Kcell JSC

Interim condensed consolidated financial statements (unaudited)

31 March 2026

Interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

In millions of tenge	Notes	31 March 2026 (unaudited)	31 December 2025
Assets			
Non-current assets			
Property and equipment	6	**255,618**	252,002
Intangible assets	7	**106,777**	109,919
Advances paid for non-current assets		**4,062**	979
Right-of-use assets	14	**61,231**	60,368
Long-term trade receivables	8	**9,752**	8,617
Cost to obtain contracts		**1,364**	1,352
Deferred tax assets		**4,282**	4,519
Total non-current assets		**443,086**	437,756
Current assets			
Inventories	9	**12,081**	8,371
Trade receivables	8	**36,411**	28,094
Other current non-financial assets	10	**14,417**	12,636
Other current financial assets		**152**	389
Prepaid income tax		**220**	177
Financial assets at amortised cost	11	**–**	6,583
Cash and cash equivalents	12	**15,029**	32,144
Total current assets		**78,310**	88,394
Total assets		**521,396**	526,150
Equity and liabilities			
Equity			
Share capital	5	**33,800**	33,800
Retained earnings		**166,277**	161,983
Total equity		**200,077**	195,783
Liabilities			
Non-current liabilities			
Borrowings: non-current portion	13	**87,701**	78,403
Long-term lease liabilities	14	**60,764**	61,583
Government grants: non-current portion	17	**34,507**	30,508
Long-term trade payables	15	**6,046**	7,354
Asset retirement obligation		**3,752**	4,123
Total non-current liabilities		**192,770**	181,971
Current liabilities			
Borrowings: current portion	13	**55,576**	62,979
Short-term lease liabilities	14	**6,212**	3,790
Government grant: current portion	17	**4,920**	7,870
Short-term trade payables	15	**32,145**	45,455
Contracts liabilities	18	**8,848**	9,189
Provisions	16	**8,578**	8,543
Due to employees		**5,724**	8,034
Advances received		**1,503**	804
Taxes payable other than income tax		**5,043**	1,732
Total current liabilities		**128,549**	148,396
Total liabilities		**321,319**	330,367
Total equity and liabilities		**521,396**	526,150

Askar Zhambakin	Chairman of the Management Board & Chief Executive Officer
Sabigat Rakhmetov	Chief Financial Officer, Member of the Management Board
Aldiyar Medetbek	Chief Accountant

The accounting policies and notes on pages 6 to 23 are an integral part of these interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2026

In millions of tenge	Notes	For the three months ended 31 March 2026 (unaudited)	 2025 (unaudited)
Revenue from contract with customers	18	**67,028**	58,952
Income from government grants	17	**1,469**	1,463
Cost of sales	19	**(52,614)**	(49,648)
Gross profit		**15,883**	10,767
General and administrative expenses		**(2,444)**	(2,353)
Impairment of financial assets	8	**(817)**	(929)
Selling expenses		**(1,001)**	(803)
Other operating income		**495**	42
Other operating expenses		**(63)**	(272)
Operating profit		**12,053**	6,452
Finance costs		**(8,598)**	(5,612)
Finance income		**2,770**	947
Foreign exchange loss / (gain), net		**354**	(157)
Profit before tax		**6,579**	1,630
Income tax expenses	20	**(2,285)**	(431)
Profit for the period		**4,294**	1,199
Other comprehensive income		**–**	–
Total comprehensive income for the period, net of tax		**4,294**	1,199
Earnings per share			
Basic and diluted, tenge	5	**21.47**	6.00

Askar Zhambakin	Chairman of the Management Board & Chief Executive Officer
Sabigat Rakhmetov	Chief Financial Officer, Member of the Management Board
Aldiyar Medetbek	Chief Accountant

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2026

In millions of tenge	Share capital	Additional paid-in capital	Retained earnings	Total equity
Balance at 1 January 2025 (audited)	33,800	–	147,877	181,677
Net profit for the period (unaudited)	–	–	1,199	1,199
Other comprehensive income (unaudited)	–	–	–	–
Total comprehensive income (unaudited)	–	–	1,199	1,199
At 31 March 2025 (unaudited)	33,800	–	149,076	182,876
Balance at 1 January 2026 (audited)	**33,800**	–	**161,983**	**195,783**
Net profit for the period (unaudited)	–	–	**4,294**	**4,294**
Other comprehensive income (unaudited)	–	–	–	–
Total comprehensive income (unaudited)	–	–	**4,294**	**4,294**
At 31 March 2026 (unaudited)	**33,800**	–	**166,277**	**200,077**

Askar Zhambakin — Chairman of the Management Board & Chief Executive Officer

Sabigat Rakhmetov — Chief Financial Officer, Member of the Management Board

Aldiyar Medetbek — Chief Accountant

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended 31 March 2026

In millions of tenge	Notes	For the three months ended 31 March 2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities			
Profit before tax		**6,579**	1,630
Adjustments for:			
Impairment of financial assets	8	**817**	929
Finance costs		**8,598**	5,612
Provisions		**35**	(35)
Depreciation of property and equipment and right-of-use assets	6, 14	**8,975**	9,312
Amortization of intangible assets	7	**5,504**	5,563
Income from accounts payable write-off		**(344)**	(5)
Finance income		**(2,770)**	(947)
Loss on disposal of property and equipment, intangible assets		**22**	1
Income from government grants	17	**(1,469)**	(1,463)
Foreign exchange gain, net		**(790)**	(103)
Operating cash flows before working capital changes		**25,157**	20,494
Change in inventories		**(3,710)**	(2,139)
Change in trade receivables		**(8,763)**	(995)
Change in other current non-financial assets		**(4,901)**	(2,120)
Change in other current financial assets		**237**	(49)
Change in cost to obtain contracts		**(12)**	(25)
Change in trade payables		**488**	3,915
Change in due to employees		**(2,310)**	(330)
Change in contract liabilities		**(341)**	(1,300)
Change in taxes payable other than income tax		**5,665**	1,237
Change in advances received		**699**	–
Cash flows generated from operations		**12,209**	18,688
Income tax paid		**(1,927)**	(1,620)
Interest received		**595**	133
Interest paid		**(8,942)**	(4,963)
Net cash inflows from operating activities		**1,935**	12,238
Cash flows from investing activities			
Purchase of property and equipment		**(21,623)**	(15,746)
Purchase of intangible assets		**(5,941)**	(7,437)
Proceeds from redemption of financial assets at amortized cost		**6,583**	–
Net cash flows used in investing activities		**(20,981)**	(23,183)

The accounting policies and notes on pages 6 to 23 are an integral part of these interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

For the three months ended 31 March 2026

In millions of tenge	Notes	For the three months ended 31 March 2026 (unaudited)	 2025 (unaudited)
Cash flows from financing activities			
Proceeds from loans	13	**34,524**	18,000
Repayment of loans	13	**(31,294)**	(4,000)
Repayment of principal portion of lease liabilities	14	**(863)**	(1,365)
Net cash flows from financing activities		**2,367**	12,635
Net (decrease) / increase cash and cash equivalents		**(16,679)**	1,690
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(436)**	(260)
Cash and cash equivalents at the beginning of the period		**32,144**	8,801
Cash and cash equivalents at the end of the period	12	**15,029**	10,231

	Askar Zhambakin	Chairman of the Management Board & Chief Executive Officer
	Sabigat Rakhmetov	Chief Financial Officer, Member of the Management Board
	Aldiyar Medetbek	Chief Accountant

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

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 March 2026 and 31 December 2025, 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 March 2026 and 31 December 2025, the shareholders of the Company are presented as follows:

	31 March 2026	31 December 2025
Kazakhtelecom JSC	**51.00%**	51.00%
Private company KC HOLDING LTD	**14.87%**	14.87%
Alatau City Bank JSC	**9.08%**	9.08%
Sovereign Wealth Fund Samruk Kazyna JSC	**8.38%**	5.64%
Single accumulative pension fund JSC	**7.06%**	7.06%
KAZPOST JSC	**1.95%**	3.01%
Raiffeisenbank JSC	**1.54%**	1.54%
ZHASYL DAMU JSC	**–**	2.08%
Other	**6.12%**	5.72%
	100.00%	100.00%

As at 31 March 2026 and 31 December 2025, the Company has the following subsidiary:

	31 March 2026 (unaudited)	31 December 2025
KazNet Media LLP	**100%**	100%

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

These interim condensed consolidated financial statements were authorised for issue by the Chairman of the Management Board on 13 May 2026.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

The interim condensed 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Going concern

As of 31 March 2026, the Group's current liabilities exceeded its current assets by 50,239 million tenge. This position primarily reflects the classification of short-term loans and borrowings in the amount of 55,576 million tenge, as well as trade payables of 32,145 million tenge, taxes payable of 5,043 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 March 2026, the Group had available undrawn committed borrowing facilities amounting to 222,382 million tenge *(Note 13)*, 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 condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2026. 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.

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 differences are recognized in the interim condensed 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 March 2026	31 December 2025
US dollar	**478.77**	**505.53**
Euro	**548.62**	**593.44**
Russian ruble	**5.87**	**6.34**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 2026. 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.

4. 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.

5. SHARE CAPITAL AND EARNINGS PER SHARE

Share capital of the Group is as follows:

	31 March 2026		31 December 2025	
	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
Sovereign Wealth Fund Samruk Kazyna JSC	**8.38%**	**16,763,089**	5.64%	11,282,855
Single accumulative pension fund JSC	**7.06%**	**14,116,287**	7.06%	14,116,287
KAZPOST JSC	**1.95%**	**3,891,612**	3.01%	6,023,197
Raiffeisenbank JSC	**1.54%**	**3,070,664**	1.54%	3,070,664
ZHASYL DAMU JSC	**–**	**–**	2.08%	4,165,671
Other	**6.12%**	**12,245,380**	5.72%	11,428,358
	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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SHARE CAPITAL AND EARNINGS PER SHARE (continued)

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

	Three months ended	
In millions of tenge	**31 March 2026**	**31 March 2025**
Profit for the period attributable to equity shareholders	**4,294**	1,199
Weighted average number of ordinary shares	**200,000,000**	200,000,000
Earnings per share (Kazakhstani tenge), basic and diluted	**21.47**	6.00

The Group has no dilutive or potentially dilutive securities outstanding.

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 March 2026 and 31 December 2025 is presented below:

In millions of tenge	**31 March 2026**	31 December 2025
Net assets, excluding intangible assets	**93,300**	85,864
Number of ordinary shares in issue	**200,000,000**	200,000,000
Cost of ordinary share, calculated in accordance with listing requirements of the KASE (tenge)	**466.50**	429.32

During the three months ended 31 March 2026 and 2025, the Group did not declare dividends payable.

6. PROPERTY AND EQUIPMENT

During the three-months period ended 31 March 2026, additions to property and equipment totaled to 10,998 million tenge (during the three-months period ended 31 March 2025: 15,857 million tenge).

During the three-months period ended 31 March 2026, transfers from construction-in-progress to property and equipment amounted to 7,390 million tenge (during the three-months period ended 31 March 2025: 16,128 million tenge).

During the three-months period ended 31 March 2026, the Group recognised depreciation expense in the amount of 7,372 million tenge (during the three-months period ended 31 March 2025: 7,315 million tenge).

During the three-month period ended 31 March 2026, the Group recognised an increase in changes in estimates in assets retirement obligation in the amount of 12 million tenge (during the three-months period ended 31 March 2025: a decrease in the amount of 41 million tenge).

As of 31 March 2026, the Group made prepayments for certain property and equipment mainly represented by equipment for base stations in the amount of 4,062 million tenge (31 December 2025: 979 million tenge).

As of 31 March 2026, the historical cost of property and equipment which has been fully depreciated and still in use, was 204,322 million tenge (as of 31 December 2025: 201,895 million tenge).

During the three-months period ended 31 March 2026, the Group has written off the property and equipment with net book value in the amount of 22 million tenge (during the three-months period ended 31 March 2025: 7 million tenge).

7. INTANGIBLE ASSETS

During the three-months period ended 31 March 2026, the Group acquired intangible assets in the amount of 2,362 million tenge (during three-months period ended 31 March 2025: 955 million tenge).

During the three-months period ended 31 March 2026, the Group recognized amortization expense in the amount of 5,504 million tenge (during three-months period ended 31 March 2025: 5,563 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INTANGIBLE ASSETS (continued)

As of 31 March 2026, the carrying amount of 5G license was 63,728 million tenge (31 December 2025: 65,029 million tenge) and its remaining amortization period was 12 years. As of 31 March 2026, the carrying amount of the 4G license was 8,378 million tenge (31 December 2025: 8,811 million tenge) and its remaining amortization period was 4 years.

As of 31 March 2026, the historical cost of intangible assets, which have been fully amortized and still in use, was 61,115 million tenge (31 December 2025: 49,955 million tenge).

During three months 2026 the Group finished 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.

As at 31 March 2026, the carrying amount of intangible assets at the development stage included in development costs amounted to 366 million tenge (31 December 2025: 6,174 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.

8. TRADE RECEIVABLES

As at 31 March 2026 and 31 December 2025, trade receivables comprised of the following:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Trade receivables from subscribers	**45,298**	37,939
Trade receivables from interconnect services	**1,706**	939
Trade receivables from dealers and distributors	**536**	737
Trade receivables from roaming operators	**894**	597
Trade receivables from related parties *(Note 21)*	**4,035**	1,990
Less: allowance for expected credit losses	**(6,306)**	(5,491)
	46,163	36,711
Less: long-term portion of trade receivables from subscribers	**(9,752)**	(8,617)
	36,411	28,094

During the three months ended 31 March, movements in the allowance for expected credit losses were as follows:

In millions of tenge	**31 March 2026 (unaudited)**	31 March 2025
Allowance for expected credit losses at the beginning of the period	**(5,491)**	(8,181)
Charge for the period	**(817)**	(929)
Write-off for the period	**2**	525
Allowance for expected credit losses at the end of the period	**(6,306)**	(8,585)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. INVENTORIES

As at 31 March 2026 and 31 December 2025, inventories comprised:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Handsets and accessories (at lower of cost and net realizable value)	**9,826**	7,289
Start packages (at cost)	**274**	255
SIM-cards (at cost)	**151**	182
Marketing materials (at cost)	**98**	67
Other materials (at cost)	**1,732**	578
	12,081	8,371

During the three-month period ended 31 March 2026 and 31 March 2025, the Group did not recognize a write-off for inventories carried at net realisable value, which is recognized within general and administrative expenses.

10. OTHER CURRENT NON-FINANCIAL ASSETS

As at 31 March 2026 and 31 December 2025, other current non-financial assets comprised of the following:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Advances paid	**6,271**	3,017
Prepaid radio frequency fee	**5,074**	5,674
Prepaid expenses	**1,828**	1,506
Prepaid taxes other than income taxes	**1,151**	1,387
VAT recoverable	**93**	1,052
	14,417	12,636

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.

11. FINANCIAL ASSETS AT AMORTIZED COST

During 2026, the Group realized T-bills with a carrying amount of 6,583 million tenge.

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 March 2026 and 31 December 2025, financial assets at amortised cost comprised of the following:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. CASH AND CASH EQUIVALENTS

As at 31 March 2026 and 31 December 2025, cash and cash equivalents comprised of the following:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Bank deposits with original maturity of less than 90 days	**13,448**	29,784
Cash on current bank accounts	**1,576**	2,353
Cash on hand	**5**	7
	15,029	32,144

As of 31 March 2026, short-term bank deposits represent overnight deposits in tenge in Halyk Bank JSC at interest rate 17.50% in the amount of KZT 6,712 million, and deposit in USD at interest rate 1.0% in the amount of USD 0,171 million.

As of 31 March 2026, Group has deposits in Kazpost JSC in the amount USD 13,729 million at interest rate of 3.3% and in Bereke Bank JSC in the amount KZT 43 million at interest rate of 17.6%.

As at 31 March 2026 and 31 December 2025, cash and cash equivalents were denominated in various currencies as follows:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Tenge	**8,080**	31,994
US dollars	**6,946**	149
Euro	**3**	1
	15,029	32,144

13. BORROWINGS

As at 31 March 2026 and 31 December 2025 borrowings comprised of the following:

In millions of tenge	**Currency**	**Effective interest rate**	**Nominal interest rate**	**Maturity date**	**31 March 2026 (unaudited)**	31 December 2025
DBK JSC	Tenge	20.00%	12.60%	November 2040	**31,161**	30,996
AIX Bonds	Tenge	20.15%	18.50%	September 2027	**30,432**	30,432
AIX Bonds	Tenge	20.15%	18.50%	June 2028	**25,295**	25,295
AIX Bonds	Tenge	20.15%	18.50%	October 2027	**15,516**	15,532
NurBank JSC	Tenge	20.20%	18.50%	February 2029	**10,700**	–
Halyk Bank	Tenge	16.70%	15.85%	February 2029	**8,522**	–
Eurasian Development Bank	Tenge	18.50%	18.50%	March 2027	**5,046**	–
Bank of China	Yuan	3.80%	3.72%	March 2029	**4,943**	–
Bank of China	Yuan	3.80%	3.73%	March 2029	**4,889**	–
NurBank JSC	Tenge	17.00%	15.75%	September 2026	**2,800**	3,866
NurBank JSC	Tenge	18.40%	17.00%	September 2028	**1,700**	1,700
NurBank JSC	Tenge	18.40%	17.00%	July 2028	**1,364**	1,500
NurBank JSC	Tenge	18.40%	17.00%	August 2028	**909**	1,000
AIX Bonds	Tenge	20.74%	19.00%	April 2027	**–**	15,691
Bank of China JSC	Tenge	19.00%	18.50%	February 2029	**–**	15,370
					143,277	141,382
Less: non-current portion					**(87,701)**	(78,403)
					55,576	62,979

The Group's borrowings are denominated in Kazakhstani tenge and Chinese yuan and unsecured. The borrowings have financial and non-financial covenants, which the Group is required to comply with throughout the entire term of the borrowings. Breaches in meeting the covenants would permit the banks to immediately call loans and borrowings. As of 31 March 2026 and 31 December 2025, there have been no breaches of the covenants.

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

13. BORROWINGS (continued)

AIX Bonds

In January 2026, the Group early redeemed the first tranche of bonds in the amount of KZT 15,000 million, with an effective interest rate of 20.74% per annum.

Bank of China

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 18.50% 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. In February 2026, the Group repaid a loan to Bank of China JSC in the amount of 15,000 million tenge, in accordance with the repayment schedule.

In March 2026, the Group obtained a loan under two tranches amounting to 70 million Chinese yuan each, with a maturity of 36 months at an effective interest rate of 3.80% per annum.

Nurbank JSC

On 23 February 2026, the Group obtained a loan from Nurbank JSC in the amount of KZT 10,700 million for a term of 36 months at an effective interest rate of 18.5% per annum.

Halyk Bank of Kazakhstan JSC

During 2026, the Group received a loan in the amount of 9,000 million tenge with a repayment period of 36 months and an effective interest rate of 20.20% per annum.

Eurasian Development Bank

In March 2026, the Company received a loan in the amount of 5,000 million tenge, with a maturity of 12 months at an effective interest rate of 18.50% per annum.

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 a nominal interest rate of 12.6% per annum. Under the terms of Limit 1, interest is payable on a quarterly basis, while the principal is repayable in equal annual installments after the end of the grace period. Limit 2 amounts to 101,120 million tenge and is available for a period of 24 months, bearing interest at the Bank's cost of funding plus 1.31% per annum.

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 17).* 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 March 2026, the Group had available 222,382 million tenge of undrawn committed borrowing facilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group's right of use assets are represented by buildings and constructions. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

In millions of tenge	**Total**
Cost	
As at 1 January 2025 (audited)	80,601
Additions	1,211
Modification	2,591
As at 31 March 2025	84,403
As at 1 January 2026 (audited)	**99,517**
Additions	**383**
Modification	**2,118**
Cancelation	**(35)**
As at 31 March 2026	**101,983**
Accumulated depreciated	
As at 1 January 2025 (audited)	(31,591)
Depreciation charge	(1,997)
As at 31 March 2025	(33,588)
As at 1 January 2026 (audited)	**(39,149)**
Depreciation charge	**(1,603)**
As at 31 March 2026	**(40,752)**
Net book value	
As at 31 December 2025	60,368
As at 31 March 2026	**61,231**

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

In millions of tenge	**31 March 2026 (unaudited)**	31 March 2025 (unaudited)
At the beginning of the year	**65,373**	51,917
Interest expenses	**2,420**	1,421
Payments	**(3,283)**	(2,786)
Additions	**383**	1,211
Cancellation	**(35)**	–
Modification	**2,118**	2,591
At the end of the period	**66,976**	54,354
Short-term lease liabilities	**6,212**	5,907
Long-term lease liabilities	**60,764**	48,447

The following amounts are recognised in profit or loss:

In millions of tenge	**31 March 2026 (unaudited)**	31 March 2025 (unaudited)
Depreciation expense of right-of use assets	**1,603**	1,997
Interest expense on lease liabilities	**2,420**	1,421
Total amount, recognized in profit or loss	**4,023**	3,418

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. LONG-TERM AND SHORT-TERM TRADE PAYABLES

As at 31 March 2026 and 31 December 2025, trade payables comprised of the following:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Trade payables to third parties	**31,136**	49,833
Trade payables to related parties *(Note 21)*	**7,055**	2,976
	38,191	52,809
Less: long-term portion of trade payables	**(6,046)**	(7,354)
	32,145	45,455

As at 31 March 2026 and 31 December 2025, the Group's trade payables were denominated in the following currencies:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Tenge	**22,165**	27,214
Euro	**15,100**	25,106
US Dollars	**911**	475
Other currencies	**15**	14
	38,191	52,809

16. PROVISIONS

As at 31 March 2026 and 31 December 2025 amount of provisions comprised of the following:

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Fines and penalties on contractual obligations	**8,578**	8,543
	8,578	8,543

17. GOVERNMENT GRANTS

In millions of tenge	**31 March 2026 (unaudited)**	31 March 2025 (unaudited)
Government grants as at 1 January	**38,378**	27,032
Received during the period	**2,518**	–
Released to the consolidated statement of comprehensive income	**(1,469)**	(1,463)
Government grants as at 31 March	**39,427**	25,569
Government grants: current portion	**4,920**	5,853
Government grants: non-current portion	**34,507**	19,716

Under the Law of the Republic of Kazakhstan dated 15 July 2025 No. 208-VIII ЗРК "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 the three months ended 31 March 2026 in the amount of 2,518 million tenge (during the three months ended 31 March 2025: nil) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. GOVERNMENT GRANTS (continued)

As of 31 March 2026, the balance of deferred income recognized was equal to 30,312 million tenge (As of 31 December 2025: 29,028 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 1,233 million tenge in 2026 (1,463 million tenge in 2025).

As of 31 March 2026, 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 13)*.

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. During the three months ended 31 March 2026, 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 236 million tenge (during the three months ended 31 March 2025: nil).

As of 31 March 2026, the carrying amount of the deferred income related to this government grant on the DBK loan amounted to 9,115 million tenge.

The Group has complied with all conditions attached to this government assistance, and as of 31 March 2026 there are no unfulfilled conditions or contingencies relating to the grant.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS

In millions of tenge	**For the three months ended 31 March 2026 (unaudited)**	For the three months ended 31 March 2025 (unaudited)
Voice and data services	**46,028**	44,126
Sale of goods and equipment	**12,774**	9,564
Value added services	**4,025**	2,997
Other	**4,201**	2,265
	67,028	58,952
Over time	**54,254**	49,388
At point of time	**12,774**	9,564
	67,028	58,952

As at 31 March 2026 and 31 December 2025, the contract liabilities in the amount of 8,848 million tenge and 9,189 million tenge, respectively, were represented by deferred revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. COST OF SALES

In millions of tenge	For the three months ended 31 March **2026 (unaudited)**	 2025 (unaudited)
Depreciation and amortization	**13,805**	14,256
Cost of handsets, SIM-card and scratch card sales	**12,663**	9,126
Personnel costs	**5,648**	4,667
Transmission services	**4,404**	3,909
Fees for use of frequency range	**3,695**	5,280
Repair and maintenance	**3,251**	3,342
Interconnect fees and expenses	**2,910**	2,823
Electricity	**2,237**	2,549
Network sharing agreement	**2,248**	1,867
Mobile service tax	**572**	546
Security and safety	**95**	95
Materials	**51**	58
Short-term rent expense	**3**	–
Other	**1,032**	1,130
	52,614	49,648

20. INCOME TAX EXPENSE

In millions of tenge	For the three months ended 31 March **2026 (unaudited)**	 2025 (unaudited)
Current income tax expense	**2,047**	367
Deferred income tax benefit	**238**	64
	2,285	431

21. 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 March 2026, the Group recognized an allowance for expected credit losses in the amount of 137 million tenge in respect of receivables from related parties (31 December 2025: 95 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 controlling shares *(Note 1)*. Governmental entities include entities under common control and associates of the Government of the Republic of Kazakhstan.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. RELATED PARTY DISCLOSURES (continued)

Related party transactions were made on terms agreed between parties that may not necessarily be at market rate. Sales and purchases with related parties for three months ended 31 March 2026 and 2025, were as follows:

In millions tenge	For the three months ended 31 March **2026 (unaudited)**	2025 (unaudited)
Sales of goods and services		
Entities of Samruk Kazyna Group	**65**	103
Entities of Kazakhtelecom Group	**2,022**	1,340
Government entities	**41**	145
	2,128	1,588
Purchases of goods and services		
Entities of Samruk Kazyna Group	**233**	65
Entities of Kazakhtelecom Group	**4,757**	4,370
Government entities	**59**	64
	5,049	4,499
Finance expense		
Entities of Samruk Kazyna Group (AIX bonds)	**3,277**	3,459
Other shareholders	**–**	–

In millions of tenge	**31 March 2026 (unaudited)**	31 December 2025
Advances to suppliers		
Entities of Kazakhtelecom Group	**3,120**	–
	3,120	–
Trade receivables ***(Note 8)***		
Entities of Samruk Kazyna Group	**252**	241
Entities of Kazakhtelecom Group	**2,906**	1,388
Government entities	**877**	361
	4,035	1,990
Trade payables ***(Note 15)***		
Entities of Samruk Kazyna Group	**94**	54
Entities of Kazakhtelecom Group	**6,954**	2,906
Government entities	**7**	16
	7,055	2,976
Borrowings ***(Note 13)***		
Entities of Samruk Kazyna Group (AIX bonds)	**71,243**	86,950
Other Shareholders	**–**	–
	71,243	86,950
Cash and deposit accounts		
Entities of Samruk Kazyna Group	**–**	–

Compensation to key management personnel

For the three months ended 31 March 2026 and 2025, the total compensation to key management personnel included in the accompanying consolidated statement of comprehensive income under general and administrative expenses was 531 million tenge and 163 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. FINANCIAL INSTRUMENTS

Fair value

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.

The tables below represents fair value hierarchy of assets and liabilities of the Group. Disclosure of quantitative information of fair value hierarchy of financial instruments as at 31 March 2026 and 31 December 2025 is as follows:

In millions of tenge	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 March 2026	–	–	**36,411**	**36,411**
Long-term trade receivables	31 March 2026	–	–	**9,703**	**9,703**
Other current financial assets	31 March 2026	–	–	**152**	**152**
Liabilities for which fair values are disclosed					
Borrowings	31 March 2026	–	–	**138,052**	**138,052**
Trade payables	31 March 2026	–	–	**38,406**	**38,406**

In millions of tenge	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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

As at 31 March 2026 and 31 December 2025, the carrying amounts of the Group's financial assets and liabilities are presented as follow:

In millions of tenge	**Carrying amount 31 March 2026**	**Fair value 31 March 2026**	**Unrecognised gain/(loss)**	Carrying amount 31 December 2025	Fair value 31 December 2025	Unrecognised gain/(loss)
Financial assets						
Long-term trade receivables	**9,752**	**9,703**	**(49)**	8,617	8,654	37
Financial liabilities						
Borrowings	**143,277**	**138,052**	**(5,225)**	141,382	143,933	2,551
Trade payables	**38,191**	**38,406**	**(215)**	52,809	52,935	(126)
Total unrecognised change in unrealised fair value			**(5,489)**			2,462

23. 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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Climate-related matters (continued)

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 March 2026, the Group had contractual commitments totaling 27,021 million tenge, excluding VAT (as at 31 December 2025: 40,552 million tenge, excluding VAT), which as well includes capital expenditures in respect to new technical regulations described 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 license 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 21,735 million tenge.

Since January 2026, 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 153 own base stations.

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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Technical regulations (continued)

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

- Order No. 85/қе 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/қе 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 March 2026, accumulated amount of capitalized expenditures of integrated HSS to meet the 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 2032.

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.

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 interim condensed 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Notifications of the Mobile Telecom-Service LLP

On 30 December 2022, the Company and Mobile Telecom-Service LLP (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 Company and MTS mutually obligate themselves 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 termination of the shared network in several regions of Kazakhstan due to delays in fulfilling obligations, which resulted in demands for compensation. Concurrently, MTS initiated mutual demands for penalties.

On 23 June 2025, the Company and MTS entered into Supplement Agreement No. 4 to the Agreement regarding the dispute resolution regarding the critical failure and compensation claims. Under the terms of the Supplement Agreement, the Parties mutually revoked their notices of withdrawal from the Agreement, cancelled the compensation claims, and confirmed that the Agreement had 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.

On 12 February 2026, MTS filed a claim with the Specialized Interdistrict Economic Court of Almaty (SIEC Almaty) to recover the fine from Kcell JSC under the Agreement.

Kcell JSC, for its part, filed a counterclaim to recover the fine from MTS. By a court ruling dated 23 April 2026, the case was dismissed. Management believes that the said claim does not contain new circumstances and, accordingly, has not changed the risk assessment and the amount of the previously accrued reserve at the reporting date.

24. SUBSEQUENT EVENTS

On 8 April 2026, the Group invested 14 million US Dollars in US Treasury bills.

On April 23, 2026, the Group obtained a loan in the amount of 4,000 million tenge from JSC "Halyk Bank of Kazakhstan" under a credit line at an interest rate of 15.85%. The effective interest rate is 16.76%. The purpose of the loan is investment, acquisition of equipment, and the construction and modernization of the 4G/5G network. The maturity date is February 2029.

Subsequently, on 27 April 2026, the Group completed a full early repayment of its outstanding loan with JSC Nurbank for a total amount 10,700 million tenge.