Kcell JSC

Interim condensed consolidated financial statements (unaudited)

30 September 2025

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Interim condensed consolidated financial statements (unaudited)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

In millions of tenge	Notes	30 September 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property and equipment	5	236,005	197,815
Intangible assets	6	108,896	117,561
Advances paid for non-current assets		189	1,103
Right-of-use assets	13	46,875	49,010
Long-term trade receivables	7	6,977	5,404
Costs to obtain contracts		1,078	895
Deferred tax assets		3,157	2,856
Total non-current assets		403,177	374,644
Current assets			
Inventories	8	7,125	9,180
Trade receivables	7	26,959	26,402
Other current non-financial assets	9	15,622	5,031
Other current financial assets		621	370
Prepaid income tax		–	146
Financial assets at amortised cost	10	7,128	–
Cash and cash equivalents	11	3,458	8,801
Total current assets		60,913	49,930
Total assets		464,090	424,574
Equity and liabilities			
Share capital	4	33,800	33,800
Retained earnings		162,739	147,877
Total equity		196,539	181,677
Non-current liabilities			
Borrowings: non-current portion	12	51,118	47,667
Long-term lease liabilities	13	45,164	46,652
Government grants: non-current portion	15	21,694	21,179
Long-term trade payables	14	8,938	3,754
Asset retirement obligations		6,057	4,711
Total non-current liabilities		132,971	123,963
Current liabilities			
Borrowings: current portion	12	64,135	42,972
Short-term lease liabilities	13	6,314	5,265
Government grant: current portion	15	6,834	5,853
Trade payables	14	26,592	39,738
Contract liabilities		8,389	8,726
Provisions		7,737	7,476
Due to employees		6,628	6,199
Advances received		487	–
Income tax payable		5,028	–
Taxes payable other than income tax		2,436	2,705
Total current liabilities		134,580	118,934
Total liabilities		267,551	242,897
Total equity and liabilities		464,090	424,574

Chairman of the Management Board & Chief Executive Officer — *Askar Zhampakin*

Chief Financial Officer — *Sabigat Rakhmetov*

Chief Accountant — *Guzel Khassanova*

Notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2025

In millions of tenge	Notes	For the three months ended 30 September 2025 (unaudited)	For the three months ended 30 September 2024 (unaudited)	For the nine months ended 30 September 2025 (unaudited)	For the nine months ended 30 September 2024 (unaudited)
Revenue from contract with customers	16	**65,329**	58,898	**187,282**	175,780
Income from government grants	15	**2,443**	1,463	**5,370**	4,390
Cost of sales	17	**(43,791)**	(45,672)	**(142,554)**	(135,990)
Gross profit		**23,981**	14,689	**50,098**	44,180
General and administrative expenses		**(1,999)**	(2,466)	**(6,911)**	(7,332)
Impairment of financial assets	7	**(527)**	(529)	**(1,951)**	(2,958)
Selling expenses		**(1,007)**	(1,041)	**(2,979)**	(3,151)
Other operating income		**14**	–	**6,897**	127
Other operating expenses		**(286)**	(920)	**(6,841)**	(5,094)
Operating profit		**20,176**	9,733	**38,313**	25,772
Finance costs	18	**(6,621)**	(6,089)	**(18,498)**	(17,466)
Finance income	18	**836**	626	**3,680**	2,517
Foreign exchange (loss)/ gain, net		**(449)**	(927)	**(2,018)**	(462)
Profit before tax		**13,942**	3,343	**21,477**	10,361
Income tax expenses	19	**(4,710)**	(757)	**(6,615)**	(2,284)
Profit for the period		**9,232**	2,586	**14,862**	8,077
Total comprehensive income for the period, net of tax		**9,232**	2,586	**14,862**	8,077
Earnings per share					
Basic and diluted, tenge	4	**46.16**	12.93	**74.31**	40.39

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

Chief Financial Officer — *Sabigat Rakhmetov*

Chief Accountant — *Guzel Khassanova*

Notes on pages 6 to 22 are an integral part of these interim condensed consolidated financial statements (unaudited)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2025

In millions of tenge	Share Capital	Additional paid-in capital	Retained earnings	Total equity
Balance at 1 January 2024 (audited)	33,800	1,260	136,458	171,518
Net profit for the period (unaudited)	–	–	8,077	8,077
Total comprehensive income (unaudited)	–	–	8,077	8,077
Transfer from additional paid-in capital	–	(1,260)	1,260	–
At 30 September 2024 (unaudited)	33,800	–	145,795	179,595
Balance at 1 January 2025 (audited)	**33,800**	**–**	**147,877**	**181,677**
Net profit for the period (unaudited)	**–**	**–**	**14,862**	**14,862**
Total comprehensive income (unaudited)	**–**	**–**	**14,862**	**14,862**
At 30 September 2025 (unaudited)	**33,800**	**–**	**162,739**	**196,539**

Chairman of the Management Board & Chief Executive Officer — *Askar Zhumbakin*

Chief Financial Officer — *Sabigat Rakhmetov*

Chief Accountant — *Guzel Khassanova*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2025

In millions of tenge	Notes	For the nine months ended 30 September 2025 (unaudited)	2024 (unaudited)
Cash flows from operating activities			
Profit before tax		21,477	10,361
Adjustments for:			
Impairment of financial assets	7	1,951	2,958
Finance costs		18,498	17,466
Accrual of provision		261	4,348
Depreciation of property and equipment and right-of-use assets	5, 13	27,951	21,337
Amortization of intangible assets	6	17,032	16,756
Write-off of inventories to net realizable value	8	268	441
Income from accounts payable write-off		(6,747)	(86)
Finance income		(3,680)	(2,517)
Loss on disposal of property and equipment, intangible assets		6,037	162
Income from government grants	15	(5,370)	(4,390)
Foreign exchange loss/(gain), net		2,219	487
Operating cash flows before working capital changes		79,897	67,323
Change in inventories		1,787	1,488
Change in trade receivables		(896)	7,147
Change in other current non-financial assets		(10,591)	2,169
Change in other current financial assets		(251)	1,674
Change in cost to obtain contracts		(183)	(108)
Change in trade payables		5,765	(9,670)
Change in due to employees		429	1,184
Change in contract liabilities		(337)	(1,294)
Change in taxes payable other than income tax		6,475	13,411
Change in advances received		487	–
Cash flows generated from operations		82,582	83,324
Income tax paid		(1,620)	(3,200)
Interest received		495	598
Interest paid		(16,873)	(15,769)
Net cash flows received from operating activities		64,584	64,953
Cash flows from investing activities			
Purchase of property and equipment		(68,989)	(50,508)
Purchase of intangible assets		(13,832)	(14,575)
Proceeds from disposal of property and equipment		–	95
Proceeds from redemption of financial assets at amortised cost		(7,016)	–
Other expenses		–	(2)
Net cash flows used in investing activities		(89,837)	(64,990)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Notes	For the nine months ended 30 September 2025 (unaudited)	2024 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings	12	66,200	146,977
Repayment of borrowings	12	(42,067)	(144,043)
Repayment of principal portion of lease liabilities	13	(4,424)	(5,455)
Net cash flows from financing activities		19,709	(2,521)
Net (decrease)/ increase in cash and cash equivalents		(5,544)	(2,558)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		201	25
Cash and cash equivalents at the beginning of the period	11	8,801	11,031
Cash and cash equivalents at the end of the period	11	3,458	8,498

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

Chief Financial Officer — *Sabigat Rakhmetov*

Chief Accountant — *Guzel Khassanova*

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2025

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

As at 30 September 2025 and 31 December 2024, the Company has the following principal subsidiary:

	30 September 2025 (unaudited)	31 December 2024
KazNet Media LLP	**100%**	100%

The accompanying interim condensed consolidated financial statements include the financial statements of Kcell JSC and its subsidiary (the Group).

The interim condensed consolidated financial statements were authorised for issue by the Chairman of the Management Board on 11 November 2025.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 30 September 2025 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 2024.

The interim condensed consolidated financial statements are presented in Kazakhstani tenge and all amounts are rounded to the nearest millions, except when otherwise indicated.

2. BASIS OF PREPARATION (continued)

Going concern

As of 30 September 2025, the Group's current liabilities exceeded its current assets by 73,667 million tenge. The Group's current liabilities mainly comprise short-term loans and borrowings in the amount of 64,135 million tenge, trade and other payables in the amount of 26,592 million tenge, taxes payable in the amount of 2,436 million tenge and other current financial and non-financial liabilities.

The management believes that the Group will continue its activity in accordance with the principle of going concern, and in making such a judgement, the management took into account current intentions of the Group and its financial position. In particular, the following factors were reviewed in estimating the ability of the Group to continue its activities in accordance with the going concern principle:

- The Group plans to continue generating positive net operating cash flows;
- Effective financial management of net working capital;
- As at the date of issue of these financial statements, the Group has the opportunity to attract additional funds on arm's length terms under available unutilized credit lines for a total amount of 63,367 million tenge.
- Diversification of funding sources.

Thus, the Group's management believes that the Group will continue its activities accordance with the principle of going concern during the next 12 months from the date of authorization of these financial statements.

Foreign currency translation

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).

The following table summarises the foreign currency exchange rates for tenge:

	30 September 2025	31 December 2024
US dollar	**548.79**	523.54
Euro	**643.02**	546.47
Russian ruble	**6.63**	4.99

3. MATERIAL ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. 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 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify 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 are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SHARE CAPITAL AND EARNINGS PER SHARE

As at 30 September 2025 and 31 December 2024, the shareholders of the Company are presented as follows:

	30 September 2025		31 December 2024	
	Share	**Number of shares**	Share	Number of shares
Kazakhtelecom JSC	**51.00%**	**102,000,000**	51.00%	102,000,000
Private Company KC HOLDING LTD	**14.87%**	**29,745,215**	14.87%	29,745,215
ALATAU CITY BANK JSC	**9.08%**	**18,167,753**	9.08%	18,167,753
Single accumulative pension fund JSC	**7.06%**	**14,126,055**	7.10%	14,207,642
Samruk-Kazyna	**5.49%**	**10,984,992**	2.97%	5,943,939
ZHASYL DAMU JSC	**3.93%**	**7,864,732**	2.73%	5,458,754
KAZPOST JSC	**2.57%**	**5,144,603**	3.36%	6,719,658
Raiffeisenbank JSC	**1.54%**	**3,070,664**	1.54%	3,070,664
Other	**4.46%**	**8,895,986**	7.35%	14,686,375
	100.00%	**200,000,000**	100.00%	200,000,000

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

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

	For the three months ended		**For the nine months ended**	
In millions of tenge	**30 September 2025**	30 September 2024	**30 September 2025**	30 September 2024
Profit for the period attributable to equity shareholders	**9,232**	2,586	**14,862**	8,077
Weighted average number of ordinary shares	**200,000,0000**	200,000,0000	**200,000,000**	200,000,000
Earnings per share (tenge), basic and diluted	**46.16**	12.93	**74.31**	40.39

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 September 2025 and 31 December 2024 is presented below

In millions of tenge	**30 September 2025**	31 December 2024
Net assets, excluding intangible assets	**87,643**	64,116
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)	**438.22**	320.58

During the nine months ended 30 September 2025 and 2024, the Group did not declare dividends payable.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. PROPERTY AND EQUIPMENT

During the nine-months period ended 30 September 2025, additions to property and equipment totaled to 65,243 million tenge (during the nine-months period ended 30 September 2024: 45,708 million tenge).

During the nine-months period ended 30 September 2025, transfers from construction-in-progress to property and equipment amounted to 45,337 million tenge (during the nine-months period ended 30 September 2024: 35,023 million tenge).

During the nine-months period ended 30 September 2025, the Group recognised depreciation expense in the amount of 21,831 million tenge (during the nine-months period ended 30 September 2024: 15,388 million tenge).

During the nine-months period ended 30 September 2025, the Group recognised an increase in changes in estimates in assets retirement obligation in the amount of 823 million tenge (during the nine-months period ended 30 September 2024: an increase in the amount of 713 million tenge).

As of 30 September 2025, the historical cost of property and equipment which has been fully depreciated and still in use, was 200,863 million tenge (as of 31 December 2024: 195,646 million tenge).

During the nine-month period ending 30 September 2025, the Group has written off the property and equipment with net book value in the amount of 6,045 million tenge (during the nine-month period ending 30 September 2024: 3,5 million tenge).

6. INTANGIBLE ASSETS

During the nine-months period ended 30 September 2025, the Group acquired intangible assets in the amount of 8,367 million tenge (during the nine-months period ended 30 September 2024: 7,646 million tenge).

During the nine-months period ended 30 September 2025, the Group recognized amortization expense in the amount of 17,032 million tenge (during the nine-months period ended 30 September 2025: 16,756 million tenge).

As of 30 September 2025, the carrying amount of 5G license was 66,330 million tenge (31 December 2024: 70,231 million tenge) and its remaining amortization period was 13 years. As of 30 September 2025, the carrying amount of the 4G license was 9,244 million tenge (31 December 2024: 10,544 million tenge) and its remaining amortization period was 5 years. As of 30 September 2025, the carrying amount of 3G license was 83 million tenge (31 December 2024: 333 million tenge) and its remaining amortization period was 3 months.

As of 30 September 2025, the historical cost of intangible assets, which have been fully amortized and still in use, was 36,972 million tenge (31 December 2024: 34,526 million tenge). During the nine months period ended 30 September 2025, the Group has written off the fully amortized intangible assets with historical cost in the amount of 569 million tenge (durnig the nine-months period ended 30 September 2024: 11 million tenge).

During 2025, the Group continued developing its own digital products, which will be used by the Group and its clients in the future, such as scoring system, development of SuperApp and internal multichannel tool for partner companies. As of 30 September 2025, the carrying value of development costs included within intangible assets amounted to 5,385 million tenge (31 December 2024: 4,113 million tenge). Costs capitalized as development costs meet the criteria for recognition as intangible assets under IAS 38.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. TRADE RECEIVABLES

As at 30 September 2025 and 31 December 2024, trade receivables comprised of the following:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Trade receivables from subscribers	**33,310**	34,383
Trade receivables from interconnect services	**1,294**	1,840
Trade receivables from dealers and distributors	**732**	799
Trade receivables from roaming operators	**782**	779
Trade receivables from related parties *(Note 20)*	**2,971**	2,186
Less: allowance for expected credit losses	**(5,153)**	(8,181)
	33,936	31,806
Less: long-term portion of trade receivables from subscribers	**(6,977)**	(5,404)
	26,959	26,402

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

In millions of tenge	**30 September 2025 (unaudited)**	30 September 2024 (unaudited)
Allowance for expected credit losses at the beginning of the period	**(8,181)**	(4,830)
Charge for the period	**(1,951)**	(2,958)
Write-off for the period	**4,979**	75
Allowance for expected credit losses at the end of the period	**(5,153)**	(7,713)

During the three months ended 30 September 2025 the Group recognized 527 million tenge additional provision of an allowance for expected credit losses (during the three months ended 30 September 2024: 529 million tenge).

8. INVENTORIES

As of 30 September 2025 and 31 December 2024, inventories comprised:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Handsets and accessories (at lower of cost and net realizable value)	**5,701**	7,713
Start packages (at cost)	**239**	245
SIM-cards (at cost)	**196**	195
Marketing materials (at cost)	**57**	31
Other materials (at cost)	**932**	996
	7,125	9,180

During 2025, the Group recognised a write-off of 268 million tenge (2024: 441 million tenge) for inventories carried at net realisable value, which is recognised within general and administrative expenses.

9. OTHER CURRENT NON-FINANCIAL ASSETS

As at 30 September 2025 and 31 December 2024, other current non-financial assets comprised of the following:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Prepaid taxes other than income taxes	**10,377**	1,877
Advances paid	**3,193**	1,919
Prepaid expenses	**1,233**	1,150
VAT recoverable	**819**	85
	15,622	5,031

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. FINANCIAL ASSETS AT AMORTIZED COST

As at 30 September 2025, financial assets at amortized cost in the amount of 7,127 million tenge (31 December 2024: nil) were represented by short-term U.S. Treasury Bills (T-bills) denominated in USD, which were acquired at purchase price USD 12.988 million at 05 September 2025.

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

As at 30 September 2025, financial assets at amortised cost comprised of the following:

In millions of tenge	**Maturity date**	**Yield to maturity**	**Nominal value**	**30 September 2025**	31 December 2024
U.S. T-bills	28 November 2025	3.98%	99 USD	**7,128**	–
			99 USD	**7,128**	–

11. CASH AND CASH EQUIVALENTS

As at 30 September 2025 and 31 December 2024, cash and cash equivalents comprised of the following:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Bank deposits with original maturity of less than 90 days	**2,390**	7,044
Cash on current bank accounts	**1,062**	1,750
Cash on hand	**6**	7
	3,458	8,801

As of 30 September 2025, short-term bank deposits represent overnight deposits in tenge in Halyk Bank JSC at interest rate 16.00% in the amount of 2,390 million tenge.

Additionally, Kcell JSC purchased T-bills totaling 12.986 million USD in Halyk Finance JSC from 8 September 2025, to 28 November 2025, at an interest rate of 3.98%.

As at 30 September 2025 and 31 December 2024, cash and cash equivalents were denominated in various currencies as follow:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Tenge	**3,290**	3,795
US dollars	**164**	5,005
Euro	**4**	–
Russian roubles	**–**	1
	3,458	8,801

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. BORROWINGS

As at 30 September 2025 and 31 December 2024 borrowings comprised of the following:

In millions of tenge	Currency	Effective interest rate	Nominal interest rate	Maturity date	30 September (unaudited)	31 December 2024
AIX Bonds	Tenge	18.40%	17.00%	September 2027	**30,382**	30,355
AIX Bonds	Tenge	18.90%	17.50%	June 2025	**–**	25,282
AIX Bonds	Tenge	18.90%	17.50%	April 2027	**15,642**	15,572
AIX Bonds	Tenge	18.40%	17.00%	October 2027	**15,489**	15,430
AIX Bonds	Tenge	18.40%	17.00%	June 2028	**25,260**	–
Bank of China	Tenge	18.40%	17.00%	February 2026	**15,347**	–
Nurbank JSC	Tenge	17.00%	15.75%	September 2026	**4,933**	4,000
Nurbank JSC	Tenge	18.40%	17.00%	June 2028	**4,000**	–
Nurbank JSC	Tenge	18.40%	17.00%	July 2028	**1,500**	–
Nurbank JSC	Tenge	18.40%	17.00%	August 2028	**1,000**	–
Nurbank JSC	Tenge	18.40%	17.00%	September 2028	**1,700**	–
					115,253	90,639
Less: non-current portion					**(51,118)**	(47,667)
					64,135	42,972

The Group's borrowings are denominated in Kazakhstani tenge and represented by unsecured loans. The borrowings have financial and non-financial covenants. Breaches in meeting the covenants would permit the banks to immediately call loans and borrowings. As at 30 September 2025 and 31 December 2024, there have been no breaches of the covenants.

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

Nurbank JSC

In December 2024, the Group obtained a loan from Nurbank JSC of 4,000 million tenge with the effective interest rate of 17.00% per annum. Maturity date of the loan is 8 September 2026.

During the nine months ended 30 September 2025, the Group received loans from Nurbank JSC of 26,200 million tenge under the open credit line, with effective interest rates between 17.00% and 18.40% per annum. Maturity date of loans are 8 September 2026 and 29 September 2028.

During the nine months ended 30 September 2025, the Group repaid 17,067 million tenge.

Bank of China Kazakhstan JSC

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

AIX Bonds

In March 2024, the Group approved a bond program for a total amount of KZT 70,000 million at the Astana International Exchange (Astana International Exchange JSC). As part of this program, in the first half of 2024, the Group issued two tranches of bonds with a nominal value of 15,000 million and 25,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 1 %) with the maturity till April 2027 and June 2025 respectively. In accordance with the terms and conditions of the first tranche of 15,000 million tenge of the bonds program the bondholder can request early redemption of the bonds after 12 months from the date of acquisition of 5 April 2024. Accordingly, the Group classified these bonds within current liabilities.

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. BORROWINGS (continued)

AIX Bonds (continued)

In June 2025, the Group repaid second tranche of bonds in the amount of 25,000 million tenge and issued fifth tranche of bonds with a nominal value of 25,000 million tenge with a floating interest rate (the coupon rate is calculated as an average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period and plus fixed margin of 0.5%) with the maturity till June 2028. In accordance with the terms and conditions of the fifth tranche of 25,000 million tenge of the bonds program the bondholder can request early redemption of the bonds after 12 months from the date of acquisition of 9 June 2024. Accordingly, the Group classified these bonds within current liabilities.

Undrawn credit facilities

At 30 September 2025, the Group had available 63,367 million tenge of undrawn committed borrowing facilities.

13. 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 2024 (audited)	64,988
Additions	8,119
Modification	1,638
As at 30 September 2024	74,745
As at 1 January 2025 (audited)	**80,601**
Additions	**1,226**
Modification	**2,759**
As at 30 September 2025	**84,586**
Accumulated depreciated	
As at 1 January 2024	(23,826)
Depreciation charge	(5,900)
As at 30 September 2024	(29,726)
As at 1 January 2025	**(31,591)**
Depreciation charge	**(6,120)**
As at 30 September 2025	**(37,711)**
Net book value	
As at 31 December 2024	49,010
As at 30 September 2025	**46,875**

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

In millions of tenge	**For nine months ended 30 September 2025 (unaudited)**	For nine months ended 30 September 2024 (unaudited)
At the beginning of the year	**51,917**	43,557
Interest expenses	**4,393**	4,777
Payments	**(8,817)**	(10,232)
Additions	**1,226**	8,119
Modification	**2,759**	1,638
At the end of the period	**51,478**	47,859
Short-term	**6,314**	5,271
Long-term	**45,164**	42,588

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The following amounts are recognised in profit or loss:

	For three months ended 30 September		For nine months ended 30 September	
In millions of tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Depreciation expense of right-of-use assets	**2,084**	2,357	**6,120**	5,900
Interest expense on lease liabilities *(Note 18)*	**1,489**	1,925	**4,393**	4,777
	3,573	4,282	**10,513**	10,677

14. TRADE PAYABLES

As at 30 September 2025 and 31 December 2024, trade payables comprised of the following:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Trade payables to third parties	**30,775**	37,987
Trade payables to related parties *(Note 20)*	**4,755**	5,505
	35,530	43,492
Less: long-term portion of trade payables	**(8,938)**	(3,754)
	26,592	39,738

During 2025 the Group signed a new long-term subscription agreement for the licensed products and software upgrade for the base stations and mutually terminated the previous agreements.

The account payable and property and equipment related to the previous agreements were derecognized.

In the event of termination of the new agreement the Group is obliged to repay the residual amount of unpaid fees in accordance with the agreement. Accordingly, the Group recognized long-term trade payable as of the date of the start of the agreements for the full amount and capitalized it within property and equipment.

As at 30 September 2025 and 31 December 2024, the Group's trade payables were denominated in the following currencies:

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
EUR	**18,493**	17,313
Tenge	**15,568**	24,618
US Dollars	**1,451**	1,554
Other currencies	**18**	7
	35,530	43,492

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. GOVERNMENT GRANTS

In millions of tenge	**For nine months ended 30 September 2025 (unaudited)**	For nine months ended 30 September 2024 (unaudited)
Government grants as at 1 January	**27,032**	18,137
Received during the period	**6,866**	11,061
Released to the consolidated statement of comprehensive income	**(5,370)**	(4,390)
Government grants as at 30 September	**28,528**	24,808
Government grants: current portion	**6,834**	5,326
Government grants: non-current portion	**21,694**	19,482

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. 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 nine months ended 30 September 2025 and for the nine months ended 30 September 2024 in the amount of 6,866 million tenge and 11,061 million tenge respectively , 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.

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the three months ended 30 September		**For the nine months ended 30 September**	
In millions of tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Voice and data services	**48,117**	45,983	**139,348**	136,160
Sale of handsets and equipment	**9,408**	7,814	**28,525**	26,346
Value added services	**3,750**	2,963	**10,283**	8,397
Other	**4,054**	2,138	**9,126**	4,877
	65,329	58,898	**187,282**	175,780
Over time	**55,921**	51,084	**158,757**	149,434
At a point of time	**9,408**	7,814	**28,525**	26,346
	65,329	58,898	**187,282**	175,780

As at 30 September 2025 and 31 December 2024, the contract liabilities in the amount of 8,389 million tenge and 8,726 million tenge, respectively, were represented by deferred revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COST OF SALES

	For the three months ended 30 September		For the nine months ended 30 September	
In millions of tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Depreciation and amortization	**14,810**	12,960	**43,164**	36,352
Cost of SIM-card and handsets	**8,556**	7,671	**26,684**	25,683
Personnel costs	**4,609**	4,581	**13,854**	13,686
Fees for use of frequency range	**(1,268)**	4,557	**8,988**	13,561
Transmission services	**3,958**	3,835	**11,625**	11,237
Interconnect fees and expenses	**2,941**	3,454	**8,799**	10,190
Repair and maintenance	**4,224**	3,123	**11,154**	9,226
Network sharing agreement	**2,105**	1,839	**6,188**	5,548
Electricity	**2,102**	1,883	**6,974**	5,213
Mobile service tax	**545**	509	**1,637**	1,528
Security and safety	**98**	89	**290**	259
Materials	**73**	73	**154**	167
Short-term rent expense	**7**	–	**7**	–
Other	**1,031**	1,098	**3,036**	3,340
	43,791	45,672	**142,554**	135,990

18. FINANCE COSTS / FINANCE INCOME

	For the three months ended 30 September		**For the nine months ended 30 September**	
In millions of tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Finance costs				
Interest expense on loans and bonds	**4,805**	4,111	**13,022**	12,019
Interest on lease liabilities (*Note 13*)	**1,489**	1,925	**4,393**	4,777
Unwinding of discount (provision for decommissioning liability)	**74**	(41)	**522**	368
Other	**253**	94	**561**	302
	6,621	**6,089**	**18,498**	**17,466**
Finance income				
Unwinding of discount of trade receivables	**1,103**	439	**2,831**	1,217
Initial recognition of discount on loans	**(494)**	1	**0**	503
Interest income on cash balances and deposit	**176**	134	**495**	587
Penalty income from late payments for contract phones	**51**	49	**354**	157
Unwinding of issued financial guarantee	**–**	(5)	**–**	41
Other	**–**	8	**–**	12
	836	626	**3,680**	2,517

19. INCOME TAX EXPENSE

	For the three months ended 30 September		**For the nine months ended 30 September**	
In millions of tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Current income tax expense	**6,138**	1,479	**6,916**	3,492
Deferred income tax expense	**(1,428)**	(722)	**(301)**	(1,208)
	4,710	757	**6,615**	2,284

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. 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 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.

Related party transactions were made on terms agreed. Sales and purchases with related parties for three months ended 30 September 2025 and 2024, and the balances with related parties as at 30 September 2025 and 2024, were as follows:

	For the three months ended 30 September		For the nine months ended 30 September	
In millions tenge	**2025 (unaudited)**	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Sales of goods and services				
Entities of Samruk Kazyna Group	**111**	124	**319**	401
Entities of Kazakhtelecom Group	**1,727**	9,509	**4,628**	22,561
Government entities	**70**	92	**253**	258
	1,908	9,725	**5,200**	23,220
Purchases of goods and services				
Entities of Samruk Kazyna Group	**88**	184	**246**	503
Entities of Kazakhtelecom Group	**4,593**	22,332	**13,333**	49,545
Government entities	**66**	129	**184**	397
	4,747	22,645	**13,763**	50,445
Finance expense				
Entities of Samruk Kazyna Group	**3,712**	1,889	**10,842**	2,702
Other shareholders	**–**	1	**–**	29
	3,712	1,890	**10,842**	2,731

In millions of tenge	**30 September 2025 (unaudited)**	31 December 2024
Trade receivables *(Note 7)*		
Entities of Samruk Kazyna Group	**271**	142
Entities of Kazakhtelecom Group	**2,004**	1,523
Government entities	**696**	521
	2,971	2,186
Trade payables *(Note 14)*		
Entities of Samruk Kazyna Group	**52**	65
Entities of Kazakhtelecom Group	**4,687**	5,423
Government entities	**16**	17
	4,755	5,505
Borrowings *(Note 12)*		
Entities of Samruk Kazyna Group (AIX bonds)	**86,773**	86,639
Other Shareholders	**–**	–
	86,773	86,639

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. RELATED PARTY DISCLOSURES (continued)

Compensation to key management personnel

For the nine months ended 30 September 2025 and 2024, the total compensation to key management personnel included in the accompanying consolidated statement of comprehensive income under general and administrative expenses was 450 million tenge and 578 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.

21. 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 September 2025 and 31 December 2024 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 September 2025**	**–**	**–**	**26,959**	**26,959**
Long-term trade receivables	**30 September 2025**	**–**	**–**	**6,991**	**6,991**
Other current financial assets	**30 September 2025**	**–**	**–**	**621**	**621**
Liabilities for which fair values are disclosed					
Borrowings	**30 September 2025**	**–**	**–**	**111,845**	**111,845**
Trade payables	**30 September 2025**	**–**	**–**	**35,608**	**35,608**
Obligations to employees	**30 September 2025**	**–**	**–**	**6,628**	**6,628**

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 2024	–	–	26,402	26,402
Long-term trade receivables	31 December 2024	–	–	5,437	5,437
Other current financial assets	31 December 2024	–	–	370	370
Liabilities for which fair values are disclosed					
Borrowings	31 December 2024	–	–	88,633	88,633
Trade payables	31 December 2024	–	–	43,409	43,409

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

As at 30 September 2025 and 31 December 2024, the carrying amounts of the Group's financial assets and liabilities presented as follow:

In millions of tenge	**Carrying amount 30 September 2025**	**Fair value 30 September 2025**	**Unrecognised gain/(loss)**	Carrying amount 31 December 2024	Fair value 31 December 2024	Unrecognised gain/(loss)
Financial assets						
Cash and cash equivalents	**3,458**	**3,458**	**–**	8,801	8,801	–
Short-term trade receivables	**26,959**	**26,959**	**–**	26,402	26,402	–
Long-term trade receivables	**6,977**	**6,991**	**14**	5,404	5,437	(33)
Other current financial assets	**621**	**621**	**–**	370	370	–
Financial liabilities						
Borrowings	**115,253**	**111,845**	**3,408**	90,639	88,633	2,006
Trade payables	**35,530**	**35,608**	**(78)**	43,492	43,409	83
Obligations to employees	**6,628**	**6,628**	**–**	–	–	–
Total unrecognised change in unrealised fair value			**3,344**			2,056

22. 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.

Capital commitments

The Group generally enters into contracts for the completion of construction projects and purchase of equipment. As at 30 September 2025, the Group had contractual commitments totaling 52,499 million tenge, excluding VAT (as at 31 December 2024: 53,699 million tenge, excluding VAT), which includes capital expenditures.

Antitrust investigation

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

In accordance with the Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for the city of Almaty (hereinafter referred to as «the APDC») No. 42-OD dated 15 June 2022 (hereinafter referred to as «the Order»), an investigation was initiated against Group on the grounds of a violation provided for in Article 174 (1) of the Entrepreneurial Code of the Republic of Kazakhstan.

Initial audited period per was from 1 January 2020 to 12 September 2022. APDC monitored the highest possible price for mobile services for the Kcell brand. The subject of the investigation is to confirm or refute the fact of the violation by the Group maintaining a monopolistically high price aimed at limiting and eliminating competition.

The Group appealed the investigation order to the Agency for the Protection and Development of Competition on July 26, 2022, but the appeal was denied on August 16, 2022. As a result of the appeal, the investigation was suspended by APDC on July 28, 2022.

During 2023 the Group appealed contestation of the Order. On November 9, 2023, the Supreme Court of the Republic of Kazakhstan held a hearing. The court recognized order No. 42-OD dated June 15, 2022 as illegal for the inspection period from January 1, 2020, to December 31, 2021. The investigation resumed on November 27, 2023.

On December 13, 2023, the Group appealed the resumption of the investigation. By the order of December 22, 2023, the investigation was suspended due to the filing of a complaint.

The Supreme Court of Kazakhstan upheld the decisions of the lower courts as a case not subject to consideration in the order of administrative proceedings, and the cassation appeal was denied.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Antitrust investigation (continued)

On January 30, 2025, the Group received a Determination to resume the investigation from January 29, 2025.

On March 6, 2025, APDC issued Administrative Offence Report No. 2 under Article 162 of the Code of Administrative Offences of the Republic of Kazakhstan (the "Report"), citing the incomplete provision of responses to the aforementioned request.

By a resolution of the Almaty City Court dated May 20, 2025 (final version issued on May 23, 2025), the Company's appeal was denied, and the ruling of SICAO was upheld and entered into force. On May 26, 2025, Kcell filed a petition with the Supreme Court of the Republic of Kazakhstan seeking a review of the rulings issued by the courts of first instance and appeal. The request for review was denied.

the Department filed a claim against the Company seeking to compel compliance with:

clause 8) of Request No. 3 dated January 30, 2025 (Ref. No. 03-08/119), and
clause 1) of Request No. 4 dated February 18, 2025 (Ref. No. 03-08/201),
by providing the requested information.

By a ruling dated June 9, 2025 (finalized on June 10, 2025), the claim was dismissed on the grounds that it was not subject to civil proceedings. The court held that failure to provide information is an administrative offense.

In parallel with the above-mentioned proceedings, on March 17, 2025, Kcell filed an appeal with SICAO challenging the Report on the grounds of procedural violations in its issuance. By a ruling dated March 27, SICAO denied the Kcell's appeal. The Company later withdrew its appeal.

At the same time, Kcell has contested the actions of APDC's officials in issuing Requests No.3 and No.4 as part of the investigation. Due to jurisdictional considerations, the case has been referred to the Specialized Administrative Court of Atyrau Region for substantive review. A preliminary hearing is scheduled for April 7, 2025; however, the claims were subsequently withdrawn.

On March 11, 2025 the administrative case materials were submitted to the court for substantive consideration and adjudication.

By and order of APDC, the investigation has been suspended as of March 11, 2025.

The Management of the Group assessed the risk of the violation of the antimonopoly law as possible and accordingly has not accrued provision for losses in relation to any of the abovementioned investigations and notices as of September 30, 2025.

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

In accordance with the Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for the city of Almaty No.38-OD dated 21 December 2023 an investigation was initiated against Group. The subject of investigation is the susception of coordinated actions with competitors to set and maintain prices for communication services during May-July 2023. As part of the investigation, the APDC sent a request to the Group requesting information necessary to conduct the investigation. On January 10, 2024, the Group appealed this request to APDC.

During 2024 the Group received rejection of the appeals from the lower courts. The cassation appeal was filed on October 16, 2024.

Subsequently, by the Resolution of the Judicial Board for Administrative Cases of the Supreme Court of the Republic of Kazakhstan dated 22 April 2025, the Company's cassation appeal was granted in full. The rulings of the lower and appellate courts were set aside, and the case was remanded for reconsideration by the Judicial Board for Administrative Cases of the Almaty City Court, to be heard by a different composition of the bench. By the ruling of the Judicial Board for Administrative Cases of the Almaty City Court dated June 26, 2025, finalized on June 27, 2025, Order No. 38-OD dated December 21, 2023, initiating the investigation, was declared unlawful and annulled. The ruling has not yet entered into legal force.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Antitrust investigation (continued)

The Management of the Group assessed the risk of the violation of the antimonopoly law as possible and accordingly has not accrued provision for losses in relation to any of the abovementioned investigations and notices as of September 30, 2025.

Notifications of the Mobile Telecom-Service LLP

In 2022, the Group entered into an agreement on network sharing with Mobile Telecom-Service LLP. As part of this agreement, the Group and Mobile Telecom-Service LLP agreed on the construction of new sites and modernization of the existing network ("MOCN Agreement"), which includes penalties for mutual violations of the terms of the agreement. In January 2024, Mobile Telecom-Service LLP sent an official notification to Kcell JSC with request to pay the fine in the amount of 5,716 million tenge in connection with the non-fulfilment of obligations by Kcell JSC under this agreement for 2023.

During 2024 Mobile Telecom-Service LLP (MTS) sent an additional notifications to Kcell with request to pay the fine in the amount of 8,189 million tenge in the connection of non-fulfilment of obligations by Kcell under the network sharing agreement.

In addition to the above-mentioned violation, during April-August 2024 MTS and Kcell notified each other on withdrawal from certain regions due to the failure to eliminate the Critical Failure (situation when failure to meet the deadlines for the launch of more than 60% of the sites in the responsible region) within three months from the date of notification of the Critical Failure. Under the MOCN Agreement the companies are required to reimburse costs for the construction of the sites in the respective regions where Critical Failure was not resolved in a timely manner.

Since October 2024, the Parties have been engaged in negotiations to enter into a sharing agreement for the fulfillment of the 2024 5G license obligations. On December 23, 2024, the Parties concluded the respective agreement. The agreement stipulates that the actions undertaken by the Parties under its terms, including the provision of access services (site sharing) and the acceptance of sites into sharing, shall not nullify, modify, or impact any legally significant actions previously undertaken by the Parties in the performance of the Contract. This includes, but is not limited to, claims issued by the Parties concerning penalty accruals, withdrawal from regions, and compensation payments.

On June 23, 2025, Kcell and MTS entered into Supplementary Agreement No. 4 to the Dispute Settlement Agreement regarding the critical failure and claims for compensation. Under the terms of the Supplementary Agreement, the Parties mutually withdrew their notices of termination, annulled the compensation claims, and confirmed the full reinstatement of the Agreement. The Parties also reaffirmed their intention to resolve the dispute regarding the imposed ties within nine months. At present, the technical teams have resumed work on implementing the Agreement. In parallel, negotiations have begun to settle the dispute related to the penalties.

The management of the Group believes that provisions accrued during 2024 and 2023 are sufficient to cover any future outflows to settle liabilities under the MOCN agreement.

23. SUBSEQUENT EVENTS

During the period from 30 September 2025 till 10 November 2025, Group made an early repayment of a loan on 9 October 2025 to NurBank JSC in the total amount of 4 billion tenge.