is controlled by the Government of the Republic of Kazakhstan through Sovereign Wealth Fund Samruk-Kazyna JSC (Samruk-Kazyna) which owns 79.2% of Kazakhtelecom's issued shares (*Note 1*). State owned entities include entities under common control of the Government of the Republic of Kazakhstan.

Related party transactions were made on terms agreed between parties that may not necessarily be at market rate. Sales and purchases with related parties as at 31 December 2025 and 2024, were as follows:

<i>In millions of tenge</i>	2025	2024
Sales of goods and services		
Entities of Samruk Kazyna group	125	585
Entities of Kazakhtelecom group	1,391	12,642
State owned entities	114	667
	1,630	13,894
Purchases of goods and services		
Entities of Samruk Kazyna group	221	676
Entities of Kazakhtelecom group	4,804	30,389
State owned entities	74	552
	5,099	31,617
Finance expense		
Entities of Samruk Kazyna Group	14,834	5,900
Other shareholders	-	29
	14,834	5,929
<i>In millions of tenge</i>	2025	2024
Trade receivables (Note 9)		
Entities of Samruk Kazyna group	241	142
Entities of Kazakhtelecom group	1,387	1,523
State owned entities	362	521
	1,990	2,186
Trade payable (Note 16)		
Entities of Samruk Kazyna group	54	65
Entities of Kazakhtelecom group	2,906	5,423
State owned entities	16	17
	2,976	5,505
Borrowings (Note 14)		
Entities of Samruk Kazyna Group (AIX bonds)	86,950	86,639
Other Shareholders	-	-
	86,950	86,639
Cash and deposit accounts		
Entities of Samruk Kazyna Group	-	4,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. RELATED PARTY DISCLOSURES (continued)****Compensation to key management personnel**

For the years ended 31 December 2025 and 31 December 2024, the total compensation to key management personnel included in the accompanying consolidated statement of comprehensive income under general and administrative expenses was 663 million tenge and 749 million tenge, respectively. Compensation to key management personnel consists of wages fixed in the employment agreement, as well as remuneration based on the performance for the year.

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES

The Group's principal financial instruments include loans, bonds, lease liabilities, cash and cash equivalents, bank deposits and accounts receivable and accounts payable. The main risks associated with the Group's financial instruments include currency and credit risk. In addition, the Group monitors market risk and liquidity risk associated with all financial instruments.

Impairment losses on financial assets

Impairment losses on financial assets for the year ended 31 December 2025 and 2024, comprise accruing reserve on expected credit losses for trade and other receivables in the amount of 2,598 million tenge and 3,156 million tenge, respectively (*Note 9*).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As at 31 December 2023, the Group had no loans or borrowings with floating interest rates and was not subject to the risk of changes in market interest rates. In 2024 the Group placed bonds on AIX with floating interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bonds with floating interest rates that is equal to the average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 0.5%-1 %.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

<i>In millions of tenge</i>	2025	
	Increase/ (decrease) in basis points (BP)	Effect on profit before tax
Tenge	+100 bps	870
	-100 bps	(870)

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group's purchases of property, plant and equipment and inventories, as well as certain services such as roaming are denominated in US dollars and Euro, the Group's consolidated statement of financial position can be affected significantly by the movement in the US dollar/ tenge exchange rates and Euro/ tenge exchange rates.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates of US dollar and Euro to tenge, with all the variables held constant, of the Group's profit before income tax (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity.

<i>In millions of tenge</i>	2025		2024	
	Increase/ (decrease) in exchange rate	Effect on profit before tax	Increase/ (decrease) in exchange rate	Effect on profit before tax
US dollars	15.88%	1,169	20.00%	1.643
	-6.68%	(492)	-20.00%	(1.643)
Euro	22.29%	(5,596)	15.00%	(2.622)
	-4.26%	1,068	-15.00%	2.622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES (continued)

Credit risk

Credit risk is the risk that the Group will incur finance costs because its customers, clients or counterparties failed to discharge their contractual obligations. The Group is exposed to credit risk associated with its operating activities (primarily with respect to trade receivables) and financial activities, including bank deposits and financial organizations, foreign exchange transactions and other financial instruments.

Trade receivables

Financial instruments in which the Group's credit risk is concentrated are primarily trade receivables. The credit risk associated with these assets is limited due to the large number of the Group's customers and the continuous monitoring procedures for customers and other debtors.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than three years and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in *Note 9* and *13*. The Group does not hold collateral as security.

Financial instruments and cash deposits

In accordance with the financial policy, the Group places free cash in several of the largest Kazakhstani banks (with the highest credit ratings). To manage the credit risk associated with the placement of free cash in banks, the Group's management periodically conducts procedures for assessing the solvency of banks. To facilitate such an assessment, deposits are primarily placed in banks, where the Group already has comparable credit obligations, a current checking account and can easily monitor the activities of such banks.

<i>In millions of tenge</i>	Rating 2025	Rating 2024	Cash balance		Balance on deposit accounts	
			2025	2024	2025	2024
Halyk Bank Kazakhstan JSC	BBB-	BBB-	295	440	4,880	2,553
NurBank JSC	B	B-/B	150	150	-	-
Bank CenterCredit JSC	BB	BB	74	-	-	-
Credit Suisse (Schweiz) AG	A+	A+	96	-	-	-
Citibank Kazakhstan JSC	A+	A+	54	53	-	-
Kaspi Bank JSC	BBB-	BBB-	17	19	-	-
Bereke Bank JSC	B+	B+	-	11	9,904	-
Kazpost JSC	BBB-	BBB-	-	-	15,000	4,491
Electronic money	no rating	no rating	1,667	1,077	-	-
Total			2,353	1,750	29,784	7,044

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances.

The Group monitors its risk of a shortage of funds using a liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., accounts receivables, other financial assets) and projected cash flows from operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES (continued)****Liquidity risk (continued)**

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

<i>In millions of tenge</i>	On demand	1 to 3 months	3 months to 1 year	From 1 to 5 years	More than 5 years	Total
At 31 December 2025						
Borrowings	-	22,677	20,353	139,703	41,907	224,640
Trade payables	-	41,903	3,552	7,354	-	52,809
Lease liabilities	-	3,227	9,711	62,156	48,014	123,108
		67,807	33,616	209,213	89,921	400,557
At 31 December 2024						
Borrowings	-	3,542	35,026	79,710	-	118,278
Trade payables	-	32,960	6,779	3,753	-	43,492
Lease liabilities	-	2,746	2,078	52,784	12,591	70,199
	-	39,248	43,883	136,247	12,591	231,969

* Based on the maximum amount that can be called for under the financial guarantee's contract.

Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

Cash flows requirements are monitored on a regular basis and management provides for availability of sufficient funds required to fulfil any liabilities when they arise. The management of the Group believes that any possible fluctuations of future cash flows associated with a monetary financial instrument will not have material impact on the Group's operations

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the holders of common shares, return equity to shareholders or issue new shares. No changes were made by the Group in the capital management objectives, policies or processes in 2025 and 2024.

Fair values

The fair value of non-current financial assets is estimated using discounted cash flow based on deposit rates currently available to the Group with similar terms and average maturities. The fair value of non-current financial liabilities is estimated using discounted cash flow based on credit rates currently available to the Group with similar terms and average maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**29 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES (continued)****Fair values (continued)**

The tables below present fair value hierarchy of assets and liabilities of the Group. Disclosure of quantitative information of fair value hierarchy of financial instruments as at 31 December 2025 and 2024 was as follow:

<i>In millions of tenge</i>	Date of valuation	Price quotation on active market (Level 1)	Significant observable in-puts (Level 2)	Significant unobservable in-puts (Level 3)	Total
Assets for which fair values are disclosed					
Short-term trade receivables	31 December 2025	–	–	28,094	28,094
Long-term trade receivables	31 December 2025	–	–	8,654	8,654
Other current financial assets	31 December 2025	–	–	389	389
Liabilities for which fair values are disclosed					
Borrowings	31 December 2025	–	–	143,933	143,933
Trade payables	31 December 2025	–	–	52,935	52,935
<i>In millions of tenge</i>	Date of valuation	Price quotation on active market (Level 1)	Significant observable in-puts (Level 2)	Significant unobservable in-puts (Level 3)	Total
Assets for which fair values are disclosed					
Short-term trade receivables	31 December 2024	–	–	26,402	26,402
Long-term trade receivables	31 December 2024	–	–	5,437	5,437
Other current financial assets	31 December 2024	–	–	370	370
Liabilities for which fair values are disclosed					
Borrowings	31 December 2024	–	–	88,633	88,633
Trade payables	31 December 2024	–	–	43,409	43,409

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES (continued)****Fair values (continued)**

As at 31 December 2025 and 2024, the carrying amounts of the Group's financial assets and liabilities presented as follow:

<i>In millions of tenge</i>	Carrying amount 31 December 2025	Fair value 31 December 2025	Unrecog- nised gain/(loss)	Carrying amount 31 December 2024	Fair value 31 December 2024	Unrecognised gain/(loss)
Financial assets						
Long-term trade receivables	8,617	8,654	37	5,404	5,437	(33)
Financial liabilities						
Borrowings	141,382	143,933	2,551	90,639	88,633	2,006
Trade payables	52,809	52,935	(126)	43,492	43,409	83
Total unrecognised change in unrealised fair value			2,639			2,056

Valuation techniques and assumptions

Long-term trade receivables are classified within Level 3 of the fair value hierarchy, as their fair value is determined using valuation techniques that incorporate significant unobservable inputs.

The fair value of long-term trade receivables is measured using a discounted cash flow (DCF) model based on the payment schedule agreed in the respective contracts. Expected future cash inflows are discounted using market-based discount rates derived from the interest rates of second-tier banks published by the National Bank of the Republic of Kazakhstan. These rates are based on lending rates offered to individuals and therefore incorporate an average level of credit risk associated with retail borrowers.

Given that the receivables mainly relate to individuals, management considers the use of such discount rates to be an appropriate proxy for the time value of money and the credit risk characteristics of the underlying debtor portfolio. The key unobservable input in the valuation is the discount rate, as it reflects management's assessment of the credit risk and market conditions applicable to long-term receivables from individuals.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that their fair value approximates to the carrying amount. Such assets are related to cash and cash equivalents, short-term trade receivables and other current financial assets.

Financial liabilities carried at amortized cost

The fair value of loans obtained is measured by discounting future cash flows using rates currently existing for outstanding amounts with similar terms, credit risk and maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES (continued)****Changes in liabilities arising from financial activities**

Changes in liabilities due to financial activities for 2025 were as follows:

<i>In millions of tenge</i>	1 January 2025	Loan obtained	New leases	Principal repaid	Interest accrued	Interest paid	Modifications	Initial Recognition	Cancellation	Unwinding of discount	31 December 2025
Borrowings	90,639	106,200	-	(47,134)	18,441	(17,339)	-	(9,425)	-	-	141,382
Lease liabilities	51,917	4,308	4,308	(5,460)	6,892	(6,892)	14,752	-	(144)	-	65,373
Total	142,556	106,200	4,308	(52,594)	25,333	(24,231)	14,752	(9,425)	(144)	-	206,755

Changes in liabilities arising from financial activities for 2024 were as follows:

<i>In millions of tenge</i>	1 January 2024	Loan obtained	New leases	Principal repaid	Interest accrued	Interest paid	Modifications	Cancellation	Unwinding of discount	31 December 2024
Borrowings	84,867	167,177	-	(162,281)	15,392	(13,933)	-	(503)	(80)	90,639
Lease liabilities	43,557	-	7,038	(7,253)	5,993	(5,993)	8,575	-	-	51,917
Total	128,424	167,177	7,038	(169,534)	21,385	(19,926)	8,575	(503)	(80)	142,556

30. COMMITMENTS AND CONTINGENT LIABILITIES**Operating environment**

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy will largely depend on these reforms, as well as on the effectiveness of the Government's actions in the area of economy, financial and monetary policy.

Climate-related matters*Climate-related risks, judgements and estimation uncertainty*

The Group has considered climate-related physical and transition risks when assessing its key judgements and estimates. These considerations included potential changes in environmental regulation, energy efficiency requirements and other climate-related factors that could affect the Group's operations and infrastructure.

Based on the assessment performed, management concluded that climate-related factors did not result in changes to the useful lives or recoverability of assets, nor did they give rise to additional provisions in the current reporting period. However, climate-related matters involve inherent estimation uncertainty, as future regulatory and environmental requirements may differ from current expectations and could affect the Group's estimates in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**Climate-related matters (continued)***Impairment of non-financial assets*

Climate-related factors were considered in the Group's impairment assessments. Management concluded that such factors did not represent key assumptions affecting the recoverable amounts of non-financial assets as at the reporting date. Accordingly, no climate-related sensitivity analysis has been disclosed.

Asset retirement obligations

The Group recognises asset retirement obligations in respect of the dismantling and removal of base stations and related infrastructure at the end of their useful lives. The measurement of these obligations is based on management's estimates of the timing of decommissioning activities, future dismantling costs and the applicable discount rates.

The estimation of asset retirement obligations is subject to uncertainty and may be affected by changes in environmental regulations, climate-related requirements and technological developments. Actual costs and timing of settlement may differ from the estimates used, which could result in adjustments to the carrying amount of the related provisions and assets in future periods.

Consistency with sustainability-related disclosures

The climate-related matters described in the Group's sustainability and ESG disclosures have been considered in the preparation of these financial statements. The absence of material financial impacts in the current reporting period reflects management's assessment of the timing and likelihood of such impacts, rather than the absence of climate-related risks.

Capital commitments

The Group generally enters into contracts for the completion of construction projects and purchase of equipment. As at 31 December 2025, the Group had contractual commitments totaling 40,552 million tenge, excluding VAT (as at 31 December 2024: 53,699 million tenge, excluding VAT). The contractual commitments also partially include obligations arising from license requirements and applicable technical regulations, as disclosed below.

License obligations

As at 1 January 2025, the preferential terms previously granted by the Government in respect of the use of radio frequency spectrum expired. All licence obligations under the previous regulatory framework were fulfilled by the Group in full and no outstanding requirements remained as of that date. Subsequently, the Government approved the extension of the preferential regime for the period from 1 January 2026 to 31 December 2030. As a result, the Group's licence obligations were updated and extended for an additional five-year period, with revised rollout volumes and coverage requirements aligned with the new regulatory framework, with an estimated total commitment of 19,872 million tenge.

Since January 2025, the Group has continued the active rollout of its 5G network, transitioning from the completion of the previous obligations to the implementation of the updated licence commitments. The Kcell 5G network was expanded through the activation of 802 own base stations and 352 shared base stations deployed via Mobile Telecom-Service LLP, resulting in a total of 1,154 active 5G base stations.

In addition, the Group proactively commenced the execution of the new licence obligations by accelerating the deployment of future sites and commissioned a further 421 5G base stations across ten regional hubs, including Atyrau, Aktau, Aktobe, Uralsk, Kyzylorda, Shymkent, Turkistan, Taldykorgan, Almaty and Kaskelen.

The 5G rollout continues to progress at a strong pace, supported by strategic infrastructure sharing arrangements, which enable the Group to expand network coverage efficiently, optimise capital expenditures and ensure timely compliance with both the newly established rollout targets and the updated regulatory and licensing requirements over the extended five-year obligation period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**Technical regulations**

On 5 July 2004 the Government of the Republic of Kazakhstan introduced updated Law of the Republic of Kazakhstan 4 No. 567-II “On Communications”. This Law establishes the legal basis for activities in the field of communications on the territory of the Republic of Kazakhstan, defines the powers of state bodies to regulate this activity, the rights and obligations of individuals and legal entities providing or using communications services.

Article 15 outlines the responsibilities of telecommunications operators and owners of communication networks operating in the Republic of Kazakhstan in relation to cooperation with authorities engaged in operational and investigative activities. These operators are required to provide organizational and technical capabilities to facilitate such activities across all communication networks while ensuring the confidentiality of the methods employed. They must collect and store service information within Kazakhstan, prohibiting the transfer of this information outside the country, except for services provided to Kazakhstani subscribers abroad. Additionally, operators are mandated to grant access to this information to relevant authorities and to enhance their telecommunications equipment to support investigative functions as specified by the National Security Committee. Furthermore, operators must ensure that services, including the distribution of subscriber numbers, are provided only under appropriate service agreements. The relationships between these operators and the investigative authorities are governed by this law and related legislation, which also includes provisions for the suspension or resumption of mobile device operations based on the identification code at the request of the device owner.

Under the Law on Communications the Government introduced the following Orders:

- Order No. 85/ke of the National Security Committee of the Republic of Kazakhstan, dated 27 July 2021, titled “General requirements for telecommunication equipment to support operational and investigative activities and collection, and storage of customer proprietary network information”, was published on 2 August 2021 and took effect on 3 August 2022. This Regulation establishes additional requirements for telecommunications equipment, including enhancing the technical capabilities for hardware and software systems (HSS) to facilitate investigative operations and the collection and storage of customer proprietary network information (hereinafter – “ORA”);
- Order No. 128/ke of the National Security Committee of the Republic of Kazakhstan, dated 19 September 2024, titled “On Approval of rules for telecommunications operators and/or owners of communication networks in the Republic of Kazakhstan to ensure, at their own expense or through borrowed funds, the technical capabilities of their equipment for operational and investigative activities and counterintelligence activities, and the Requirements for networks and communication means”, was published on 30 September 2024 and took effect on 11 October 2024. The Rules introduce stricter requirements for telecommunications equipment, including enhancements to the technical capabilities of hardware and software systems (HSS) to support operational and investigative and counterintelligence activities.

As of 31 December 2025 accumulated amount of capitalized expenditures of integrated HSS to meet requirements abovementioned regulatory requirements was 10,440 million tenge.

The Group plans gradual modernization and expansion of licensed and port capacity of HSS in accordance with the cellular development plan including 5G and the expected amount of capital expenditures related to modernization and expansion will be 15,002 million tenge by 2029.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan’s tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**Taxation (continued)**

Management believes that as at 31 December 2025 its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

Government grant related to frequency fee

On 30 October 2025 the Group was submitted annually consolidated report for the 2024 reporting year in accordance with IFRS on expenditures used to finance broadband projects access to the Internet in urban and rural areas included capital and operational costs that are necessary for the provision of broadband Internet access services in urban and rural settlements throughout the territory of the Republic of Kazakhstan. Management also believes that there are no unfulfilled conditions or contingencies attached to these grants for 2025, for which the consolidated report will be issued during 2026 year.

In case if, based on the results of the audited information, the fact of non-fulfilment by the telecom operator of obligations to allocate at least released funds from the reduction of the corresponding fee rate to finance broadband Internet access projects in urban and rural areas is confirmed, the authorized body in the field of communications not earlier than one year after of the year following the reporting year, recalculates the amount of the annual fee for the use of frequency fee for the reporting year, which should be proportional to the unfulfilled volume of financial obligations for this reporting year.

Antitrust investigation

Investigation of Agency for the Protection and Development of Competition of the Republic of Kazakhstan in relation to highest possible price for mobile services

On 15 June 2022, by Order No. 42-OD of the Department of the Agency for the Protection and Development of Competition in Almaty (hereinafter referred to as "DAPDC"), an investigation was ordered against "Kcell" JSC (hereinafter referred to as the "Group") for setting and maintaining monopolistically high prices for cellular services for the period from 2020 to September 2022 (hereinafter referred to as the "Investigation").

On 17 August 2022, the Group, disagreeing with the charges, appealed the DAPDC Order to the Specialized Interdistrict Administrative Court of Almaty (hereinafter referred to as "SIAC of Almaty") with a request to declare the Order illegal and overturn it.

On 11 October 2022, by a ruling of SIAC of Almaty, the Order was declared illegal and overturned.

On 24 March 2023, by a ruling of the Appellate Collegium of the Almaty City Court, the Resolution of the Almaty Specialized Arbitration Court of Arbitration dated 11 October 2022, was upheld.

On 9 November 2023, by a ruling of the Cassation Collegium of the Supreme Court of the Republic of Kazakhstan, the judicial decisions of the Almaty Specialized Arbitration Court of Arbitration and the Appellate Collegium of Arbitration were overturned and a new Resolution was issued partially satisfying the Group's claim, insofar as it excluded it from the 2022 investigation period, allowing the Almaty Specialized Arbitration Court of Arbitration to continue the Investigation only for the period from 2020 to 2021. Therefore, in December 2023, the Almaty Specialized Arbitration Court of Arbitration resumed the Investigation, subsequently suspending it due to new legal disputes over procedural issues.

On 29 January 2025, the Investigation was resumed, and the Group received two requests for information. Following the resolution of disputes related to the procedure and scope of the requested information, the Group provided the requested information for 2020 and 2021.

On 26 November 2025, the Agency for the Protection and Development of Competition of the Republic of Kazakhstan ("APDC") received a draft Conclusion on the investigation results. It concluded that the investigation did not establish any factual data confirming the establishment and maintenance of monopolistically high prices for voice and data services by the Group.

By Order No. 02-OD of 15 January 2026, the Agency for the Protection and Development of Competition of the Republic of Kazakhstan approved the APDC's conclusion on the results of the investigation.

Therefore, the investigation concluded that no violations of competition protection by the Group, such as setting and maintaining monopolistically high prices, were identified in the 2020-2021 period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**Antitrust investigation (continued)**

Investigation of Agency for the Protection and Development of Competition of the Republic of Kazakhstan in relation to susception of coordinated actions with competitors

By Order No. 38-OD of the Almaty City Department of Administrative Offenses (“APDC”) dated 21 December 2023 (hereinafter referred to as “the Order”), an investigation was initiated against the Group on charges of concerted actions with other operators to set and maintain prices related to price increases for 20 tariff plans in June 2023.

On January 10, 2024, the Group appealed the APDC's actions, declaring them illegal and canceling the APDC's request submitted as part of the Investigation. Therefore, the Investigation was suspended.

By decision of the Almaty City Court of Arbitration dated 16 April 2024, the Group's claim was denied.

By a ruling of the Administrative Cases Collegium of the Almaty City Court dated 18 July 2024, the appeal was dismissed.

By a ruling of the Administrative Cases Panel of the Supreme Court of the Republic of Kazakhstan dated 31 January 2025, the cassation appeal was returned.

On 6 March 2024, the Group appealed the Order of the APDC, requesting that it be declared unlawful and overturned.

On 29 May 2024, the Almaty City SIAC ruled to deny the claim.

On 17 September 2024, the Administrative Cases Panel of the Almaty City Court dismissed the Group's appeal.

On 22 April 2025, the Cassation Collegium for Administrative and Criminal Cases of the Supreme Court of the Republic of Kazakhstan fully upheld the Group's cassation appeal, overturning the Resolution of the Almaty City Court dated 17 September 2024, and remanding the case for a new hearing to the Administrative Collegium of the Almaty City Court with a different panel of judges.

On 26 June 2025, the Administrative Collegium of the Almaty City Court issued a new decision satisfying the Group's administrative claim to declare the Order of the APDC unlawful and to annul it. The decision entered into legal force, and the investigation was therefore terminated.

Network sharing with Mobile Telecom-Service LLP

On 30 December 2022, the Group and Mobile Telecom-Service LLC (“MTS”) entered into a Network Sharing Agreement (hereinafter referred to as “the Agreement”), under which the Parties agreed to jointly build a network. Under the Agreement, the Group and MTS have mutual obligations to construct and modernize base stations for shared use.

During 2024, a number of significant disagreements arose between the Parties during the implementation of the Agreement. The conflict arose from mutual notifications of withdrawal from network sharing in several regions of Kazakhstan due to delays in fulfilling obligations, which led to claims for compensation. Concurrently, MTS initiated mutual claims for penalties.

On 23 June 2025, an additional agreement was concluded between Kcell and MTS. Agreement No. 4 to the Agreement on dispute resolution regarding the critical failure and compensation claims.

Under the terms of the Supplementary Agreement, the Parties mutually revoked their notices of withdrawal from the Agreement, cancelled their compensation claims, and confirmed that the Agreement has been fully restored.

At the same time, the Parties confirmed their intention to resolve the dispute regarding the declared fines within six months.

Technical departments are currently working to implement the Agreement. Negotiations to resolve the dispute regarding the fines are also underway.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. SUBSEQUENT EVENTS

On January 5, 2026, the Group redeemed the first tranche of AIX bonds in the amount of 15,000 million tenge.