Kcell JSC

Interim condensed consolidated financial statements (unaudited)

30 June 2026

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Report on review of interim consolidated financial information

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of "Kcell" JSC and its subsidiary ("the Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2026, the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of "Kcell" JSC and its subsidiary is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Other matter

The interim condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2026 was not reviewed.

Ernst & Young LLP

Adil Syzdykov Auditor	Rustamzhan Sattarov General Director Ernst & Young LLP
Auditor Qualification Certificate № МФ-0000172 dated 23 December 2013	State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2, № 0000003, issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

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24 July 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

In millions of tenge	Notes	30 June 2026 (unaudited)	31 December 2025 (audited)
Assets			
Non-current assets			
Property, plant and equipment	6	**264,580**	252,002
Intangible assets	7	**103,274**	109,919
Advances paid for non-current assets		**2,503**	979
Other non-current non-financial assets	11	**6,240**	–
Right-of-use assets	15	**60,188**	60,368
Long-term trade receivables	8	**9,646**	8,617
Costs to obtain contracts		**1,406**	1,352
Deferred tax assets		**4,149**	4,519
Total non-current assets		**451,986**	437,756
Current assets			
Inventories	10	**19,693**	8,371
Trade receivables	8	**35,446**	28,094
Contract assets	9	**935**	–
Other current non-financial assets	11	**11,048**	12,636
Other current financial assets		**489**	389
Prepaid income tax		**–**	177
Financial assets at amortised cost	12	**6,838**	6,583
Cash and cash equivalents	13	**2,088**	32,144
Total current assets		**76,537**	88,394
Total assets		**528,523**	526,150
Equity and liabilities			
Share capital	5	**33,800**	33,800
Retained earnings		**169,895**	161,983
Total equity		**203,695**	195,783
Non-current liabilities			
Borrowings: non-current portion	14	**97,722**	78,403
Long-term lease liabilities	15	**62,681**	61,583
Government grants: non-current portion	18	**35,291**	30,508
Long-term trade payables	16	**5,228**	7,354
Asset retirement obligations		**4,017**	4,123
Total non-current liabilities		**204,939**	181,971
Current liabilities			
Borrowings: current portion	14	**54,753**	62,979
Short-term lease liabilities	15	**4,113**	3,790
Government grant: current portion	18	**5,208**	7,870
Trade payables	16	**25,182**	45,455
Contract liabilities		**9,262**	9,189
Provisions	17	**9,430**	8,543
Due to employees		**6,870**	8,034
Advances received		**1,501**	804
Income tax payable		**1,480**	–
Taxes payable other than income tax		**2,090**	1,732
Total current liabilities		**119,889**	148,396
Total liabilities		**324,828**	330,367
Total equity and liabilities		**528,523**	526,150

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

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

Aldiyar Medetbek — Chief Accountant

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 six months ended 30 June 2026

In millions of tenge	Notes	For the three months ended 30 June **2026 (unaudited)**	2025 (unaudited)	For the six months ended 30 June **2026 (unaudited)**	2025 (unaudited)
Revenue from contract with customers	19	**68,413**	63,001	**135,441**	121,953
Income from government grants	18	**1,471**	1,464	**2,940**	2,927
Cost of sales	20	**(52,402)**	(49,115)	**(105,016)**	(98,763)
Gross profit		**17,482**	15,350	**33,365**	26,117
General and administrative expenses		**(2,463)**	(2,559)	**(4,907)**	(4,912)
Impairment of financial assets	8	**(687)**	(495)	**(1,504)**	(1,424)
Selling expenses		**(988)**	(1,169)	**(1,989)**	(1,972)
Other operating income	22	**235**	6,841	**730**	6,883
Other operating expenses	22	**(1,451)**	(6,283)	**(1,514)**	(6,555)
Operating profit		**12,128**	11,685	**24,181**	18,137
Finance costs	21	**(8,710)**	(6,265)	**(17,308)**	(11,877)
Finance income	21	**1,969**	1,897	**4,739**	2,844
Foreign exchange gain/(loss), net		**64**	(1,412)	**418**	(1,569)
Profit before tax		**5,451**	5,905	**12,030**	7,535
Income tax expenses	23	**(1,833)**	(1,474)	**(4,118)**	(1,905)
Profit for the period		**3,618**	4,431	**7,912**	5,630
Total comprehensive income for the period, net of tax		**3,618**	4,431	**7,912**	5,630
Earnings per share					
Basic and diluted, tenge	5	**18.09**	22.16	**39.56**	28.15

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 six months ended 30 June 2026

In millions of tenge	Share Capital	Retained earnings	Total equity
Balance at 1 January 2025 (audited)	33,800	147,877	181,677
Net profit for the period (unaudited)	–	5,630	5,630
Total comprehensive income (unaudited)	–	5,630	5,630
At 30 June 2025 (unaudited)	**33,800**	**153,507**	**187,307**
Balance at 1 January 2026 (audited)	**33,800**	**161,983**	**195,783**
Net profit for the period (unaudited)	–	**7,912**	**7,912**
Total comprehensive income (unaudited)	–	7,912	7,912
At 30 June 2026 (unaudited)	33,800	169,895	203,695

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

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

Aldiyar Medetbek — Chief Accountant

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		For the six months ended 30 June	
In millions of tenge	Notes	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities			
Profit before tax		**12,030**	7,535
Adjustments for:			
Impairment of financial assets	8	**1,504**	1,424
Finance costs		**17,308**	11,877
Accrual of provision		**887**	102
Depreciation of property and equipment and right-of-use assets	6, 15	**18,114**	18,407
Amortization of intangible assets	7	**10,748**	11,166
Write-off of inventories to net realizable value	10	**–**	268
Income from accounts payable write-off		**(407)**	(6,775)
Finance income	21	**(4,739)**	(2,844)
Loss on disposal of property and equipment, intangible assets		**618**	5,999
Income from government grants	18	**(2,940)**	(2,927)
Unrealized foreign exchange (gain) / loss, net		**(990)**	1,430
Operating cash flows before working capital changes		**52,133**	45,662
Change in inventories		**(11,322)**	355
Change in trade receivables		**(6,755)**	(2,457)
Change in contract assets		**(935)**	–
Change in other current non-financial assets		**1,588**	(1,295)
Change in advances paid for non-financial assets		**(6,240)**	–
Change in other current financial assets		**(100)**	(38)
Change in cost to obtain contracts		**(54)**	(82)
Change in trade payables		**(403)**	12,561
Change in due to employees		**(1,164)**	52
Change in contract liabilities		**73**	(472)
Change in taxes payable other than income tax		**5,255**	490
Change in advances received		**697**	500
Cash flows generated from operations		**32,773**	55,276
Income tax paid		**(1,927)**	(1,620)
Interest received		**832**	319
Interest paid		**(16,628)**	(10,581)
Net cash flows received from operating activities		**15,050**	43,394
Cash flows from investing activities			
Purchase of property and equipment		**(44,836)**	(49,707)
Purchase of intangible assets		**(7,798)**	(9,759)
Purchase of financial assets at amortised cost		**(6,479)**	–
Proceeds from settlement financial assets at amortised cost		**6,583**	–
Net cash flows used in investing activities		**(52,530)**	(59,466)

Notes on pages 6 to 23 are an integral part of these interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

		For the six months ended 30 June	
In millions of tenge	Notes	2026 (unaudited)	2025 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings	14	**55,007**	62,000
Repayment of borrowings	14	**(43,442)**	(41,000)
Repayment of principal portion of lease liabilities	15	**(1,749)**	(2,939)
Other		**(1,820)**	–
Net cash flows from financing activities		**7,996**	18,061
Net (decrease) / increase in cash and cash equivalents		**(29,484)**	1,989
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(572)**	(139)
Cash and cash equivalents at the beginning of the period		**32,144**	8,801
Cash and cash equivalents at the end of the period		**2,088**	10,651

NON-CASH TRANSACTIONS

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

For the six months ended 30 June 2026 the Group received government grants represented by 90% reduction in the annual fee for use of radio frequencies in the total amount of 5,061 million tenge (during the six months ended 30 June 2025: nil).

During the six months ended 30 June 2026 the Group received the loan from Halyk Bank at a below-market interest rate. The difference between the fair value of the loan and actual proceeds of 669 million tenge was recognized as finance income (during the six months ended 30 June 2025: nil)

In 2026, the Group paid 48,126 million tenge for property, plant and equipment and intangible assets purchased in prior year (2025: 26,951 million tenge). Property, plant and equipment and intangible assets in the amount of 11,904 million were purchased in 2026 but not paid as at 30 June 2026 (2025: 30,562 million tenge).

During the six months ended 30 June 2026, the Group set off overpayment for RFS tax against current tax liabilities in the total amount of 3,600 million tenge, including VAT (2,000 million tenge), fees for the provision of long-distance and/or international telephone services, as well as cellular communication services (1,200 million tenge), withholding tax (300 million tenge) and VAT on services received from non-residents (100 million tenge).

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

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

Aldiyar Medetbek — Chief Accountant

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Kcell JSC (the Company) was established as a limited liability partnership (GSM Kazakhstan OJSC 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 by 3G, 4G, LTE and 5G licenses.

As at 30 June 2026, 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 89,5% of Kяazakhtelecom's issued common shares. Issued shares of the Company are listed on the Kazakhstan Stock Exchange (KASE).

As at 30 June 2026 and 31 December 2025, the Company has the following principal subsidiary:

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

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

The interim condensed consolidated financial statements were authorised for issue by the Chairman of the Management Board on 24 July 2026.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The 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.

Going concern

As of 30 June 2026, the Group's current liabilities exceeded its current assets by 43,352 million tenge. This position primarily reflects the classification of short-term loans and borrowings in the amount of 54,753 million tenge, as well as trade payables of 25,182 million tenge, taxes payable of 2,090 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 30 June 2026, the Group had available undrawn committed borrowing facilities amounting to 213,901 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 30 June 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 interim condensed 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:

	30 June 2026	31 December 2025
US dollar	**485.82**	502.57
Euro	**554.03**	591.68
CNY	**71.51**	71.9
Russian ruble	**6.24**	6.42

3. MATERIAL ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group

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.

Several amendments apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial statements of the Group.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 Company'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

As at 30 June 2026 and 31 December 2025, the shareholders of the Company are presented as follows:

	30 June 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	**9.05%**	**18,109,290**	5.64%	11,282,855
Single accumulative pension fund JSC	**7.06%**	**14,116,287**	7.06%	14,116,287
Other	**8.94%**	**17,861,455**	12.35%	24,687,890
	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:

	For the three months ended		**Six months ended**	
In millions of tenge	**30 June 2026**	30 June 2025	**30 June 2026**	30 June 2025
Profit for the period attributable to equity shareholders	**3,618**	4,431	**7,912**	5,630
Weighted average number of ordinary shares	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Earnings per share (tenge), basic and diluted	**18.09**	22.16	**39.56**	28.15

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 30 June 2026 and 31 December 2025 is presented below

In millions of tenge	**30 June 2026**	31 December 2025
Net assets, excluding intangible assets	**100,421**	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)	**502.11**	429.32

During the six months ended 30 June 2026 and 2025, the Group did not declare dividends payable.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY AND EQUIPMENT

During the six-month period ended 30 June 2026, additions to property and equipment totaled to 28,349 million tenge (during the six-month period ended 30 June 2025: 53,630 million tenge).

During the six-month period ended 30 June 2026, transfers from construction-in-progress to property and equipment amounted to 25,910 million tenge (during the six-month period ended 30 June 2025: 30,129 million tenge).

During the six-month period ended 30 June 2026, the Group recognised depreciation in the amount of 14,843 million tenge (during the six-month period ended 30 June 2025: 14,371 million tenge).

During the six-month period ended 30 June 2026, the Group recognised decrease in estimates of assets retirement obligation in the amount of 310 million tenge (during the six-month period ended 30 June 2025: an increase in the amount of 674 million tenge).

As of 30 June 2026, the Group made prepayments for certain property and equipment mainly represented by equipment for base stations in the amount of 2,503 million tenge (31 December 2025: 979 million tenge).

As of 30 June 2026, the historical cost of property and equipment which has been fully depreciated and still in use, was 199,398 million tenge (as of 31 December 2025: 201,895 million tenge).

During the six-months period ended 30 June 2026, the Group has written off the property and equipment with net book value in the amount of 618 million tenge (during the six-months period ended 30 June 2025: 6,042 million tenge).

7. INTANGIBLE ASSETS

During the six-month period ended 30 June 2026 the Group acquired intangible assets in the amount of 4,103 million tenge (during six-month period ended 30 June 2025: 5,456 million tenge).

During the six-month period ended 30 June 2026 the Group recognized amortization in the amount of 10,748 million tenge (during six-month period ended 30 June 2025: 11,166 million tenge).

As of 30 June 2026, the carrying amount of 5G license was 62,428 million tenge (31 December 2025: 65,029 million tenge) and its remaining amortization period was 12 years. As of 30 June 2026, the carrying amount of the 4G license was 7,944 million tenge (31 December 2025: 8,811 million tenge) and its remaining amortization period was 4 years.

As of 30 June 2026, the historical cost of intangible assets, which have been fully amortized and still in use, was 57,175 million tenge (31 December 2025: 49,955 million tenge).

During the six-month period ended 30 June 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 30 June 2026, the carrying amount of intangible assets at the development stage included in development costs amounted to 522 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 30 June 2026 and 31 December 2025, trade receivables comprised of the following:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Trade receivables from subscribers	**44,098**	37,939
Trade receivables from dealers and distributors	**924**	737
Trade receivables from interconnect services	**883**	939
Trade receivables from roaming operators	**829**	597
Trade receivables from related parties *(Note 24)*	**3,861**	1,990
Less: allowance for expected credit losses	**(5,503)**	(5,491)
	45,092	36,711
Less: long-term portion of trade receivables from subscribers	**(9,646)**	(8,617)
	35,446	28,094

During the six months ended 30 June, movements in the allowance for expected credit losses were as follows:

In millions of tenge	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
Allowance for expected credit losses at the beginning of the period	**(5,491)**	(8,181)
Charge for the period	**(1,504)**	(1,424)
Write-off for the period	**1,553**	4,431
Other	**(61)**	–
Allowance for expected credit losses at the end of the period	**(5,503)**	(5,174)

During the six months ended 30 June 2026 the Group recognized 1,504 million tenge additional provision of an allowance for expected credit losses (during the six months ended 30 June 2025: 1,424 million tenge).

During the six months ended 30 June 2026 the Group sold overdue receivables with gross value in the amount of 1,568 million tenge for 282,6 million tenge.

9. CONTRACT ASSETS

As at 30 June 2026, the Group has contract assets of 935 million tenge (2025: nil).

Starting from 2026 the Group offers bundled packages under tariff "Semeiniy" that include a handset or other equipment and ongoing mobile connectivity services under fixed-term contracts.

Under IFRS 15, consideration received from customers is allocated between the handset and service elements using relative stand-alone selling prices. Consequently, a portion of the monthly subscription fee is attributed to the handset and recognized upon delivery of the device, while the remaining amount is recognized as service revenue over the contract term. Contract assets arising from these arrangements are presented separately from trade and other receivables and are reclassified to trade receivables when the right to consideration becomes unconditional and the customer is billed.

10. INVENTORIES

As of 30 June 2026 and 31 December 2025, inventories comprised:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Handsets and accessories (at lower of cost and net realizable value)	**16,714**	7,289
Start packages (at cost)	**259**	255
SIM-cards (at cost)	**128**	182
Marketing materials (at cost)	**104**	67
Other materials (at cost)	**2,488**	578
	19,693	8,371

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. OTHER NON-FINANCIAL ASSETS

As at 30 June 2026 and 31 December 2025, other current non-financial assets comprised of the following:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Advances paid	**2,969**	3,017
VAT recoverable	**2,734**	1,052
Prepaid radio frequency fee	**2,074**	5,674
Prepaid taxes other than income taxes	**1,952**	1,387
Prepaid expenses	**1,319**	1,506
	11,048	12,636

Other non-current non-financial assets represent an advance paid to Auyltelekom LLP, related party, in the amount of 6,240 million tenge (exclusive of VAT). The advance was paid by Kcell JSC in accordance with the terms of the Agreement on Joint Use of Radio Frequencies (800 MHz range) dated 29 January 2026, between Mobile Telecom-Service LLP, Kcell JSC, Aultelekom LLP and Kazakhtelecom JSC, as consideration for the right to jointly use radio frequency spectrum in the 791–801/832–842 MHz bands ("Aultelekom Bands") for a period of 15 years from the date of the Agreement.

12. FINANCIAL ASSETS AT AMORTISED COST

As at 30 June 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**	**30 June 2026 (unaudited)**	31 December 2025
U.S. T-bills	1 October 2026	3.62%	14,323,000 USD	**6,838**	–
U.S. T-bills	3 March 2026	3.8%	13,223,000 USD	**–**	6,583
				6,838	6,583

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.

13. CASH AND CASH EQUIVALENTS

As at 30 June 2026 and 31 December 2025, cash and cash equivalents comprised of the following:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Cash on current bank accounts	**1,136**	2,353
Bank deposits with original maturity of less than 90 days	**949**	29,784
Cash on hand	**3**	7
	2,088	32,144

As of 30 June 2026, short-term bank deposits represent overnight deposits in tenge in Halyk Bank JSC at interest rate 15.50% in the amount of 680 million tenge, and overnight deposit in USD at interest rate 1.0% in the amount of 554 thousand USD.

As at 30 June 2026 and 31 December 2025, cash and cash equivalents were denominated in various currencies as follow:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Tenge	**1,365**	31,994
US dollars	**714**	149
Euro	**9**	1
	2,088	32,144

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS

As at 30 June 2026 and 31 December 2025 borrowings comprised of the following:

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
Total amount					**152,475**	141,382
Non-current portion					**(97,722)**	(78,403)
Current portion					**54,753**	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 30 June 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.

AIX Bonds

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
AIX Bonds	Tenge	18.56%	17.50%	September 2027	**30,398**	30,432
AIX Bonds	Tenge	19.15%	17.50%	June 2028	**25,280**	25,295
AIX Bonds	Tenge	18.73%	17.50%	October 2027	**15,515**	15,532
AIX Bonds	Tenge	20,74%	19,00%	April 2027	**–**	15,691
					71,193	86,950

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 millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
Bank of China	Yuan	3.67%	3.57%	March 2029	**5,735**	–
Bank of China	Yuan	3.73%	3.63%	March 2029	**5,725**	–
Bank of China	Yuan	3.73%	3.61%	March 2029	**5,006**	–
Bank of China	Yuan	3.84%	3.73%	March 2029	**5,006**	–
Bank of China	Tenge	19,00%	18,50%	February 2026	**–**	15,370
					21,472	15,370

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 was secured by a financial guarantee provided by Kazakhtelecom JSC. The Group considered the financial guarantee provided by parent company to be an integral part of the loan and therefore did 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 revolving credit line from Bank of China Kazakhstan JSC for an amount of 22,000 million tenge, with the option to draw down funds in tenge and Chinese yuan (CNY); the facility has a term of 36 (thirty-six) months and an availability period of 12 (twelve) months. Interest rate on the yuan (CNY) portion is calculated based on a floating rate determined as the 3-month HIBOR plus a margin of 2 (two) percent. Principal repayments are structured as follows: 15% is due at the end of the first year from loan disbursement, 15% at the end of the second year, and the remaining 70% at maturity.

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 average effective interest rate of 3.8% per annum.

In June 2026, the Group obtained a loan under two tranches amounting to 80 million Chinese yuan each, with a maturity of 34 months at an average effective interest rate of 3.7% per annum.

14. BORROWINGS (continued)

Nurbank JSC

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
NurBank JSC	Tenge	20.20%	17.50%	June 2029	**5,000**	–
NurBank JSC	Tenge	17.00%	15.75%	September 2026	**1,734**	3,867
NurBank JSC	Tenge	18.40%	17.00%	September 2028	**1,545**	1,700
NurBank JSC	Tenge	18.40%	17.00%	July 2028	**1,227**	1,500
NurBank JSC	Tenge	18.40%	17.00%	August 2028	**818**	1,000
					10,324	8,067

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. In April 2026, the Group repaid a loan to Nurbank JSC in the amount of 10,700 million tenge.

In June 2026, the Company received a loan in the amount of 5,000 million tenge, with a maturity of 36 months at an effective interest rate of 20.20% per annum.

Halyk Bank of Kazakhstan JSC

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
Halyk Bank	Tenge	20.50%	15.85%	February 2029	**8,933**	–
Halyk Bank	Tenge	16.76%	15.85%	February 2029	**4,120**	–
					13,053	–

During 2026, the Group received a loan in the amount of 9,000 million tenge with a repayment period of 36 months and a nominal interest rate of 15.85 % per annum.

As the financing was provided on preferential terms, the Group determined the fair market borrowing rate at the date of obtaining loan to be 20.5% 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 finance income of 669 million tenge.

During 2026, the Group received a loan in the amount of 4,000 million tenge with a repayment period of 34 months and an effective interest rate of 16.76% per annum.

Eurasian Development Bank

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
Eurasian Development Bank	Tenge	19.30%	17.50%	March 2027	**5,115**	–
					5,115	–

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 19.30% per annum.

Development Bank of Kazakhstan JSC

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 June 2026 (unaudited)	31 December 2025
DBK JSC	Tenge	20.00%	12,60%	November 2040	**31,318**	30,996
					31,318	30,996

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.

14. BORROWINGS (continued)

Development Bank of Kazakhstan JSC (continued)

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 from the date of signing the supplementary agreement, 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 18)*. The loan agreements include financial covenants that the Group is required to comply with throughout the term of the borrowings.

Undrawn credit facilities

At 30 June 2026, the Group had available 213,901 million tenge of undrawn committed borrowing facilities.

Covenants

The Group's non-current borrowings include borrowings amounting to 97,722 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 30 June 2026 the Group complied with all the covenants that were required to be met on or before 30 June 2026. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. 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	2,759
As at 30 June 2025	84,571
As at 1 January 2026 (audited)	**99,517**
Additions	**932**
Modification	**2,194**
Cancellation	**(35)**
As at 30 June 2026	**102,608**
Accumulated depreciated	
As at 1 January 2025 (audited)	(31,591)
Depreciation charge	(4,036)
As at 30 June 2025	(35,627)
As at 1 January 2026 (audited)	**(39,149)**
Depreciation charge	**(3,271)**
As at 30 June 2026	**(42,420)**
Net book value	
As at 31 December 2025	60,368
As at 30 June 2026	**60,188**

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

In millions of tenge	**For six months ended 30 June 2026 (unaudited)**	For six months ended 30 June 2025 (unaudited)
At the beginning of the periodn	**65,373**	51,917
Interest expenses	**4,860**	2,904
Payments	**(6,609)**	(5,843)
Additions	**932**	1,211
Cancellation	**(35)**	–
Modification	**2,194**	2,759
Other	**79**	–
At the end of the period	**66,794**	52,948
Short-term	**4,113**	6,064
Long-term	**62,681**	46,884
At the end of the period	**66,794**	52,948

As of 1 January 2026, lease liabilities comprised short-term and long-term portions of 3,790 million tenge and 61,583 million tenge, respectively (1 January 2025: 5,265 million tenge and 46,652 million tenge).

The following amounts are recognised in profit or loss:

	For three months ended 30 June		**For six months ended 30 June**	
In millions of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Depreciation of right-of-use assets	**1,668**	2,039	**3,271**	4,036
Interest expense on lease liabilities *(Note 21)*	**2,440**	1,483	**4,860**	2,904
	4,108	3,522	**8,131**	6,940

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. TRADE PAYABLES

As at 30 June 2026 and 31 December 2025, trade payables comprised of the following:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Trade payables to third parties	**26,168**	49,833
Trade payables to related parties *(Note 24)*	**4,242**	2,976
	30,410	52,809
Less: long-term portion of trade payables	**(5,228)**	(7,354)
	25,182	45,455

As at 30 June 2026 and 31 December 2025, the Group's trade payables were denominated in the following currencies:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Tenge	**17,286**	27,214
EUR	**11,877**	25,106
US Dollars	**1,126**	475
Other currencies	**121**	14
	30,410	52,809

17. PROVISIONS

In 2026 the Group accrued provision related to fines and penalties on contractual obligations and contractual liabilities that Management considers as probable in the amount of 887 million tenge.

As of 30 June 2026 and 31 December 2025 amount of provisions comprised of the following:

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Fines and penalties on contractual obligations	**9,430**	8,543
	9,430	8,543

18. GOVERNMENT GRANTS

In millions of tenge	**For six months ended 30 June 2026 (unaudited)**	For six months ended 30 June 2025 (unaudited)
Government grants as at 1 January	**38,378**	27,032
Received during the period	**5,061**	–
Released to the consolidated statement of comprehensive income	**(2,940)**	(2,927)
Government grants as at 30 June	**40,499**	24,105
Government grants: current portion	**5,208**	5,853
Government grants: non-current portion	**35,291**	18,252
Government grants as at 30 June	**40,499**	24,105

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.

18. GOVERNMENT GRANTS (continued)

The funds released as a result of reduction in the annual fee for use of radio frequencies for the six months ended 30 June 2026 in the amount of 5,061 million tenge (during the six months ended 30 June 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.

As of 30 June 2026, the balance of deferred income recognized was equal to 31,620 million tenge (as of 31 December 2025: 29,027 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 2,469 million tenge in 2026 (2,927 million tenge in 2025).

As of 30 June 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 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. During the six months ended 30 June 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 471 million tenge (during the six months ended 30 June 2025: nil).

As of 30 June 2026, the carrying amount of the deferred income related to this government grant on the DBK loan amounted to 8,879 million tenge.

The Group has complied with all conditions attached to this government assistance, and as of 30 June 2026 there are no unfulfilled conditions or contingencies relating to the grant.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the three months ended 30 June		**For the six months ended 30 June**	
In millions of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Voice and data services	**47,061**	47,105	**93,089**	91,231
Sale of handsets and equipment	**12,651**	9,553	**25,425**	19,117
Value added services	**4,085**	3,536	**8,110**	6,533
Other	**4,616**	2,807	**8,817**	5,072
	68,413	63,001	**135,441**	121,953
Over time	**55,762**	53,448	**110,016**	102,836
At a point of time	**12,651**	9,553	**25,425**	19,117
	68,413	63,001	**135,441**	121,953

As at 30 June 2026 and 31 December 2025, the contract liabilities in the amount of 9,262 million tenge and 9,189 million tenge, respectively, were represented by deferred revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. COST OF SALES

	For the three months ended 30 June		For the six months ended 30 June	
In millions of tenge	**2026 (unaudited)**	2025 (unaudited)*	**2026 (unaudited)**	2025 (unaudited)
Depreciation and amortization	**13,665**	14,098	**27,470**	28,354
Cost of SIM-card and handsets	**11,235**	9,002	**23,898**	18,128
Fees for use of frequency range	**3,595**	4,976	**7,290**	10,256
Personnel costs	**6,337**	4,578	**11,985**	9,245
Transmission services	**4,745**	3,758	**9,149**	7,667
Repair and maintenance	**3,507**	3,588	**6,758**	6,930
Interconnect fees and expenses	**2,979**	3,035	**5,889**	5,858
Electricity	**2,157**	2,323	**4,394**	4,872
Network sharing agreement	**2,073**	2,216	**4,321**	4,083
Mobile service tax	**572**	546	**1,144**	1,092
Security and safety	**97**	97	**192**	192
Materials	**310**	23	**361**	81
Short-term rent expenses	**2**	–	**5**	–
Other	**1,128**	875	**2,160**	2,005
	52,402	49,115	**105,016**	98,763

21. FINANCE COSTS / FINANCE INCOME

	For the three months ended 30 June		For the six months ended 30 June	
In millions of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Finance costs				
Interest expense on loans and bonds	**5,979**	4,585	**11,854**	8,217
Interest on lease liabilities (*Note 15*)	**2,440**	1,483	**4,860**	2,904
Unwinding of discount (provision for decommissioning liability)	**102**	–	**204**	448
Other	**189**	197	**390**	308
	8,710	6,265	**17,308**	11,877
Finance income				
Unwinding of discount of trade receivables	**1,612**	957	**3,063**	1,728
Initial recognition of discount on loans	**–**	494	**669**	494
Interest income on cash balances and deposit	**237**	186	**832**	319
Penalty income from late payments for contract phones	**120**	260	**175**	303
	1,969	1,897	**4,739**	2,844

22. OTHER OPERATING INCOME/OTHER OPERATING EXPENSES

In millions of tenge	For the three months ended 30 June **2026 (unaudited)**	For the three months ended 30 June 2025 (unaudited)	For the six months ended 30 June **2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Other operating income				
Income from write-off accounts payable	**63**	6,740	**407**	6,745
Income from the write-off of fixed assets and non-fixed assets	**–**	137	**–**	137
Other	**172**	(36)	**323**	1
	235	6,841	**730**	6,883
Other operating expenses				
Loss on disposal of property and equipment and IA	**596**	5,968	**618**	5,969
Accrual of provisions (*Note 17*)	**852**	98	**887**	98
Accrual of provision for advances paid	**–**	419	**–**	419
Other	**3**	(202)	**9**	69
	1,451	6,283	**1,514**	6,555

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.

23. INCOME TAX EXPENSE

In millions of tenge	For the three months ended 30 June **2026 (unaudited)**	For the three months ended 30 June 2025 (unaudited)	For the six months ended 30 June **2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Current income tax expense	**1,700**	411	**3,747**	778
Deferred income tax expense	**133**	1,063	**371**	1,127
	1,833	1,474	**4,118**	1,905

24. 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.

Parent (Kazakhtelecom JSC) is controlled by the Government of the Republic of Kazakhstan through Sovereign Wealth Fund Samruk-Kazyna JSC (Samruk-Kazyna) which owns 89.5% of Kazakhtelecom's controlling shares *(Note 1)*. State-owned entities include entities under control of the Government of the Republic of Kazakhstan other than Samruk-Kazyna Group.

24. RELATED PARTY DISCLOSURES (continued)

Related party transactions were made on terms agreed. Sales and purchases with related parties for three months ended 30 June 2026 and 2025, and the balances with related parties as at 30 June 2026 and 2025, were as follows:

	For the three months ended 30 June		For the six months ended 30 June	
In millions tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Sales of goods and services				
Entities of Samruk-Kazyna Group	**60**	105	**125**	208
Entities of Kazakhtelecom Group	**2,343**	1,560	**4,365**	2,901
State-owned entities	**29**	38	**72**	184
	2,432	1,703	**4,562**	3,293
Purchases of goods and services				
Entities of Samruk-Kazyna Group	**102**	93	**335**	157
Entities of Kazakhtelecom Group	**5,617**	4,370	**10,373**	9,335
State-owned entities	**68**	55	**128**	119
	5,787	4,518	**10,836**	9,611
Finance expense				
Entities of Samruk-Kazyna Group	**3,242**	3,671	**6,519**	7,130
	3,242	3,671	**6,519**	7,130

In millions of tenge	**30 June 2026 (unaudited)**	31 December 2025
Advances to suppliers		
Entities of Kazakhtelecom Group	**6,240**	–
	6,240	–
Trade receivables *(Note 8)*		
Entities of Samruk-Kazyna Group	**778**	241
Entities of Kazakhtelecom Group	**1,885**	1,387
State-owned entities	**1,198**	362
	3,861	1,990
Trade payables *(Note 16)*		
Entities of Samruk-Kazyna Group	**60**	54
Entities of Kazakhtelecom Group	**4,177**	2,906
Other shareholders	**–**	–
Government entities	**5**	16
	4,242	2,976
Borrowings *(Note 14)*		
Entities of Samruk-Kazyna Group (AIX bonds)	**71,193**	86,950
	71,193	86,950

Compensation to key management personnel

For the six months ended 30 June 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 729 million tenge and 356 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.

25. 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 30 June 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	30 June 2026	–	–	**36,381**	**36,381**
Long-term trade receivables	30 June 2026	–	–	**9,455**	**9,455**
Other current financial assets	30 June 2026	–	–	**489**	**489**
Financial assets at amortised cost	30 June 2026	–	–	**6,895**	**6,895**
Liabilities for which fair values are disclosed					
Borrowings	30 June 2026	–	–	**143,024**	**143,024**
Trade payables	30 June 2026	–	–	**30,714**	**30,714**

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**

As at 30 June 2026 and 31 December 2025, the carrying amounts of the Group's financial assets and liabilities presented as follow:

In millions of tenge	Carrying amount 30 June 2026	Fair value 30 June 2026	Unrecognised gain/(loss)	Carrying amount 31 December 2025	Fair value 31 December 2025	Unrecognised gain/(loss)
Financial assets						
Long-term trade receivables	**9,646**	**9,455**	**(191)**	8,617	8,654	37
Financial assets at amortised cost	**6,838**	**6,895**	**57**	–	–	–
Financial liabilities						
Borrowings	**152,475**	**143,024**	**(9,451)**	141,382	143,933	2,551
Trade payables	**30,410**	**30,714**	**(304)**	52,809	52,935	(126)
Total unrecognised change in unrealised fair value			**(9,889)**			2,462

26. 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.

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 30 June 2026, the Group had contractual commitments totaling 15,512 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.

Claim of Mobile Telecom-Service LLP

In 2022, the Group entered into a network sharing agreement with Mobile Telecom-Service LLP ("MTS"). Under this agreement, the parties agreed on the joint construction of new sites and the modernization of the existing network (the "MOCN Agreement"), which provides for penalties in the event of mutual breaches of the terms of the agreement.

During 2023–2024, a number of disputes arose between the parties in connection with delays in meeting obligations, mutual notifications of withdrawal from network sharing in certain regions, claims for compensation, and mutual claims for the recovery of penalties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Claim of Mobile Telecom-Service LLP (continued)

On 23 June 2025, the Company and MTS entered into Addendum No. 4 to the Agreement, under which the parties mutually withdrew their notices of withdrawal from the Agreement, cancelled the claims for compensation, and confirmed that the Agreement had been fully reinstated. At the same time, the parties confirmed their intention to settle the dispute in respect of the penalties claimed.

On 12 February 2026, MTS filed a claim with the Specialized Interdistrict Economic Court of Almaty seeking recovery from the Company of a penalty under the MOCN Agreement in the amount of 27,175.5 million tenge, together with a state duty of 86.5 million tenge. On 18 February 2026, the claim was accepted for court proceedings and civil proceedings were initiated.

On 20 March 2026, the Company filed a counterclaim seeking recovery from MTS of a penalty in the amount of 3,142.4 million tenge, together with a state duty of 86.5 million tenge. On 27 March 2026, the court accepted the counterclaim for joint consideration, and the civil cases were consolidated into a single set of proceedings.

By ruling of the Specialized Interdistrict Economic Court of Almaty dated 23 April 2026, the MTS claim was left without consideration due to non-compliance with the mandatory pre-trial dispute resolution procedure. Following a private complaint filed by MTS, this ruling was overturned by the appellate panel of the Almaty City Court on 18 June 2026, and the case was referred back to the court of first instance for consideration on the merits. On 2 July 2026, the case was transferred to the Specialized Interdistrict Economic Court of Almaty; as at the date of authorization of these interim condensed financial statements, the date for the hearing of the case on the merits has not yet been scheduled.

Management of the Group believes that the provisions recognized in respect of the MOCN Agreement in prior periods are sufficient to cover any future outflows required to settle the obligations under this agreement. In management's view, the outcome of these court proceedings cannot be reliably estimated at the current stage; however, management does not expect a material outflow of economic benefits in excess of the amounts already recognized in the financial statements. Accordingly, as at 30 June 2026, no additional provision was recognized in respect of the claims filed.

27. SUBSEQUENT EVENTS

On 14 July 2026, Kcell JSC issued and placed unsecured coupon bonds with an aggregate principal amount of 420 million Chinese yuan at an annual coupon rate of 4.2% and a maturity of five years on the Astana International Exchange (AIX). The proceeds are intended for the refinancing of the Company's existing liabilities.

On 14 July 2026, Kcell JSC early redeemed the third tranche of bonds in the amount of 30 billion tenge, which had been issued under the Company's bond programme and listed on the Astana International Exchange (AIX).

On 16 July 2026, Kcell JSC obtained a loan of 2.5 billion tenge with a maturity of 32 months, carrying a nominal interest rate of 15.85% per annum and an effective interest rate of 16.76% per annum.