Kazakhtelecom JSC

Interim condensed consolidated financial statements (unaudited)

30 June 2026

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Interim condensed consolidated financial statements (unaudited)

Shape the future
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«Эрнст энд Янг» ЖШС
Әл-Фараби д-лы, 77/7
«Есентай Тауэр» ғимараты
Алматы қ., A15E3H4
Қазақстан Республикасы
Тел.: +7 727 258 5960
БСН 041140002277
ey.com/kz

ТОО «Эрнст энд Янг»
пр. Аль-Фараби, 77/7
здание «Есентай Тауэр»
г. Алматы, A15E3H4
Республика Казахстан
Тел.: +7 727 258 5960
БИН 041140002277

Ernst & Young LLP
77/7 Al-Farabi ave.
Esentai Tower
Almaty, A15E3H4
Republic of Kazakhstan
Tel.: +7 727 258 5960
BIN 041140002277

Report on review of interim consolidated financial information

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of "Kazakhtelecom" JSC and its subsidiaries ("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 for the three and six-month period ended, 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 "Kazakhtelecom" JSC and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young LLP

Adil Syzdykov
Auditor

Auditor Qualification Certificate
№ МФ-0000172 dated 23 December 2013

Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

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

14 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

In thousands of tenge	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Assets			
Non-current assets			
Property and equipment	5	**675,967,451**	653,291,060
Intangible assets	6	**183,553,095**	162,716,597
Goodwill		**56,196,278**	56,196,278
Investments in joint ventures	7	**4,639,393**	966,712
Right-of-use assets	19	**57,504,079**	56,955,643
Advances paid for non-current assets	5	**32,953,182**	4,291,267
Cost to obtain contracts		**3,337,386**	3,224,957
Cost to fulfil contracts		**3,833,937**	4,299,786
Other non-current non-financial assets		**12,323,669**	11,702,302
Financial assets at fair value through profit or loss	9	**158,270,238**	174,030,037
Other non-current financial assets	10	**18,896,903**	17,677,017
Equity instruments at fair value through profit or loss	34	**10,594,690**	12,094,090
Total non-current assets		**1,218,070,301**	1,157,445,746
Current assets			
Inventories	11	**25,630,690**	12,832,498
Trade receivables	12	**76,567,241**	65,592,690
Contract assets	13	**935,050**	–
Advances paid		**8,113,193**	10,210,979
Corporate income tax prepaid		**18,962,225**	4,572,058
Cost to fulfil contracts		**542,500**	478,910
Financial assets at fair value through profit and loss	9	**12,341,498**	12,848,168
Other current non-financial assets		**14,385,059**	21,034,372
Other current financial assets	14	**9,746,314**	7,326,022
Financial assets carried at amortised cost	15	**27,200,745**	39,390,226
Cash and cash equivalents	16	**85,542,750**	72,943,700
Total current assets		**279,967,265**	247,229,623
Total assets		**1,498,037,566**	1,404,675,369

The accounting policies and notes on pages 8 to 48 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In thousands of tenge	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Equity and liabilities			
Share capital	17	**12,136,529**	12,136,529
Treasury shares	17	**(7,065,614)**	(7,065,614)
Foreign currency translation reserve		**37,640**	53,533
Other reserves	17	**1,820,479**	1,820,479
Retained earnings		**620,633,869**	622,334,925
		627,562,903	629,279,852
Non-controlling interests		**104,783,080**	101,853,549
Total equity		**732,345,983**	731,133,401
Non-current liabilities			
Borrowings	18	**217,122,622**	146,339,673
Lease liabilities	19	**58,591,532**	57,039,144
Employee benefit obligations	20	**13,737,874**	11,472,771
Debt component of preferred shares		**814,868**	814,868
Contract liabilities	22	**31,154,068**	9,345,983
Government grants	26	**40,517,746**	36,722,920
Asset retirement obligation		**4,423,523**	4,492,742
Deferred tax liabilities		**5,227,788**	7,354,167
Other non-current financial liabilities		**28,255,811**	29,603,063
Total non-current liabilities		**399,845,832**	303,185,331
Current liabilities			
Borrowings	18	**242,987,570**	187,842,239
Lease liabilities	19	**5,498,336**	5,042,667
Employee benefit obligations	20	**1,297,278**	1,189,594
Trade payables	21	**48,868,920**	104,382,742
Corporate income tax payable		**2,190,893**	8,369
Contract liabilities	24	**20,140,060**	18,874,740
Government grants	26	**7,262,110**	10,000,765
Other current non-financial liabilities	25	**22,001,818**	18,820,862
Other current financial liabilities	23	**15,598,766**	24,194,659
Total current liabilities		**365,845,751**	370,356,637
Total liabilities		**765,691,583**	673,541,968
Total equity and liabilities		**1,498,037,566**	1,404,675,369

A. A. Nurkatov First Deputy Chairman of the Management Board

Y.K. Korabayev Chief Financial Officer

M.M. Urazimanova. Chief accountant

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ АКЦИОНЕРЛІК ҚОҒАМЫ • ҚАЗАҚТЕЛЕКОМ •

The accounting policies and notes on pages 8 to 48 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For three and six months periods ended 30 June 2026

In thousands of tenge	Note	For three months ended 30 June 2026 (unaudited)	2025 (unaudited)	For six months ended 30 June 2026 (unaudited)	2025 (unaudited)
Revenue from contracts with customers	27	**145,221,745**	137,377,474	**285,717,451**	269,927,604
Compensation for provision of universal services in rural areas	28	**–**	1,986,822	**-**	3,973,646
Income from government grants	26	**2,004,200**	1,899,079	**4,005,714**	3,798,159
		147,225,945	141,263,375	**289,723,165**	277,699,409
Rental income					
Income from lease of property		**564,258**	360,170	**854,258**	577,075
		147,790,203	141,623,545	**290,577,423**	278,276,484
Cost of sales	29	**(113,511,137)**	(107,833,740)	**(229,058,484)**	(213,328,093)
Gross profit		**34,279,066**	33,789,805	**61,518,939**	64,948,391
General and administrative expenses		**(8,157,241)**	(8,979,490)	**(16,910,977)**	(18,351,630)
Impairment losses on financial assets	37	**(2,011,164)**	(1,203,588)	**(3,060,578)**	(3,173,910)
Impairment losses on non-financial assets	37	**(18,225)**	(607,983)	**(71,784)**	(595,555)
Selling expenses	30	**(2,633,705)**	(2,274,966)	**(4,573,745)**	(3,939,487)
Loss on disposal of property and equipment, net		**(660,976)**	(6,038,869)	**(763,582)**	(6,100,900)
Gain on revaluation of financial instruments at fair value through profit or loss		**2,600,441**	4,966,995	**5,154,254**	4,966,995
Other operating income	32	**204,003**	7,950,858	**1,874,253**	9,061,346
Other operating expenses	32	**(1,072,262)**	(167,051)	**(1,191,637)**	(238,467)
Operating profit		**22,529,937**	27,435,671	**41,975,143**	46,576,743
Group's share in loss of a joint venture		**(77,379)**	(87,416)	**(156,731)**	(158,161)
Finance costs	31	**(16,356,502)**	(11,104,988)	**(31,933,042)**	(21,681,421)
Finance income	31	**4,153,198**	9,521,027	**10,381,609**	17,034,926
Net foreign exchange loss		**(18,873)**	8,846,702	**(8,925,912)**	(10,079,955)
Profit before tax		**10,230,381**	34,610,996	**11,341,067**	31,692,132
Income tax expenses	33	**(2,981,474)**	(6,937,757)	**(4,806,376)**	(7,178,058)
Profit for the period		**7,248,907**	27,673,239	**6,534,691**	24,514,074
Discontinued operations					
Profit after tax for the period from discontinued operations		**–**	–	**–**	106,427,605
Profit for the period		**7,248,907**	27,673,239	**6,534,691**	130,941,679
Other comprehensive income/(loss)		**(666,897)**	(1,252,762)	**(1,878,540)**	2,265,772
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)					
Foreign exchange differences from translation of financial statements of foreign subsidiaries		**(3,415)**	25,464	**(15,893)**	78,108
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(3,415)**	25,464	**(15,893)**	78,108

The accounting policies and notes on pages 8 to 48 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In thousands of tenge	Note	For three months ended 30 June **2026 (unaudited)**	For three months ended 30 June 2025 (unaudited)	For six months ended 30 June **2026 (unaudited)**	For six months ended 30 June 2025 (unaudited)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			–		–
Actuarial (loss)/profit on defined benefits plans, net of tax		**(602,548)**	(1,125,409)	**(1,612,742)**	1,890,559
Tax effect		**(60,934)**	(152,817)	**(249,905)**	297,105
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		**(663,482)**	(1,278,226)	**(1,862,647)**	2,187,664
Other comprehensive (loss)/income for the period, net of tax		**(666,897)**	(1,252,762)	**(1,878,540)**	2,265,772
Total comprehensive income for the period, net of tax		**6,582,010**	26,420,477	**4,656,151**	133,207,451
Profit/ attributable to:					
Equity holders of the Parent		**5,949,803**	25,985,783	**3,605,160**	129,149,859
Non-controlling interests		**1,299,104**	1,687,456	**2,929,531**	1,791,820
		7,248,907	27,673,239	**6,534,691**	130,941,679
Total comprehensive income/(loss) attributable to:					
Equity holders of the Parent		**5,282,906**	24,733,021	**1,726,620**	131,415,631
Non-controlling interests		**1,299,104**	1,687,456	**2,929,531**	1,791,820
		6,582,010	26,420,477	**4,656,151**	133,207,451
Earnings per share					
Basic and diluted, in relation to net profit for the period, attributable to holders of common shares of the parent company	17	**542.69**	2,363.35	**331.66**	11,739.84
Basic and diluted, in relation to the net profit from discontinued operations for the period, attributable to holders of common shares of the parent company	17	**–**	–	**–**	9,671.01
Basic and diluted, in relation to the net profit from continued operations for the period, attributable to holders of common shares of the parent company	17	**542.69**	2,363.35	**331.66**	2,068.83

A. A. Nurkatov	First Deputy Chairman of the Management Board
Y.K. Korabayev	Chief Financial Officer
M.M. Urazimanova	Chief accountant

The accounting policies and notes on pages 8 to 48 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For six months period ended 30 June 2026

	Attributable to equity holders of the Parent							
In thousands of tenge	Shares outstanding	Treasury shares	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Note	17	17	17	17				
At 1 January 2025 (audited)	12,136,529	(7,065,614)	(9,266)	1,820,479	751,128,422	758,010,550	96,835,822	854,846,372
Net profit for the period (unaudited)	–	–	–	–	129,149,859	129,149,859	1,791,820	130,941,679
Other comprehensive income (unaudited)	–	–	78,108	–	2,187,664	2,265,772	–	2,265,772
Total comprehensive income (unaudited)	–	–	78,108	–	131,337,523	131,415,631	1,791,820	133,207,451
Dividends *(Note 17)*	–	–	–	–	(293,352,276)	(293,352,276)	–	(293,352,276)
At 30 June 2025 (unaudited)	**12,136,529**	**(7,065,614)**	**68,842**	**1,820,479**	**589,113,669**	**596,073,905**	**98,627,642**	**694,701,547**
At 1 January 2026 (audited)	**12,136,529**	**(7,065,614)**	**53,533**	**1,820,479**	**622,334,925**	**629,279,852**	**101,853,549**	**731,133,401**
Net profit for the period (unaudited)	–	–	–	–	**3,605,160**	**3,605,160**	**2,929,531**	**6,534,691**
Other comprehensive loss (unaudited)	–	–	**(15,893)**	–	**(1,862,647)**	**(1,878,540)**	–	**(1,878,540)**
Total comprehensive income (unaudited)	–	–	**(15,893)**	–	**1,742,513**	**1,726,620**	**2,929,531**	**4,656,151**
Dividends *(Note 17)*	–	–	–	–	**(3,443,569)**	**(3,443,569)**	–	**(3,443,569)**
At 30 June 2026 (unaudited)	**12,136,529**	**(7,065,614)**	**37,640**	**1,820,479**	**620,633,869**	**627,562,903**	**104,783,080**	**732,345,983**

A. A. Nurkatov First Deputy Chairman of the Management Board

Y.K. Korabayev Chief Financial Officer

M.M. Urazimanova. Chief accountant

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For six months period ended 30 June 2026

In thousands of tenge	Note	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Operating activities			
Profit before tax for the period from continuing operations		**11,341,067**	31,692,132
Profit before tax for the period from discontinued operations		**–**	140,192,101
Profit before tax for the period		**11,341,067**	171,884,233
Adjustment for:			
Depreciation of property and equipment and right-of-use assets	5,19	**40,992,679**	38,216,151
Amortisation of intangible assets	6	**14,734,832**	14,877,428
Impairment loss on non-financial assets	37	**71,784**	595,555
Impairment loss on financial assets	37	**3,060,578**	3,173,910
Net expenses from revaluation of foreign currency items		**8,925,912**	10,079,955
Changes in employee benefit obligations		**760,045**	(2,948,273)
Write-down of inventories to net realizable value		**627**	266,954
Group's share of loss in joint ventures	7	**156,731**	158,161
Finance costs	31	**31,933,042**	22,179,690
Finance income	31	**(10,381,609)**	(17,306,980)
Income from government grants	26	**(4,005,714)**	(3,798,159)
Loss on disposal of property and equipment, net		**1,499,180**	6,100,900
Income from write-off of payables		**(458,234)**	(6,775,000)
Gain on revaluation of financial instruments at fair value through profit or loss	9	**(5,154,254)**	(4,966,995)
Profit from disposal of discontinued operations		**–**	(135,374,198)
Operating cash flows before changes in operating assets and liabilities		**93,476,666**	96,363,332
Changes in operating assets and liabilities			
Change in trade receivables		**(15,157,117)**	(18,309,836)
Change in inventories		**(12,798,819)**	(125,898)
Change in other current assets		**8,698,381**	(3,728,153)
Change in advances paid		**1,942,825**	(1,992,875)
Change in trade payables		**(3,293,849)**	3,095,207
Change in cost to obtain contracts and cost to fulfil contracts		**289,830**	(2,350,259)
Change in contract liabilities		**22,125,924**	243,691
Changes in other current liabilities		**(6,363,008)**	(6,409,903)
Cash flows from operating activities		**88,920,833**	66,785,306
Income tax paid		**(18,050,240)**	(1,711,136)
Interest paid		**(21,091,910)**	(19,843,146)
Interest received		**4,182,377**	13,167,744
Net cash flows from operating activities		**53,961,060**	58,398,768

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In thousands of tenge	Note	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Investing activities			
Purchase of property and equipment		**(132,090,885)**	(90,691,783)
Purchase of intangible assets		**(39,234,611)**	(9,781,879)
Proceeds from sale of property and equipment		**48,452**	108,600
Proceeds from sale of discontinued operations, net of disposed cash		**12,880,404**	310,682,861
Placement of deposits		**(16,377)**	(58,914)
Withdrawal of deposits		**189,911**	66,195
Investment in joint venture		**(3,826,860)**	(1,394,971)
Repayment of investment in Phoenix Fund Limited Partnership	15	**1,499,400**	–
Purchase of financial assets at amortized cost	15	**(37,649,178)**	(292,303,234)
Proceeds from sale of financial assets at amortized cost	15	**49,124,418**	309,654,189
Issue of long-term loans to employees		**(1,066,563)**	(153,304)
Repayment of loans to employees		**140,998**	187,342
Proceeds from repayment of loans		**16,240,000**	–
Issue of loans		**(16,421,414)**	–
Net cash flows (used in) / from investing activities		**(150,182,305)**	226,315,102
Financing activities			
Proceeds from borrowings		**163,399,545**	142,000,525
Repayment of borrowings	18	**(44,509,091)**	(107,266,667)
Repayment of principal portion of deferred tax liabilities		**(2,912,322)**	(3,356,653)
Repayment of principal portion lease liabilities	19	**(2,405,367)**	(2,030,377)
Dividends paid on common and preferred shares		**(3,440,651)**	(293,010,541)
Net cash flows from / (used in) financing activities		**110,132,114**	(263,663,713)
Effect of foreign exchange differences on cash and cash equivalents		**(1,311,382)**	(3,258,654)
Expected credit losses on cash and cash equivalents	16	**(437)**	(2,539)
Net change in cash and cash equivalents		**12,599,050**	17,788,964
Cash and cash equivalents, as at 1 January		**72,943,700**	75,639,138
Cash and cash equivalents, as at 30 June		**85,542,750**	93,428,102

Significant non-cash transactions are disclosed in *Note 35*.

A. A. Nurkatov First Deputy Chairman of the Management Board

Y.K. Korabayev Chief Financial Officer

M.M. Urazimanova Chief accountant

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ АКЦИОНЕРЛІК ҚОҒАМЫ • ҚАЗАҚТЕЛЕКОМ •

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENTS

For six months period ended 30 June 2026

1. GENERAL INFORMATION

Kazakhtelecom JSC (the "Company" or "Kazakhtelecom") was established in June 1994 in accordance with the legislation of the Republic of Kazakhstan.

The Company is incorporated, domiciled and operates in the Republic of Kazakhstan. The legal address of the Company is: 12 Sauran Str., Astana, 010000, Republic of Kazakhstan.

The Company is controlled by the Government of the Republic of Kazakhstan through Sovereign Wealth Fund "Samruk-Kazyna" JSC ("Samruk-Kazyna" or the "Parent"), which owns 89.5% of the Company's controlling shares. Below is a list of the Company's shareholders as at 30 June 2026:

	At 30 June 2026 (unaudited)	At 31 December 2025
Samruk-Kazyna	**89.5%**	79.2%
Corporate Fund "NU Impact Foundation"	**3.4%**	3.4%
FIREBIRD REPUBLICS FUND, LTD	**0.7%**	–
ADR (The Bank of New York − depositor)	**0.6%**	0.6%
Private Company Telecom Systems LTD	**–**	8.0%
Other	**5.8%**	8.8%
	100.0%	100.0%

The Company is included in the register of natural monopolists in relation to transit traffic services provided to telecommunication operators, public switch telecommunication network ("PSTN"), connection services provided to third party telecommunication operators, and rental of phone channels to telecommunication operators for connection to PSTN.

The Company and its subsidiaries listed in *Note 2* (hereinafter collectively referred to as the "Group") have a significant share of the fixed line and mobile communication markets, including local, long-distance intercity and international telecommunication services including CIS and non-CIS countries; leases out lines and provides data transfer services, sells mobile devices and provides other telecommunication services.

These interim condensed consolidated financial statement of the Group were authorized for issue on 14 August 2026 by the First Deputy Chairman of the Management Board on behalf of the Company's Management.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months period 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 and for the year then ended. The interim condensed consolidated financial statements are presented in Kazakhstan tenge, and all amounts are rounded to nearest thousands, except when otherwise indicated.

Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes continuation of the course of business, realization of assets and settlement of liabilities in the normal course of business.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by KZT 85,878,486 thousand. The Group's current liabilities are mainly represented by short-term borrowings in the amount of KZT 242,987,570 thousand, trade payables in the amount of KZT 48,868,920 thousand and other current financial and non-financial liabilities.

2. BASIS OF PREPARATION (continued)

Going concern (continued)

Management believes that the Group will continue its operations as a going concern, and in reaching this conclusion has taken into account the Group's current intentions, its financial position, and its ability to meet its obligations as they fall due. In particular, when assessing the Group's ability to continue as a going concern, management considered cash flow forecasts, updated regularly for a period of at least 12 months from the date of authorization of these consolidated financial statements. Such forecasts include expected operating cash flows, planned capital expenditures and other cash flows from investing activities, established debt maturities, the availability of committed credit facilities, and the ability to obtain additional financing, if necessary. In particular, the following factors were reviewed in estimating the Group's ability to continue as a going concern:

- The amount of short-term borrowings includes bonds of JSC Kcell placed on the Astana International Exchange (AIX) and held by Samruk-Kazyna, certain tranches of which, with maturities in June 2028 and October 2027, are classified as current liabilities due to terms providing the holder with a right to require early redemption. However, management does not expect early redemption and assumes that the bonds will be redeemed in accordance with the original repayment schedule;
- Short-term borrowings include KZTKb4 bonds issued by the Company on the Kazakhstan Stock Exchange (KASE) in June 2019 in the amount of KZT 80,000,000 thousand, maturing in June 2026, which were fully repaid on 3 July 2026 (event after the reporting date). It also includes bonds acquired by JSC Samruk-Kazyna from the Company in November 2024 in the amount of KZT 41,000,000 thousand, maturing in November 2027, as well as bonds acquired by JSC Samruk-Kazyna from the Company in January 2026 denominated in Chinese yuan, withan equivalent amount of KZT 58,352,769 thousand and maturing in December 2028. These borrowings are classified as current liabilities due to contractual terms that provide the lenders with the right to demand early repayment. However, management does not expect early settlement and assumes that the bonds will be redeemed in accordance with their original maturity schedules;
- At the date of issue of these financial statements, the Group has an opportunity to attract additional funds on market terms under existing credit lines in the total amount of KZT 238,900,948 thousand.

Based on the above, management believes that the Group has sufficient financial resources to continue as a going concern. Therefore, these financial statements have been prepared on a going concern basis.

Foreign currency translation

The interim condensed financial statements of the Group are presented in tenge, which is the functional currency of the Company and its main subsidiaries. Tenge is the currency of the primary economic environment in which the Company and its main subsidiaries 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 in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date when the transaction first qualifies for recognition criteria. Monetary assets and liabilities denominated in foreign currency are translated at the official exchange rate ruling at the reporting date established by Kazakhstan Stock Exchange ("KASE") and published by the National Bank of the Republic of Kazakhstan ("NBRK"). All translation 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).

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

Operations and balances

Foreign exchange rates are presented in the following table:

	30 June 2026 (unaudited)	31 December 2025
US dollar	**480.72**	505.53
Euro	**548.07**	593.44
Chinese yuan	**70.85**	72.33
Russian rubles	**6.14**	6.34

The functional currency of foreign operation KT-IX LLC (Russian Federation) is Russian rubles. During consolidation the assets and liabilities of foreign operation are translated into tenge at the rate of exchange prevailing at the reporting date and its statement of comprehensive income is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income.

The following subsidiaries have been included in these interim condensed consolidated financial statements:

		Percentage ownership	
	Country of incorporation	**30 June 2026 (unaudited)**	31 December 2025
KT-IX LLC	Russia	**100.00%**	100.00%
Auyl Telecom LLP (formerly, VostokTelecom LLP)	Kazakhstan	**100.00%**	100.00%
Digital Economy Development Center LLP	Kazakhstan	**100.00%**	100.00%
Nursat+ LLP	Kazakhstan	**100.00%**	100.00%
Kcell JSC	Kazakhstan	**51.00%**	51.00%
KT-Telecom LLP	Kazakhstan	**–**	100.00%

On 16 March 2026, the Group disposed of a 50% ownership interest in KT-Telecom LLP. From the date of disposal, KT-Telecom LLP is classified as a joint venture ***(Note 7).***

3. MATERIAL ACCOUNTING POLICIES

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

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

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

The amendments had no impact on the Group's interim condensed financial statements.

3. MATERIAL ACCOUNTING POLICIES (continued)

New and amended standards and interpretations (continued)

Annual Improvements to IFRS accounting Standards – Volume 11

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

The amendments had no impact on the Group's interim condensed financial statements.

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

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

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

The Group does not have any contracts within the scope of these amendments and, accordingly, they had no impact on the Group's interim condensed consolidated financial statements.

Standards issued but not yet effective

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements aimed at enhancing the comparability of financial performance between entities and increasing the relevance and transparency of information provided to the users of the financial statements. IFRS 18 does not deal with the procedure for recognition or measurement of items in the financial statements. However, its impact on the presentation and disclosure is expected to be material, especially for the statement of profit or loss and disclosure of management-defined performance measures (MPMs) in the financial statements.

In addition, entities must present all income and expenses in the statement of profit or loss, separating them into five categories, including operating, investing and finance, income taxes, and discontinued operations. IFRS 18 also introduces the requirement to present specified totals and subtotals within the statement of profit or loss, and enhanced principles of aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. Management is currently conducting a detailed assessment of the impact of applying IFRS 18 on the Group's consolidated financial statements. The overall preliminary assessment identified the following potential implications: Though the implementation of IFRS 18 has no effect on the Group's net profit, disaggregation of income and expenses into new categories may have an impact on the method used to calculate and present operating profit. In particular, gains and losses from changes in foreign exchange rates will be classified in the category corresponding to the nature of the items that gave rise to these foreign exchange differences, which may lead to changes in their presentation as compared to the current practice.

3. MATERIAL ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

Presentation of items in the primary financial statements may change as a result of using the concept of "useful structured summary" and enhanced aggregation and disaggregation principles.

- The Group does not expect a material change in the nature of information currently disclosed in the notes to the financial statements; however, the method used to group and present such information may change. In addition, IFRS 18 introduces new disclosure requirements, in particular:
  - Requirement to disclose management-defined performance measures;
  - Requirement to classify expenses by their nature for specified items presented by function in the operating category in the statement of profit or loss; and
  - For the annual period when the standard is applied for the first time – the reconciliation between the amounts presented in accordance with IFRS 18 and the amounts, which were earlier presented in accordance with IAS 1.
- From the perspective of the statement of cash flows, IFRS 18 removes the optionality around classification of cash flows arising from interest payments. Interest paid will be classified as cash flows from financing activities while interest received will be classified as cash flows from investing activities rather than included in cash flows from operating activities.

IFRS 18 and the amendments to the other standards are effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted; however, the Company has no plans of earlier application. IFRS 18 will apply retrospectively, and the comparative information for the financial year ended 31 December 2026 will be restated accordingly.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which permits entities that meet specified criteria to apply reduced disclosure requirements while continuing to apply in full the recognition, measurement and presentation requirements of other IFRS Accounting Standards. An entity may apply this standard if, at the end of the reporting period, it is a subsidiary as defined in IFRS 10, does not have public accountability, and has a parent (ultimate or intermediate) that prepares consolidated financial statements in accordance with IFRS Accounting Standards that are available for public use.

In August 2025, the IASB issued amendments to IFRS 19 that reduce the disclosure requirements in respect of new IFRS Accounting Standards and amendments issued between February 2021 and May 2024 that were originally incorporated in full when IFRS 19 was issued. In particular, the Board removed certain disclosure objectives from the reduced requirements of IFRS 19 in respect of those new standards and amendments, so as not to give the impression that entities applying IFRS 19 are required to provide the same volume of information as entities that do not apply this standard. IFRS 19 and the amendments to it are effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are listed and traded on public markets, the Group is a publicly accountable entity and therefore does not meet the criteria for applying IFRS 19 or the amendments to it.

Amendments to IAS 21 – Translation into a Hyperinflationary Presentation Currency

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

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

The Group's functional currency and presentation currency are not the currencies of hyperinflationary economies. Accordingly, the Group considers that these amendments will not have a material impact on its financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group represents business units based on the operational structure of the Group and has reportable operating segments as follows:

- Rendering fixed-line telecommunication services by business units of Kazakhtelecom JSC and Auyl Telecom LLP;
- Rendering of mobile telecommunication services in GSM and LTE standards by business units of Kcell JSC subsidiaries.

The segment information represents the Group's continuing operations. Due to the reclassification of Mobile Telecom-Service LLP (MTS) to discontinued operation in 2025, MTS is not included into the operating segment "mobile telecommunications based on GSM and LTE".

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

The following tables disclose revenue and profit information for the Group's operating segments for the six months period ended 30 June 2026 and 2025.

For the three months ended 30 June 2026 (unaudited)

In thousands of tenge	Fixed line	Mobile tele-communi-cation services in GSM and LTE standards	Other	Elimina-tions and adjustments	Group
Revenue from contracts with customer					
Sales to external customers	**79,099,323**	**66,066,704**	**55,718**	**–**	**145,221,745**
Inter-segment	**5,543,302**	**2,345,256**	**781,178**	**(8,669,736)**	**–**
Total revenue from contracts with customers	**84,642,625**	**68,411,960**	**836,896**	**(8,669,736)**	**145,221,745**
Income from government grants	**532,683**	**1,471,516**	**–**	**–**	**2,004,200**
Income from lease of property	**564,258**	**–**	**–**	**–**	**564,258**
Total	**85,739,567**	**69,883,476**	**836,896**	**(8,669,736)**	**147,790,203**
Financial results					
Cost of sales, including:	**(68,868,914)**	**(52,453,524)**	**(446,993)**	**8,258,294**	**(113,511,137)**
Personnel expenses	**(27,738,988)**	**(6,512,926)**	**(292,558)**	**–**	**(34,544,472)**
Cost of sales of sim-cards, scratch-cards, sim starter kits and mobile devices	**(14,874)**	**(11,041,330)**	**(90,057)**	**5**	**(11,146,256)**
Repair and maintenance	**(2,797,062)**	**(3,472,777)**	**(4,699)**	**63,551**	**(6,210,987)**
Fees for use of frequency range	**(567,920)**	**(3,595,682)**	**–**	**–**	**(4,163,602)**
General and administrative expenses, including:	**(5,613,395)**	**(2,411,539)**	**(148,704)**	**16,397**	**(8,157,241)**
Personnel expenses	**(2,961,570)**	**(837,620)**	**(77,564)**	**–**	**(3,876,754)**
Taxes other than income tax	**(978,739)**	**(316,389)**	**(5)**	**–**	**(1,295,133)**
Depreciation and amortisation	**(12,720,915)**	**(14,381,608)**	**(18,387)**	**(885,014)**	**(28,005,924)**
Finance costs	**(8,106,374)**	**(8,709,621)**	**–**	**459,493**	**(16,356,502)**
Finance income	**2,175,399**	**1,969,185**	**90,446**	**(81,832)**	**4,153,198**
Group's share in the loss of the joint venture	**–**	**–**	**(77,379)**	**–**	**(77,379)**
Impairment losses on non-financial assets	**(18,225)**	**–**	**–**	**–**	**(18,225)**
Impairment losses on financial asset	**(1,290,150)**	**(686,887)**	**13,267**	**(47,394)**	**(2,011,164)**
Income tax	**(751,416)**	**(1,833,255)**	**(1,482)**	**(395,321)**	**(2,981,474)**
Segment profit before tax	**6,169,945**	**5,451,056**	**317,013**	**(1,707,633)**	**10,230,381**

4. SEGMENT INFORMATION (continued)

For the three months ended 30 June 2025 (unaudited)

In thousands of tenge	**Fixed line**	**Mobile tele-communi-cation services in GSM and LTE standards**	**Other**	**Elimina-tions and adjustments**	**Group**
Revenue from contracts with customer					
Sales to external customers	75,869,082	61,440,391	68,001	–	137,377,474
Inter-segment	3,617,037	1,560,378	543,001	(5,720,416)	–
Compensation for provision of universal services in rural areas	1,986,822	–	–	–	1,986,822
Total revenue from contracts with customers	**81,472,941**	**63,000,769**	**611,002**	**(5,720,416)**	**139,364,296**
Income from government grants	435,787	1,463,292	–	–	1,899,079
Income from lease of property	360,170	–	–	–	360,170
Total	**82,268,898**	**64,464,061**	**611,002**	**(5,720,416)**	**141,623,545**
Financial results					
Cost of sales, including:	(64,849,762)	(48,887,147)	(1,176,830)	7,079,999	(107,833,740)
Personnel expenses	(26,409,415)	(4,489,944)	(244,571)	–	(31,143,930)
Cost of sales of sim-cards, scratch-cards, sim starter kits and mobile devices	(6,141)	(8,811,998)	(86,823)	4,998	(8,899,964)
Repair and maintenance	(2,763,600)	(3,428,769)	(4,133)	2,541	(6,193,961)
Fees for use of frequency range	(1,189,175)	(4,976,653)	–	–	(6,165,828)
General and administrative expenses, including:	(5,918,866)	(2,519,540)	(567,701)	26,617	(8,979,490)
Personnel expenses	(3,465,652)	(728,652)	(66,648)	–	(4,260,952)
Taxes other than income tax	(1,016,667)	(370,824)	(5)	–	(1,387,496)
Depreciation and amortisation	(11,336,830)	(14,698,055)	(3,970)	(652,472)	(26,691,327)
Finance costs	(5,153,215)	(6,264,220)	–	312,447	(11,104,988)
Finance income	7,575,928	1,897,711	50,804	(3,416)	9,521,027
Income from dividends	–	–	–	–	–
The Group's share in the loss of the joint venture	–	–	(87,416)	–	(87,416)
Impairment losses on non-financial assets	(188,609)	(419,374)	–	–	(607,983)
Gain from reversal of impairment on financial assets/(loss from impairment)	(739,611)	(495,229)	(483)	31,735	(1,203,588)
Segment profit before tax	**27,053,771**	**5,907,336**	**92,204**	**1,557,685**	**34,610,996**
Profit (loss) from discontinued operations	**–**	**3,378,158**	**–**	**(3,378,158)**	**–**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENTS (continued)

4. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2026 (unaudited)

In thousands of tenge	Fixed line	Mobile telecommunication services in GSM and LTE standards	Other	Eliminations and adjustments	Group
Revenue from contracts with customer					
Sales to external customers	**154,535,356**	**131,073,904**	**108,191**	**–**	**285,717,451**
Inter-segment	**10,236,444**	**4,366,873**	**1,220,329**	**(15,823,646)**	**–**
Total revenue from contracts with customers	**164,771,800**	**135,440,777**	**1,328,520**	**(15,823,646)**	**285,717,451**
Income from government grants	**1,065,367**	**2,940,347**	**–**	**–**	**4,005,714**
Income from lease of property	**854,258**	**–**	**–**	**–**	**854,258**
Total	**166,691,425**	**138,381,124**	**1,328,520**	**(15,823,646)**	**290,577,423**
Financial results					
Cost of sales, including:	**(137,541,825)**	**(105,076,705)**	**(873,402)**	**14,433,448**	**(229,058,484)**
Personnel expenses	**(56,447,362)**	**(11,921,467)**	**(592,860)**	**–**	**(68,961,689)**
Cost of sales of sim-cards, scratch-cards, sim starter kits and mobile devices	**(49,806)**	**(23,463,747)**	**(147,600)**	**2,444**	**(23,658,709)**
Repair and maintenance	**(5,589,844)**	**(6,803,233)**	**(7,776)**	**66,516**	**(12,334,337)**
Fees for use of frequency range	**(1,067,742)**	**(7,290,371)**	**–**	**–**	**(8,358,113)**
General and administrative expenses, including:	**(11,790,956)**	**(4,846,135)**	**(303,289)**	**29,403**	**(16,910,977)**
Personnel expenses	**(6,709,915)**	**(1,526,899)**	**(160,408)**	**–**	**(8,397,222)**
Taxes other than income tax	**(1,982,228)**	**(832,479)**	**(10)**	**–**	**(2,814,717)**
Depreciation and amortisation	**(25,057,407)**	**(28,860,659)**	**(43,056)**	**(1,766,389)**	**(55,727,511)**
Finance costs	**(15,552,002)**	**(17,308,006)**		**926,966**	**(31,933,042)**
Finance income	**5,616,702**	**4,739,091**	**179,310**	**(153,494)**	**10,381,609**
Group's share in the loss of the joint venture	**–**	**–**	**(156,731)**	**–**	**(156,731)**
Impairment losses on non-financial assets	**(71,784)**	**–**	**–**	**–**	**(71,784)**
Impairment losses on financial asset	**(1,680,188)**	**(1,503,704)**	**(1,332)**	**124,646**	**(3,060,578)**
Income tax	**(450,333)**	**(4,118,197)**	**(55,546)**	**(182,300)**	**(4,806,376)**
Segment profit before tax	**1,738,970**	**12,029,968**	**288,354**	**(2,716,225)**	**11,341,067**

4. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2025 (unaudited)

In thousands of tenge	**Fixed line**	**Mobile tele-communi-cation services in GSM and LTE standards**	**Other**	**Elimina-tions and adjustments**	**Group**
Revenue from contracts with customer					
Sales to external customers	152,213,256	117,569,236	145,112	–	269,927,604
Inter-segment	7,190,541	4,384,183	1,048,544	(12,623,268)	–
Compensation for provision of universal services in rural areas	3,973,646	–	–	–	3,973,646
Total revenue from contracts with customers	**163,377,443**	**121,953,419**	**1,193,656**	**(12,623,268)**	**273,901,250**
Income from government grants	871,574	2,926,585	–	–	3,798,159
Income from lease of property	577,075	–	–	–	577,075
Total	**164,826,092**	**124,880,004**	**1,193,656**	**(12,623,268)**	**278,276,484**
Financial results					
Cost of sales, including:	(126,591,694)	(98,553,896)	(3,623,331)	15,440,828	(213,328,093)
Personnel expenses	(49,177,644)	(9,239,573)	(481,483)	–	(58,898,700)
Cost of sales of sim-cards, scratch-cards, sim starter kits and mobile devices	(11,573)	(11,747,939)	(148,282)	4,998	(11,902,796)
Repair and maintenance	(5,308,564)	(6,814,976)	(7,304)	4,737	(12,126,107)
Fees for use of frequency range	(2,391,959)	(10,256,392)	–	–	(12,648,351)
General and administrative expenses, including:	(12,996,292)	(4,854,246)	(522,778)	21,686	(18,351,630)
Personnel expenses	(6,788,133)	(1,449,696)	(140,170)	–	(8,377,999)
Taxes other than income tax	(1,750,916)	(707,456)	(10)	–	(2,458,382)
Depreciation and amortisation	(21,863,120)	(29,572,794)	(16,510)	(1,641,155)	(53,093,579)
Finance costs	(10,292,676)	(11,876,537)	–	487,792	(21,681,421)
Finance income	14,098,163	2,844,369	98,805	(6,411)	17,034,926
Income from dividends	392,934	–	–	(392,934)	–
The Group's share in the loss of the joint venture	–	–	(158,161)	–	(158,161)
Impairment losses on non-financial assets	(176,181)	(419,374)	–	–	(595,555)
Gain from reversal of impairment on financial assets/(loss from impairment)	(1,796,053)	(1,424,339)	8,186	38,296	(3,173,910)
Segment profit before tax	**21,112,665**	**7,536,766**	**225,141**	**2,817,560**	**31,692,132**
Profit (loss) from discontinued operations	**–**	**106,222,487**	**–**	**205,118**	**106,427,605**

4. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2025 (unaudited) (continued)

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2026 and 31 December 2025, respectively:

In thousands of tenge	**Fixed line**	**Mobile telecommunication services in GSM and LTE standards**	**Other**	**Eliminations and adjustments**	**Group**
Operating assets					
As at 30 June 2026 (unaudited)	**1,033,558,902**	**640,628,608**	**3,690,853**	**(179,840,797)**	**1,498,037,566**
As at 31 December 2025	928,493,875	638,253,709	3,690,592	(165,762,807)	1,404,675,369
Operating liabilities					
As at 30 June 2026 (unaudited)	**469,598,048**	**324,829,569**	**2,991,695**	**(31,727,729)**	**765,691,583**
As at 31 December 2025	363,320,417	330,366,441	3,184,194	(23,329,084)	673,541,968

Reconciliation of profit

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Segment profit	**11,938,014**	33,053,311	**14,057,292**	163,575,300
Other	**(1,707,633)**	(162,261,872)	**(2,716,225)**	(159,636,485)
Profit before tax of the Group	**10,230,381**	(129,208,561)	**11,341,067**	3,938,815

Reconciliation of assets

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Segment operating assets	**1,677,878,363**	1,570,438,176
Elimination of intra-group receivables and payables	**(55,578,700)**	(47,111,565)
Elimination of the Company's investments in subsidiaries	**(124,262,097)**	(118,651,242)
Total assets of the Group	**1,498,037,566**	1,404,675,369

Reconciliation of liabilities

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Segment operating liabilities	**797,419,312**	696,732,025
Elimination of intra-group receivables and payables	**(59,983,540)**	(52,793,120)
Deferred tax liabilities	**28,255,811**	29,603,063
Total liabilities of the Group	**765,691,583**	673,541,968

5. PROPERTY AND EQUIPMENT

During the six months period ended 30 June 2026, the Group acquired property and equipment for KZT 61,030,439 thousand (unaudited) (during the six months period ended 30 June 2025: KZT 82,835,792 thousand (unaudited)).

During the six months period ended 30 June 2026, the Group disposed property and equipment with net book value of KZT 935,691 thousand (unaudited) (during the six months period ended 30 June 2025: KZT 6,721,542 thousand (unaudited)).

5. PROPERTY AND EQUIPMENT (continued)

During the six months period ended 30 June 2026, the Group recognised decrease in changes in estimates in assets retirement obligation for KZT 303,417 thousand (unaudited) (during the six months period ended 30 June 2025: decrease for KZT 677,989 thousand (unaudited)).

As at 30 June 2026, advances paid for non-current assets amounted to KZT 32,953,182 thousand (31 December 2025: KZT 4,291,267 thousand) and represent advances paid for services related to the installation of base stations, construction and delivery of property, plant and equipment. Of this amount, KZT 29,415,414 thousand relates to an advance paid in the first half of 2026 under an agreement with JSC Transtelecom for the construction of fibre-optic communication lines (FOCL) in rural settlements.

During the six-month period ended 30 June 2026, transfers from construction in progress to property, plant and equipment amounted to KZT 39,314,010 thousand (six months ended 30 June 2025: KZT 49,182,653 thousand).

As at 30 June 2026, the gross carrying amount of fully depreciated property, plant and equipment still in use amounted to KZT 493,082,260 thousand (31 December 2025: KZT 498,626,059 thousand).

Impairment test

During the six months period ended 30 June 2026, the Group recognized impairment gain from reversal of impairment in the amount of KZT 34,503 thousand (unaudited) (during the six months period ended 30 June 2025, loss impairment: KZT 176,181 thousand (unaudited)) for property and equipment (unaudited)). Impairment loss was recognized in the interim condensed consolidated statement of comprehensive income.

6. INTANGIBLE ASSETS

During the six months period ended 30 June 2026, the Group acquired intangible assets in the amount of KZT 35,539,688 thousand (unaudited) (during the six months period ended 30 June 2025: KZT 5,560,846 thousand (unaudited)).

During the six months period ended 30 June 2026, the Group recognized amortization expense in the amount of KZT 14,734,832 thousand (unaudited) (during the six months period ended 30 June 2025: KZT 14,877,428 thousand (unaudited)).

As at 30 June 2026 the gross carrying value of intangible assets, which have been fully amortized and still in use was KZT 68,779,286 thousand (unaudited) (as at 31 December 2025: KZT 61,440,002 thousand).

7. INVESTMENTS IN JOINT VENTURES

Joint ventures

The following joint venture have been included in these interim condensed consolidated financial statements:

			30 June 2026		31 December 2025	
In thousands of tenge	**Principal activities**	**Country of incorporation**	**Carrying amount**	**Ownership**	Carrying amount	Ownership share
CaspiLink B.V.	Joint construction, operation and ownership of a fibre-optic cable across the Caspian Sea	Netherlands	**4,639,393**	**50%**	966,712	50%
KT-Telecom LLP	Construction and operation of data centres (the “Data Centre Valley” project)	Kazakhstan	**–**	**50%**	–	–
			4,639,393		966,712	

7. INVESTMENTS IN JOINT VENTURES (continued)

Joint ventures (continued)

CaspiLink B.V.

Azertelecom INT LLC (AT) and Kazakhtelecom JSC (KT) made a decision on the joint construction, operation and ownership of a fiber-optic cable between Azerbaijan and Kazakhstan along the bottom of the Caspian Sea ("Caspian Cable"). In this regard, and in accordance with the intergovernmental agreement between the Republic of Azerbaijan and the Republic of Kazakhstan, Azertelecom INT LLC and Kazakhtelecom JSC signed a cooperation agreement with the purpose of establishing and managing CaspiLink B.V.

The movement in the book value of investments in joint ventures for the six-month period ended 30 June 2026 is presented as follows:

	For six months ended 30 June	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)
At 1 January	**966,712**	188,659
Equity contribution	**3,826,860**	1,394,971
Share in the loss of the joint venture	**(154,179)**	(158,161)
At 30 June (unaudited)	**4,639,393**	1,425,469

The table below contains summarized financial information on the Group's investments in CaspiLink B.V.:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Non-current assets	**8,640,040**	–
Advances paid for non-current assets	**–**	1,751,420
Cash	**2,805,035**	335,316
Other current assets	**384,789**	–
Accounts payable	**(2,524,816)**	–
Other current liabilities	**(26,261)**	(153,312)
Equity	**9,278,787**	1,933,424
The Group's share in equity - 50% (2025: 50%)	**4,639,393**	966,712

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Operating expenses	**(154,757)**	(174,832)	**(308,357)**	(316,323)
Total comprehensive loss for the period	**(154,757)**	(174,832)	**(308,357)**	(316,323)
The Group's share of the loss for the period	**(77,379)**	(87,416)	**(154,179)**	(158,161)

KT-Telecom LLP

During the reporting period, the Group disposed of a 50% interest in KT-Telecom LLP, which was previously a wholly owned subsidiary of the Group. Following the disposal, the Group ceased to exercise control over KT-Telecom LLP. Accordingly, the entity was classified as a joint venture and the Group’s remaining 50% interest was accounted for using the equity method in accordance with the requirements of IAS 28 *Investments in Associates and Joint Ventures*. The remaining 50% interest in KT-Telecom LLP is held by Samruk-Kazyna Invest LLP.

KT-Telecom LLP is implementing the “Data Centre Valley” project, a comprehensive initiative aimed at developing critical digital infrastructure, enhancing the national competitiveness of the Republic of Kazakhstan, attracting international technology companies and ensuring the country’s technological sovereignty.

7. INVESTMENTS IN JOINT VENTURES (continued)

Joint ventures (continued)

KT-Telecom LLP (continued)

The movement in the book value of investments in joint ventures for the six-month period ended 30 June 2026 is presented as follows:

In thousands of tenge	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
At 1 January	**–**	–
Recognition	**2,552**	–
Share in the loss of the joint venture	**(2,552)**	–
At 30 June (unaudited)	**–**	–

The table below contains summarized financial information on the Company's investments in *KT-Telecom LLP*.

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Other current assets	**50,200,586**	–
Cash	**38,015,657**	–
Non-current assets	**16,393,751**	–
Inventories	**195,164**	–
Non-current financial liabilities	**(91,475,852)**	–
Other non-current liabilities	**(13,308,219)**	–
Current financial liabilities	**(332,879)**	–
Accounts payable	**(47,139)**	–
Other current liabilities	**(31,970)**	–
Equity	**(390,901)**	–
The Group's share in equity - 50%	**–**	–

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Operating expenses	**(248,565)**	–	**(308,313)**	–
Total comprehensive loss for the period	**(248,565)**	–	**(308,313)**	–
Unrecognized accumulated losses	**124,283**	–	**151,605**	–
The Group's share of the loss for the period	**–**	–	**(2,552)**	–

8. IMPAIRMENT TESTING

Goodwill is tested by the Group for impairment annually as at 31 December and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2025. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

As at 30 June 2026 there were no indicators for impairment of all CGUs, including those CGUs to which goodwill was allocated, therefore, management has not updated any of impairment calculations.

9. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets measured at fair value through profit or loss represent contingent consideration under the sale and purchase agreement for the acquisition of a 100% interest in MTS. As of June 30, 2026, the short-term portion amounted to USD 25,673 thousand and the long-term portion amounted to USD 329,236 thousand (equivalent to KZT 12,341,498 thousand and KZT 158,270,238 thousand, respectively). The gain from remeasurement amounted to KZT 5,154,254 thousand.

Management believes that JSC Kazakhtelecom and the Government of the Republic of Kazakhstan are in compliance with the terms of the agreement for the sale of a 100% interest in MTS.

10. OTHER NON-CURRENT FINANCIAL ASSETS

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

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Long-term accounts receivable	**9,646,010**	8,616,683
Loans issued	**5,497,611**	5,075,080
Loans to employees	**2,493,645**	2,711,253
Long-term deposits	**1,061,687**	1,147,671
Other	**308,134**	236,514
	19,007,087	17,787,201
Less: allowance for expected credit losses	**(110,184)**	(110,184)
	18,896,903	17,677,017

Other non-current financial assets are denominated in tenge.

11. INVENTORIES

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Goods for resale at the lower of cost and net realisable value	**19,818,014**	8,592,722
Cable materials at cost	**3,310,050**	2,520,230
Other materials and raw materials at cost	**1,590,126**	678,133
Fuel and lubricants at cost	**307,283**	486,443
Spare parts at cost	**605,217**	554,970
	25,630,690	12,832,498

For the six months ended 30 June 2026, the write-down of inventories to net realisable value amounted to KZT 627 thousand (for the six months ended 30 June 2025: KZT 266,954 thousand). This amount is included in "General and administrative expenses" in the interim condensed consolidated statement of comprehensive income.

12. TRADE RECEIVABLES

As at 30 June 2026 and 31 December 2025, trade receivables comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Trade receivables	**91,575,658**	79,175,489
	91,575,658	79,175,489
Less: allowance for expected credit losses	**(15,008,417)**	(13,582,799)
	76,567,241	65,592,690

12. TRADE RECEIVABLES (continued)

Movements in the allowance for expected credit losses were as follows for the three and six months ended 30 June:

In thousands of tenge	**For three months ended 30 June**		**For six months ended 30 June**	
	2026 (unaudited)	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Allowance for expected credit losses at the beginning of the period	**14,561,823**	15,934,126	**13,582,799**	14,409,783
Charge for the period *(Note 37)*	**2,031,437**	1,016,139	**3,072,453**	3,115,762
Write-off for the period	**(1,584,843)**	(3,967,097)	**(1,646,835)**	(4,542,377)
Allowance for expected credit losses at the end of the period	**15,008,417**	12,983,168	**15,008,417**	12,983,168

13. CONTRACT ASSETS

As at 30 June 2026, the Group had contract assets of KZT 935,050 (2025: nil).

Starting from 2026, the Group offers bundled packages under the “Family” tariff, comprising a mobile device or other equipment together with subsequent mobile communication services provided under fixed-term contracts.

In accordance with IFRS 15, consideration received from customers is allocated between the device component and the service component based on their relative stand-alone selling prices. Accordingly, a portion of the monthly subscription fee is allocated to the device component and recognized as revenue upon delivery of the device to the customer, while the remaining amount is recognized as revenue from the provision of services over the contractual 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 invoiced.

14. OTHER CURRENT FINANCIAL ASSETS

As at 30 June 2026 and 31 December 2025, other current financial assets comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Bank deposits	**3,759,078**	3,729,639
Restricted cash	**905,141**	905,141
Loans issued	**183,576**	–
Loans to employees	**1,812,599**	1,621,064
Due from employees	**567,673**	500,631
Other receivable	**7,626,606**	5,744,333
	14,854,673	12,500,808
Less: allowance for expected credit losses	**(5,108,359)**	(5,174,786)
	9,746,314	7,326,022

15. FINANCIAL ASSETS CARRIED AT AMORTISED COST

Financial assets carried at amortised cost

During the six months ended 30 June, 2026, the Group acquired discount U.S. Treasury bills at an acquisition cost of USD 39,875 thousand (equivalent to KZT 19,552,685 thousand).

During the six months ended 30 June, 2026, discount U.S. Treasury bills with a nominal value of USD 31,465 thousand (equivalent to KZT 15,395,275 thousand) were redeemed, along with interest income of USD 368 thousand (equivalent to KZT 180,489 thousand).

During the six months ended 30 June, 2025, the Group acquired discount U.S. Treasury bills at an acquisition cost of USD 362,896 thousand (equivalent to KZT 192,303,234 thousand).

During the six months ended 30 June, 2025, discount U.S. Treasury bills with a nominal value of USD 402,123 thousand (equivalent to KZT 209,654,189 thousand) were redeemed, along with interest income of USD 3,772 thousand (equivalent to KZT 1,967,939 thousand).

15. FINANCIAL ASSETS CARRIED AT AMORTISED COST (continued)

Financial assets carried at amortised cost (continued)

During the six months ended 30 June, 2026, the Group acquired short-term notes of the National Bank of the Republic of Kazakhstan (NBRK) at an acquisition cost of KZT 15,000,000 thousand. During 2026, short-term notes with a nominal value of KZT 15,410,157 thousand were redeemed, along with interest income of KZT 211,682 thousand.

As of June 30, 2026, and December 31, 2025, the financial assets measured at amortized cost are as follows:

In thousands of tenge	**Maturity date**	**Yield to maturity**	**Nominal value**	**30 June 2026 (unaudited)**	31 December 2025
US Treasury bills	July 9, 2026	3.65%	14,777,461	**14,424,053**	–
US Treasury bills	October 1, 2026	3.62%	6,593,880	**6,837,643**	–
Home Credit Bank coupon bonds	March 4, 2027	19.50%	2,792,543	**2,792,543**	–
Eurasian Development Bank coupon bonds	June 15, 2029	5.50%	1,017,806	**999,898**	–
Ministry of Finance of the Republic of Kazakhstan coupon bonds	July 1, 2032	4.78%	940,024	**988,387**	–
Ministry of Finance of the Republic of Kazakhstan coupon bonds	October 28, 2030	4.71%	903,447	**950,138**	–
Home Credit Bank coupon bonds	March 4, 2027	19.50%	208,083	**208,083**	–
US Treasury bills	February 19, 2026	3.59%	12,701,441	**–**	12,637,857
US Treasury bills	April 16, 2026	3.60%	10,343,649	**–**	10,235,662
US Treasury bills	January 22, 2026	3.84%	9,199,635	**–**	9,150,469
US Treasury bills	March 3, 2026	3.80%	6,621,331	**–**	6,582,561
US Treasury bills	February 19, 2026	3.59%	785,911	**–**	783,677
			66,885,211	**27,200,745**	39,390,226

The Group classifies these financial assets at amortized cost as they are held within a business model whose objective is to collect contractual cash flows only. The Group assessed the terms of each instrument and determined that the contractual cash flows represent solely payments of principal and interest (SPPI), without any unusual terms that are not consistent with market practice.

For these financial assets, the Group applies the practical expedient for instruments with low credit risk in accordance with IFRS 9. The amount of expected credit losses at the reporting date is immaterial.

16. CASH AND CASH EQUIVALENTS

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

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Deposits with less than 90 days' maturity from the date of opening	**82,993,347**	70,208,569
Cash on current bank accounts	**2,551,122**	2,733,235
Cash on hand	**3,453**	6,631
	85,547,922	72,948,435
Less: allowance for expected credit losses	**(5,172)**	(4,735)
	85,542,750	72,943,700

During the six months ended 30 June, 2026, interest was accrued on funds placed in current bank accounts at interest rates from 0.5 to 15.00% per annum (During the six months ended 30 June 2025: from 0.5 to 13.25% per annum).

Short-term bank deposits opened for a period of one day to six months, depending on the Group's current cash needs, as of June 30, 2026 amounted to KZT 82,993,347 thousand with a rate to 16.30% (as of December 31, 2025: KZT 70,208,569 thousand with a rate to 17.65%).

16. CASH AND CASH EQUIVALENTS (continued)

As at 30 June 2026 and 31 December 2025, cash and cash equivalents were denominated in the following currencies:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025 (audited)
Tenge	**63,666,136**	70,019,836
US dollars	**21,853,250**	2,774,571
Russian roubles	**14,308**	142,052
Euro	**9,056**	7,241
	85,542,750	72,943,700

Movements in the allowance for expected credit losses were as follows for the three and six months periods ended 30 June:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Allowance for expected credit losses at the beginning of the period	**6,891**	1,358	**4,735**	1,003
(Accrued)/restored for the period	**(1,719)**	2,184	**437**	2,539
Allowance for expected credit losses at the end of the period	**5,172**	3,542	**5,172**	3,542

17. EQUITY

Authorised and issued shares

	Number of shares		**In thousands of tenge**		
	Common shares	**Preferred non-voting shares**	**Common shares**	**Preferred non-voting shares**	**Total issued shares**
At 31 December 2025	10,922,876	1,213,653	10,922,876	1,213,653	12,136,529
At 30 June 2026	**10,922,876**	**1,213,653**	**10,922,876**	**1,213,653**	**12,136,529**

Treasury shares

	Number of shares		**In thousands of tenge**		
	Common shares	**Preferred non-voting shares**	**Common shares**	**Preferred non-voting shares**	**Total**
At 31 December 2025	216,852	914,868	3,052,617	4,012,997	7,065,614
At 30 June 2026	**216,852**	**914,868**	**3,052,617**	**4,012,997**	**7,065,614**

Shares issued less reacquired shares

As at 30 June 2026, number of common and preferred shares issued net of reacquired shares were 10,706,024 and 298,785 shares, respectively.

Preferred shares

Holders of preferred shares are entitled to receive annual cumulative dividends of 300 tenge per share, and not less than the amount of the dividends per share paid to holders of common shares. Payment of guaranteed amount preferred shares dividends does not require a resolution of Kazakhtelecom JSC shareholders meeting.

The discounted value of future cash flows of annual cumulative dividends is recorded as a financial liability as at 30 June 2026 in the amount of KZT 814,868 thousand (31 December 2025: KZT 814,868 thousand). This liability is reflected as the debt component of preferred shares within long-term liabilities.

17. EQUITY (continued)

Dividends

The preferred shares earn a non-discretionary dividend of 300 tenge per share in accordance with the Company's charter documents. Preferred shares are considered to be compound financial instruments, and accordingly the liability and equity components are presented separately in the interim condensed consolidated statement of financial position. Dividends in the amount of KZT 22,409 thousand were accrued as at 30 June 2026 (2025: KZT 22,409 thousand) and are recorded as interest expenses in the interim condensed consolidated statement of comprehensive income *(Note 31)*.

At the Annual General Meeting of Shareholders held on 30 April 2026, dividends for 2025 were declared as follows: KZT 321.06 per ordinary share (KZT 3,437,276 thousand) and KZT 21.06 per preference share (KZT 6,293 thousand). During the six months ended 30 June 2026, dividends of KZT 3,440,651 thousand were paid, with the remaining amount payable as at 30 June 2026 amounting to KZT 63,400 thousand *(Note 23)*.

Movements in dividends payable for the periods ended 30 June were as follow:

In thousands of tenge	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
Dividends payable at the beginning of the period	**18,582**	17,573
Dividends declared on common shares to shareholders of the parent company	**3,437,276**	285,474,845
Dividends declared on preferred shares	**6,293**	7,877,431
Interest on debt component of preferred shares *(Note 31)*	**44,818**	44,818
Withholding tax	**(2,918)**	(341,728)
Dividends paid to the shareholders of the parent company	**(3,440,651)**	(293,010,541)
Dividends payable at the end of the period *(Note 23)*	**63,400**	62,398

Other reserves

According to the Company's Charter, the Company created a reserve capital equal to 15% of the authorized share capital. This reserve capital was created through appropriation of the retained earnings. There were no movements in the reserve capital at 30 June 2026 and at 31 December 2025.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in these interim condensed consolidated financial statements in accordance with the accounting policy disclosed in *Note 2*.

Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to common equity holders of the Company (after adjusting for the after-tax amount of dividends on preferred shares) by the weighted average number of common and preferred shares outstanding during the year.

Diluted earnings per share adjusts basic earnings per share for the effect of all dilutive potential ordinary shares (convertible instruments, options and warrants), assuming their conversion or exercise. Potential ordinary shares are included only if they decrease earnings per share from continuing operations.

As at 30 June 2026 and 30 June 2025, the Group had no outstanding convertible, option or other financial instruments that would entitle the holders to receive ordinary shares and could have a dilutive effect. The preference shares are non-convertible and participate in the distribution of profits on an equal basis with ordinary shares and, therefore, are already included in the calculation of basic earnings per share and do not create any additional dilutive effect. Accordingly, diluted earnings per share is equal to basic earnings per share.

17. EQUITY (continued)

Earnings per share (continued)

The following tables reflects profit and share data used in the basic and diluted earnings per share computations:

	For three months ended 30 June		For six months ended 30 June	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Net profit from continuing operations	**5,949,803**	25,985,783	**3,605,160**	22,722,254
Net (loss)/profit from discontinued operations	–	–	–	106,427,605
Net (loss)/profit	**5,949,803**	25,985,783	**3,605,160**	129,149,859
Interest on preferred shares *(Note 31)*	**22,409**	22,409	**44,818**	44,818
Net (loss)/profit for calculating of basic and diluted earnings per share	**5,972,212**	26,008,192	**3,649,978**	129,194,677
Weighted average number of common and preferred shares for calculation of basic and diluted earnings per share	**11,004,809**	11,004,809	**11,004,809**	11,004,809
Basic and diluted earnings per share, tenge	**542.69**	2,363.35	**331.66**	11,739.84
Net (loss)/income from discontinued operations attributable to holders of common shares of the parent company for the calculation of basic and diluted earnings per share	**–**	–	**–**	106,427,605
Basic and diluted, in respect of profit from discontinued operations for the reporting period attributable to shareholders of the parent company, tenge	**–**	–	**–**	9,671.01
Net income from continuing operations attributable to holders of common shares of the parent company for the calculation of basic and diluted earnings per share	**5,972,212**	26,008,192	**3,649,978**	22,767,072
Basic and diluted, in respect of profit from continuing operations for the reporting period attributable to shareholders of the parent company, tenge	**542.69**	2,363.35	**331.66**	2,068.83

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of preparation of these interim condensed consolidated financial statements.

Additional information disclosed in accordance with Kazakhstan Stock Exchange (KASE) requirements

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

Below is the cost of one ordinary share, calculated in accordance with the requirements of the KASE:

In thousands of tenge	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
Total assets	**1,498,037,566**	1,298,068,573
Less: intangible assets, including goodwill	**239,749,373**	220,496,638
Less: total liabilities	**765,691,583**	603,367,026
Less: preferred shares issued net of reacquired shares	**298,785**	298,785
Net assets for calculation of cost of ordinary share in accordance with listing requirements of KASE	**492,297,825**	473,906,124
Number of ordinary shares	**10,706,024**	10,706,024
Cost of ordinary share, calculated in accordance with listing requirements of KASE (in tenge)	**45,983**	44,265

17. EQUITY (continued)

Additional information disclosed in accordance with Kazakhstan Stock Exchange (KASE) requirements (continued)

The cost of common shares, calculated in accordance with the requirements of the KASE (continued)

Another requirement for disclosure is the amount of the dividends payable to owners of preferred non-voting shares. The carrying book value of one preferred non-voting share is calculated as the sum of the preferred non-voting shares in the equity and debt component of preferred non-voting shares, divided by the number of preferred non-voting shares. At the same time, according to the methodology of KASE, the dividend payable on preferred shares, which are not paid due to the lack of up-to-date information about the shareholders, their payment details, are not taken into account. As at 31 December 2025, this indicator amounted to KZT 22,024 due to the lack of payment on preferred shares during the six months ended 30 June 2026, this amount did not change.

18. BORROWINGS

As at 30 June 2026 and 31 December 2025, borrowings comprised:

In thousands of tenge	**Weighted average effective interest rate**	**30 June 2026 (unaudited)**	Weighted average effective interest rate	31 December 2025
Bonds with a variable interest rate	**13.36%**	**172,517,569**	12.55%	129,214,235
Bonds with a fixed interest rate	**13.15%**	**143,349,843**	16.8%	134,717,212
Borrowings with a variable interest rate	**11.02%**	**117,655,258**	14.70%	70,250,465
Borrowings with a fixed interest rate	**6.63%**	**26,587,522**	–	–
		460,110,192		334,181,912

Borrowings are repayable as follows:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Current portion of borrowings	**242,987,570**	187,842,239
Maturity between 1 and 2 years	**28,554,970**	6,546,227
Maturity between 2 and 5 years	**161,545,626**	112,225,269
Maturity over 5 years	**27,022,026**	27,568,177
Total non-current portion of borrowings	**217,122,622**	146,339,673
Total borrowings	**460,110,192**	334,181,912

18. BORROWINGS (continued)

As of 30 June 2026 and 31 December 2025, loans represented by the following:

Borrowings	Maturity date	Currency	Effective interest rate	30 June 2026 (unaudited)	31 December 2025
Development Bank of Kazakhstan JSC					
- Credit line agreement CM-170-19					
- Borrowing agreement ДБЗИ 215-A/05	30-Jun-32	Tenge	8%	**4,277,878**	4,528,996
- Borrowing agreement ДБЗИ 215-A/05	30-Jun-32	Tenge	8%	**3,479,797**	3,747,473
- Borrowing agreement ДБЗИ 215-A/05	30-Jun-32	Tenge	8%	**2,914,540**	3,138,734
- Borrowing agreement ДБЗИ 215-A/05	30-Jun-32	Tenge	8%	**2,988,142**	3,217,999
- Borrowing agreement ДБЗИ 215-A/05	30-Jun-32	Tenge	8%	**1,100,320**	1,184,960
- Credit line agreement SKL-613-25	28-Nov-40	Tenge	20%	**31,317,857**	30,995,636
SB Bank of China Kazakhstan JSC					
- Credit line agreement #192004					
- Tranche #4	23-Feb-26	Tenge	18.5%	**–**	15,370,000
- Credit line agreement #262001					
- Tranche #1	16-Mar-29	Yuan	3.8%	**5,007,711**	–
- Tranche #2	16-Mar-29	Yuan	3.8%	**4,960,273**	–
- Tranche #3	16-Mar-29	Yuan	3.8%	**5,748,583**	–
- Tranche #4	16-Mar-29	Yuan	3.8%	**5,755,817**	–
- Credit line agreement #262005					
- Tranche #1	22-Jun-29	Yuan	3%	**24,102,583**	–
Industrial and Commercial Bank of China JSC					
- Borrowing agreement ICBCALM/2026/03	26- Jun -29	Yuan	3%	**24,096,656**	–
Nurbank JSC					
- Credit line agreement #10/23-00					
- Borrowing agreement 1-10/23-00	8-Sep-26	Tenge	17%	**1,733,333**	3,866,667
- Borrowing agreement 1-10/23-00	29-Sep-28	Tenge	18.4%	**1,545,455**	1,700,000
- Borrowing agreement 1-10/23-00	3-Jul-28	Tenge	18.4%	**1,227,273**	1,500,000
- Borrowing agreement 1-10/23-00	7-Aug-28	Tenge	18.4%	**818,182**	1,000,000
- Borrowing agreement 1-10/23-00	29- Jun -29	Tenge	18.4%	**5,000,000**	–
Halyk Bank of Kazakhstan JSC					
Credit line agreement ##KS02-23-06					
- Tranche #1	19-Feb-29	Tenge	16.7%	**8,933,487**	–
- Tranche #2	19-Feb-29	Tenge	16.7%	**4,119,756**	–
Eurasian Development Bank JSC					
Credit line agreement #58					
Borrowing agreement #58	15-Mar-27	Tenge	18.5%	**5,115,137**	–
-				**144,242,780**	70,250,465

As of June 30, 2026, and December 31, 2025, the Group's loans bear a fixed interest rate.

Development Bank of Kazakhstan JSC

Credit line agreement CM-170-19

During the six months ended 30 June 2026, the Group repaid principal of KZT 1,066,667 thousand and interest of KZT 539,093 thousand (for the six months ended 30 June 2025: principal of KZT 1,066,667 thousand and interest of KZT 616,107 thousand were repaid).

Credit Line SKL-613-25

During the six months ended 30 June, 2026, the Group paid interest in the amount of KZT 2,520,000 thousand. On November 21, 2025, the Group entered into a loan agreement totaling KZT 141,120 million to finance expenses related to an investment project for the construction and modernization of the 4G and 5G networks in the Republic of Kazakhstan, including the reimbursement of previously incurred costs. The credit line has two limits.

Limit 1 amount to KZT 40,000,000 thousand and is available until December 31, 2025. In November 2025, the Group received a loan under this limit in the amount of KZT 40,000 million, with a maturity in November 2040 and an effective interest rate of 12.6% per annum. Interest is paid quarterly, and the principal is repaid in equal annual payments.

18. BORROWINGS (continued)

Development Bank of Kazakhstan JSC (continued)

Credit Line SKL-613-25 (continued)

Limit 2 amounts to KZT 101,120,000 thousand and will be available for 24 months after the signing of an additional agreement with the decision of the Bank's credit committee, with an interest rate based on the Bank's financing cost plus 1.31% per annum.

As the financing was provided on preferential terms under the state development programme, the Group determined that the fair market interest rate on the loans at the date of receipt of Limit 1 was 20% per annum. The loan was initially recognized at fair value using this market 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 KZT 9,429,000 thousand *(Note 26)*.

The loan agreements provide for financial covenants that the Group is required to comply with throughout the entire period of use of the borrowed funds.

Bank of China Kazakhstan JSC

Credit Line #192004

In May 2025, the Group received a loan from Bank of China in Kazakhstan JSC in the amount of KZT 15,000,000 thousand. The effective interest rate on the loan was 18.40% per annum.

In February 2026, the Group repaid the principal of the loan in the amount of KZT 15,000,000 thousand and paid interest of KZT 793,958 thousand.

Credit Line #262001

In March 2026, the Group received a loan in the amount of KZT 9,823,800 thousand (equivalent to CNY 140,000 thousand) in two tranches under the credit line agreement with Bank of China in Kazakhstan JSC with a maturity of 2 years and an interest rate of 3.8% per annum.

In June 2026, the Group received a loan in the amount of KZT 11,483,200 thousand (equivalent to CNY 160,000 thousand) in two tranches under the credit line agreement with Bank of China in Kazakhstan JSC with a maturity of March 16, 2026 and an variable interest rate of 3.6% per annum.

During the six months of 2026, the Group paid interest in the amount of KZT 95,631 thousand.

Credit Line #262005

On June 23, 2026, the Group received a loan from JSC DB "Bank of China in Kazakhstan" in the amount of KZT 24,442,600 thousand (equivalent to CNY 340,000 thousand) with a maturity of 3 years and an effective interest rate of 3% per annum.

Industrial and Commercial Bank of China JSC

Borrowing agreement ICBCALM/2026/03

On June 26, 2026, the Group received a loan from JSC "Industrial and Commercial Bank of China in Almaty" in the amount of KZT 24,279,400 thousand (equivalent to CNY 340,000 thousand) with a maturity of 3 years and an effective interest rate of 3% per annum.

Nurbank JSC

Credit line agreement #10/23-00

During the six months of 2026, the Group received a loan from JSC "Nurbank" in the amount of KZT 15,700,000 thousand, with an effective interest rate of 20.2% per annum. The loan is due for repayment on June 29, 2029.

During the six months of 2026, the Group repaid KZT 13,442,424 thousand of the loan from JSC "Nurbank" and paid interest in the amount of KZT 919,514 thousand.

18. BORROWINGS (continued)

Halyk Bank of Kazakhstan JSC

During the six months of 2026, the Group received a loan from JSC “Halyk Bank of Kazakhstan” in the amount of KZT 13,000,000 thousand, with an effective interest rate of 16.7% per annum. The loan is due for repayment on February 19, 2029.

Eurasian Development Bank JSC

In March 2026, the Group received a loan from JSC “Eurasian Development Bank” in the amount of KZT 5,000,000 thousand, with an effective interest rate of 18.5% per annum. The loan is due for repayment on March 15, 2027.

During the six months of 2026, the Group paid interest in the amount of KZT 161,875 thousand.

Debt securities

Bonds	**Maturity date**	**Currency**	**Effective interest rate**	**30 June 2026 (unaudited)**	31 December 2025
Local bonds of Kazakhtelecom JSC (KZTK.0630)	June 2030	Tenge	15%	**58,749,843**	54,419,002
Local bonds of Kazakhtelecom JSC (KZTKb4)	June 2026	Tenge	11.86%	**84,600,000**	80,298,210
Local bonds of Kcell JSC	September–October 2027	Tenge	20.15%	**45,912,500**	45,963,542
Local bonds of Kazakhtelecom JSC (KTCB2.1227)	November 2027	Tenge	16.44%	**42,223,926**	42,264,167
Local bonds of Kcell JSC	June 2028	Tenge	20.15%	**25,279,514**	25,295,486
Local bonds of Kcell JSC	April 2027	Tenge	17.5%	**–**	15,691,040
Local bonds of Kazakhtelecom JSC (KZTK.1228)	January 2028	Yuan	4.2%	**59,101,629**	–
				315,867,412	263,931,447

Local Bonds of Kazakhtelecom JSC (KZTK.0630)

On June 18, 2025, the Group listed coupon bonds on the Astana International Exchange ("AIX") for a total amount of KZT 80,000,525 thousand with a coupon rate of 15% and maturity in June 2030. The nominal value of each bond is KZT 1,000. These bonds were repurchased by the Parent Company.

Since December 26, 2025, the coupon rate has been reduced from 15% to 6%, with no change in the maturity date.

Local Bonds of Kazakhtelecom JSC (KZTKb4)

On June 19, 2019, the Group issued bonds on the Kazakhstan Stock Exchange in the amount of KZT 80,000,000 thousand, with an effective rate of 11.86% and maturity in June 2026. The nominal value of each bond is KZT 1,000.

During the six months of 2026, the Group paid interest in the amount of KZT 4,599,999 thousand.

Local Bonds of Kazakhtelecom JSC (KTCB2.1227)

On November 1, 2024, the Group listed coupon bonds on the Astana International Exchange (“AIX”) for a total amount of KZT 41,000,000 thousand with a coupon rate of 14.75% and maturity in November 2027. The nominal value of each bond is KZT 1,000. These bonds were repurchased by the Parent Company.

During the six months of 2026, the Group paid interest in the amount of KZT 3,792,500 thousand (during the six months ended 30 June, 2025, the Group paid interest in the amount of KZT 3,264,625 thousand).

In accordance with the bond program, the bondholder may request early redemption after 12 months from the acquisition date. Therefore, the Group classified these bonds as current liabilities in the amount of KZT 41,000,000 thousand.

18. BORROWINGS (continued)

Debt securities (continued)

Local Bonds of Kazakhtelecom JSC (KZTK.1228)

On January 30, 2026, the Group listed and issued bonds on the "AIX" exchange for a total amount of KZT 59,670,545 thousand (equivalent to CNY 823,610 thousand) with a floating coupon rate of 4.20% and maturity in December 2028. The nominal value of each bond is CNY 1,000. These bonds were repurchased by the Parent Company.

During the six months of 2026, the Group paid interest in the amount of KZT 281,957 thousand.

Local Bonds of Kcell JSC

In March 2024, the Group approved a bond program totaling KZT 70,000 million on the Astana International Exchange (Astana International Exchange JSC). Under this program, in the first half of 2024, the Group issued two tranches of bonds with nominal values of KZT 15,000 million and KZT 25,000 million, with a floating interest rate (the coupon rate is calculated as the arithmetic average of the base rates set by the National Bank of the Republic of Kazakhstan during the coupon period, plus a fixed margin of 1%) and maturities in June 2025 and April 2027, respectively. In accordance with the terms of the first tranche of the bond program in the amount of KZT 15,000 million, the bondholder may request early redemption after 12 months from the acquisition date, which is April 8, 2024. Therefore, the Group classified these bonds as current liabilities.

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

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

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

During the six months of 2026, the Group repurchased bonds listed on the Astana International Exchange Ltd. The total value of the repurchased bonds amounted to KZT 15,000,000 thousand, and the amount of the redemption payment was KZT 7,227,570 thousand.

Covenants

The Company's long-term loans include loans in the amount of KZT 217,122,622 thousand, which contain conditions that, if not complied with, would result in the loans being callable. Otherwise, these loans are repayable more than 12 months after the end of the reporting period. As of June 30, 2026, the Group was in compliance with all conditions that were required to be met by June 30, 2026. Conditions that must be met after the end of the current interim period do not affect the classification of the respective loans as current or long-term as of the end of the current interim period. Therefore, all these loans continue to be classified as long-term liabilities.

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

In thousands of tenge	Buildings and constructions	Site for networks and base station equipment	Equipment	Total
Cost				
At 1 January 2025	21,413,494	52,802,096	–	74,215,590
Additions	291,307	1,240,834		1,532,141
Modifications	337,333	1,672,301		2,009,634
Disposals	(17,508)	(12,227)		(29,735)
At 30 June 2025	22,024,626	55,703,004		77,727,630
At 1 January 2026	**24,393,407**	**64,652,160**	**–**	**89,045,567**
Additions	**1,520,606**	**865,501**	**–**	**2,386,107**
Modifications	**1,693,202**	**874,713**	**–**	**2,567,915**
Disposals	**(649,506)**	**–**	**–**	**(649,506)**
At 30 June 2026	**26,957,709**	**66,392,374**	**–**	**93,350,083**
Depreciation charge				
At 1 January 2025	8,498,581	16,344,259	–	24,842,840
Depreciation charge	(1,414,663)	(2,750,245)		(4,164,908)
Disposals	4,709	12,227		16,936
At 30 June 2025	(9,908,535)	(19,082,277)		(28,990,812)
At 1 January 2026	**9,484,435**	**22,605,489**	**–**	**32,089,924**
Depreciation charge	**(1,708,359)**	**(2,134,877)**	**–**	**(3,843,236)**
Disposals	**87,156**	**–**	**–**	**87,156**
At 30 June 2026	**(11,105,638)**	**(24,740,366)**	**–**	**(35,846,004)**
Net book value				
At 31 December 2025	14,908,972	42,046,671	–	56,955,643
At 30 June 2026 (unaudited)	**15,852,071**	**41,652,008**	–	**57,504,079**

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

	For six months ended 30 June	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)
At the beginning of the period	**62,081,811**	52,670,997
Additions	**2,386,107**	1,532,141
Modifications	**2,567,915**	2,009,634
Disposals	**(540,598)**	(12,799)
Interest expenses *(Note 31)*	**4,709,812**	3,073,547
Payment of interest part	**(4,709,812)**	(2,923,393)
Payment of principal part	**(2,405,367)**	(2,939,714)
At the end of the period	**64,089,868**	53,410,413

Set out below are the carrying amounts of non-current and current lease liabilities:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Non-current portion of liabilities	**58,591,532**	57,039,144
Current portion of lease liabilities	**5,498,336**	5,042,667

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

The following are the amounts recognised in profit or loss:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Depreciation expense of right-of-use assets	**1,990,527**	2,130,368	**3,843,236**	4,164,908
Interest expense on lease liabilities *(Note 31)*	**2,392,187**	1,143,144	**4,709,812**	3,073,547
Expense relating to short-term leases and leases of low-value assets (included in cost of sales) *(Note 29)*	**594,227**	2,601,658	**1,144,008**	4,149,967
Expense relating to short-term leases (included in general and administrative expenses)	**89,933**	74,617	**176,908**	159,670
	5,066,874	5,949,787	**9,873,964**	11,548,092

During the six months period ended 30 June 2026, the Group had total cash outflows (principal and interest amount) for leases of KZT 8,436,095 thousand, including cash outflow of KZT 1,320,916 thousand related to leases of low-value assets and short-term leases (during the six months period ended 30 June 2025: KZT 7,075,747 thousand and KZT 4,309,637 thousand, respectively).

20. EMPLOYEE BENEFIT OBLIGATIONS

Changes in employee benefit obligations were as follows:

In thousands of tenge	**For six months ended 30 June 2026 (unaudited)**	For six months ended 30 June 2025 (unaudited)
Total liability at the beginning of the period	**12,662,365**	16,502,196
Current service cost	**936,837**	800,350
Past service cost	–	(2,695,202)
Interest expenses	**968,489**	940,298
Benefits paid during the year	**(1,145,281)**	(1,022,153)
Actuarial losses/(gains) recognised during the year within profit and loss	–	(31,595)
Actuarial losses/(gains) recognised during the year within other comprehensive income	**1,612,742**	(1,890,232)
Total liability at the end of the period	**15,035,152**	12,603,662
Liability payable within one year	**1,297,278**	1,194,716
Liability payable after one year	**13,737,874**	11,408,946

Actuarial gains recognized in other comprehensive income during the period were mainly attributable to changes in financial assumptions related to the discount rate, which amounted to 13.63% as of 30 June 2026 (31 December 2025: 15.3%).

21. TRADE PAYABLES

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

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Trade payables for supply of property and equipment and intangible assets	**22,783,966**	73,773,369
Trade payables for services rendered	**24,743,201**	28,974,958
Trade payables for inventory received	**1,341,753**	1,634,415
	48,868,920	104,382,742

21. TRADE PAYABLES (continued)

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

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Tenge	**37,361,249**	82,546,273
US dollar	**4,446,297**	3,819,891
Euro	**6,874,944**	17,901,409
Russian rouble	**183,881**	109,731
Other	**2,549**	5,438
	48,868,920	104,382,742

22. NON-CURRENT CONTRACT LIABILITIES

As at 30 June 2026 and 31 December 2025, non-current contract liabilities comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Non-current advances received	**19,760,760**	–
Liabilities under contracts with operators	**7,246,299**	5,695,295
Contract liabilities for connection of subscribers	**401,587**	424,401
Other contract liabilities	**3,745,422**	3,226,287
	31,154,068	9,345,983

On 29 January 2026, the Group entered into an agreement with Mobile Telecom-Service LLP for the joint use of radio frequency spectrum in the 791–801/832–842 MHz band for a term of 49 years with an option for automatic renewal, under which the Group received a long-term advance payment.

As a significant period of time elapses between receipt of the consideration and the provision of services for granting the right to use the spectrum, the agreement contains a significant financing component in accordance with IFRS 15. Accordingly, the advance received is discounted, and the difference is recognised as finance costs over the term of the agreement using a discount rate of 20% per annum, reflecting the rate that would have been used in a separate financing transaction between the Group and MTS at the date the agreement was entered into.

The provision of services commenced on 1 May 2026. For the six months ended 30 June 2026, finance costs related to the significant financing component amounted to KZT 674,667 thousand *(Note 31);* revenue is recognised over time as the services are provided during the term of the agreement.

23. OTHER CURRENT FINANCIAL LIABILITIES

As at 30 June 2026 and 31 December 2025, other current financial liabilities comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Payable to employees	**14,305,555**	22,867,407
Dividends payable *(Note 17)*	**63,400**	18,582
Other	**1,229,811**	1,308,670
	15,598,766	24,194,659

As at 30 June 2026 and 31 December 2025, other current financial liabilities were not interest bearing and the balances were mainly denominated in tenge.

24. CURRENT CONTRACT LIABILITIES

As at 30 June 2026 and 31 December 2025, current contract liabilities comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Advances received	**18,085,893**	17,030,386
Liabilities under contracts with operators	**1,580,481**	1,492,447
Contract liabilities for connection of subscribers	**243,764**	214,962
Other contract liabilities	**191,857**	103,284
Other	**38,065**	33,661
	20,140,060	18,874,740

Advances received represents the prepayment for the services of the Group like telecommunications services, internet services, IP-TV by customers.

25. OTHER CURRENT NON-FINANCIAL LIABILITIES

As at 30 June 2026 and 31 December 2025, other current non-financial liabilities comprised:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Provisions		
Legal claims on contractual obligation and penalties	**9,429,663**	8,542,766
	9,429,663	8,542,766
Other non-financial liabilities		
Taxes payable other than income tax	**9,821,603**	7,602,470
Payable to pension funds	**980,429**	1,324,871
Other	**1,770,123**	1,350,755
	12,572,155	10,278,096
	22,001,818	18,820,862

26. GOVERNMENT GRANTS

As at 30 June 2026 and 30 June 2025, government grants comprised:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Government grants at the beginning of the period	**47,239,684**	32,896,893	**46,723,685**	34,795,973
Received during the period	**2,544,372**	–	**5,061,885**	–
Released to the consolidated statement of comprehensive income	**(2,004,200)**	(1,899,079)	**(4,005,714)**	(3,798,159)
Government grants at the end of the period	**47,779,856**	30,997,814	**47,779,856**	30,997,814

Set out below are the carrying amounts of non-current and current government grants:

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Current portion	**7,262,110**	10,000,765
Non-current portion	**40,517,746**	36,722,920

26. GOVERNMENT GRANTS (continued)

Government grants in respect of radio frequency usage fees

In accordance with the Law of the Republic of Kazakhstan dated 15 July 2025 No. 208-VIII ЗРК On Amendments and Supplements 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 as of 1 January 2025, the radio frequency spectrum fee will be reduced by ninety percent of the current rate, and the rate for 5G spectrum has also been reduced. This reduction applies to operators that have assumed obligations under permits for the use of radio frequency spectrum issued by the authorized communications authority and that allocate – either independently or jointly with other operators – an amount at least equal to the amount of savings from this fee reduction to the development of broadband internet access projects in both urban and rural areas.

The funds released as a result of the reduction in the annual radio frequency usage fee, amounting to KZT 5,061,885 thousand for the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: nil), were used by the Group to acquire and construct broadband internet access infrastructure. Government grants related to assets are recognized as deferred income and recognized in profit or loss on a systematic basis over the useful lives of the related assets. As at 30 June 2026, the balance of deferred income recognized in respect of these government grants amounted to KZT 38,900,856 thousand (31 December 2025: KZT 46,723,685 thousand), while KZT 3,534,714 thousand of government grants was recognized in profit or loss during the period to offset the related depreciation expense.

As at 30 June 2026, there were no unfulfilled conditions or contingencies relating to these government grants.

Government grants in respect of the interest rate

In November 2025, the Group obtained a long-term loan from Development Bank of Kazakhstan JSC under a government development financing programme on preferential terms to support the implementation of an investment project for the construction and modernization of its 4G and 5G network. The preferential nature of the financing arises from the interest rate on the loan being below the prevailing market rate. The Group determined the market borrowing rate at the date of obtaining the loan to be 20% per annum. As the contractual interest rate was below the market rate, the loan was initially recognized at fair value determined using a market discount rate. The difference between the nominal amount of the loan and its fair value was recognized as a government grant amounting to KZT 9,429,498 thousand *(Note 18).*

The government grant is recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful lives of the respective assets acquired or constructed as part of the 4G/5G network development and modernization projects, in order to match the grant income with the depreciation expense of those assets. The amortization of the government grant is recognized in profit or loss within “Government grant income”, consistently with the presentation of other government grants recognized by the Group. For the six-month period ended 30 June 2026, government grant income recognized in profit or loss in respect of the loan obtained from Development Bank of Kazakhstan JSC amounted to KZT 471,000 thousand (six-month period ended 30 June 2025: nil).

As at 30 June 2026, the carrying amount of deferred income relating to the government grant associated with the loan from Development Bank of Kazakhstan JSC amounted to KZT 8,879,000 thousand.

The Group had complied with all conditions applicable to this government support measure and, as at 30 June 2026, there were no unfulfilled conditions or contingent liabilities relating to the grant.

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customer for the three months ended 30 June comprised:

	For the three months ended 30 June 2026			
In thousands of tenge	Fixed line	Mobile connection	Other	Total
Data transfer services	**44,929,034**	**27,593,091**	**2,251**	**72,524,376**
Rendering of fixed line and wireless phone services	**6,890,303**	**18,673,104**	**–**	**25,563,407**
Sale of equipment and mobile devices	**507**	**12,558,982**	**–**	**12,559,489**
Revenue from converged services (FMS/FMC)	**11,360,250**	**78,341**	**–**	**11,438,591**
Interconnect	**7,126,807**	**–**	**–**	**7,126,807**
Basic data centre services	**2,907,124**	**–**	**–**	**2,907,124**
Rent of channels	**244,016**	**–**	**–**	**244,016**
Other	**5,636,341**	**7,168,127**	**53,467**	**12,857,935**
	79,094,382	**66,071,645**	**55,718**	**145,221,745**
Services transferred over time	**79,093,875**	**53,512,663**	**55,718**	**132,662,256**
Goods transferred at a point of time	**507**	**12,558,982**	**–**	**12,559,489**
	79,094,382	**66,071,645**	**55,718**	**145,221,745**
B2C*	**40,830,205**	**51,454,183**	**53,467**	**92,337,855**
B2B**	**11,535,899**	**9,960,851**	**2,251**	**21,499,001**
B2O***	**13,065,101**	**4,656,611**	**–**	**17,721,712**
B2G****	**13,663,177**	**–**	**–**	**13,663,177**
	79,094,382	**66,071,645**	**55,718**	**145,221,745**

	For the three months ended 30 June 2025			
In thousands of tenge	Fixed line	Mobile connection	Other	Total
Data transfer services	43,530,716	27,248,257	2,314	70,781,287
Rendering of fixed line and wireless phone services	7,287,910	18,915,081	–	26,202,991
Sale of equipment and mobile devices	851	9,551,886	–	9,552,737
Interconnect	5,345,836	–	–	5,345,836
Rent of channels	1,872,224	–	–	1,872,224
Other	17,831,543	5,725,167	65,689	23,622,399
	75,869,080	**61,440,391**	**68,003**	**137,377,474**
Services transferred over time	75,868,229	51,888,505	68,003	127,824,737
Goods transferred at a point of time	851	9,551,886	–	9,552,737
	75,869,080	**61,440,391**	**68,003**	**137,377,474**
B2C*	32,178,991	43,215,475	(68,685)	75,325,781
B2B**	10,445,933	12,961,503	136,688	23,544,124
B2O***	19,471,660	5,263,413	–	24,735,073
B2G****	13,772,496	–	–	13,772,496
	75,869,080	**61,440,391**	**68,003**	**137,377,474**

27. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

	For the six months ended 30 June 2026			
In thousands of tenge	**Fixed line**	**Mobile connection**	**Other**	**Total**
Data transfer services	**89,241,601**	**55,003,381**	**4,462**	**144,249,444**
Rendering of fixed line and wireless phone services	**13,846,921**	**36,663,786**	**–**	**50,510,707**
Sale of equipment and mobile devices	**1,608**	**25,422,709**	**–**	**25,424,317**
Revenue from converged services (FMS/FMC)	**22,012,111**	**78,341**	**–**	**22,090,452**
Interconnect	**12,584,140**	**–**	**–**	**12,584,140**
Basic data centre services	**5,906,284**	**–**	**–**	**5,906,284**
Rent of channels	**484,411**	**–**	**–**	**484,411**
Other	**10,449,933**	**13,914,034**	**103,729**	**24,467,696**
	154,527,009	**131,082,251**	**108,191**	**285,717,451**
Services transferred over time	**154,525,401**	**105,659,542**	**108,191**	**260,293,134**
Goods transferred at a point of time	**1,608**	**25,422,709**	**–**	**25,424,317**
	154,527,009	**131,082,251**	**108,191**	**285,717,451**
B2C*	**79,524,605**	**101,015,364**	**103,729**	**180,643,698**
B2B**	**22,766,084**	**20,820,956**	**4,462**	**43,591,502**
B2O***	**24,496,456**	**9,245,931**	**–**	**33,742,387**
B2G****	**27,739,864**	**–**	**–**	**27,739,864**
	154,527,009	**131,082,251**	**108,191**	**285,717,451**

	For the six months ended 30 June 2025			
In thousands of tenge	**Fixed line**	**Mobile connection**	**Other**	**Total**
Data transfer services	87,625,074	52,698,226	4,320	140,327,620
Rendering of fixed line and wireless phone services	14,732,616	36,723,114	–	51,455,730
Sale of equipment and mobile devices	1,720	19,115,839	–	19,117,559
Interconnect	10,095,777	–	–	10,095,777
Rent of channels	3,751,128	–	–	3,751,128
Other	36,006,938	9,032,057	140,795	45,179,790
	152,213,253	**117,569,236**	**145,115**	**269,927,604**
Services transferred over time	152,211,533	98,453,397	145,115	250,810,045
Goods transferred at a point of time	1,720	19,115,839	–	19,117,559
	152,213,253	**117,569,236**	**145,115**	**269,927,604**
B2C*	78,883,550	87,888,795	7,017	166,779,362
B2B**	20,214,363	19,896,046	138,098	40,248,507
B2O***	23,647,930	9,784,395	–	33,432,325
B2G****	29,467,410	–	–	29,467,410
	152,213,253	**117,569,236**	**145,115**	**269,927,604**

* *B2C (Business-to-Consumer) − services rendered to private end consumers (individuals).*

** *B2B (Business to Business) − services rendered to the corporate sector, including large enterprises and SMEs.*

*** *B2O (Business-to-Operator) − services rendered to communication operators.*

**** *B2G (Business-to-Government) − services rendered to the state sector.*

28. COMPENSATION FOR PROVISION OF UNIVERSAL SERVICES IN RURAL AREAS

According to the approved regulatory documents on subsidization, losses for the provision of universal telecommunications services in rural areas are subject to subsidies. The amount of compensation is calculated under the terms of the tender or the assignment of obligations to provide subsidy to universal telecommunications services to a telecommunications operator on the difference between the costs and actual revenues from the unprofitable universal telecommunications services.

For the period ended 30 June 2025, compensation received amounted to KZT 3,973,646 thousand.

For the period ended 30 June 2026, the tariffs for the updated List of Universal Services had not been approved by the Telecommunications Committee of the Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan. As at the reporting date, the approval process was still ongoing.

29. COST OF SALES

Cost of sales for the three and six months periods ended 30 June comprised:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Personnel costs	**34,544,472**	31,143,930	**68,961,689**	58,898,700
Depreciation and amortization	**27,224,884**	26,045,691	**54,219,569**	51,782,701
Cost of sales of sim-cards, scratch-cards, sim starter kits and mobile devices	**11,146,256**	8,899,964	**23,658,709**	17,902,796
Repair and maintenance	**6,210,987**	6,193,961	**12,334,337**	12,126,107
Interconnect	**5,526,270**	5,360,048	**10,909,719**	10,291,288
Expenses associated with joint provision of services	**5,549,066**	4,146,669	**10,451,718**	8,247,714
Rent of channels	**4,438,907**	3,363,799	**8,551,753**	6,819,495
Fees for radiofrequencies use	**4,163,602**	6,165,828	**8,358,113**	12,648,351
Electricity	**3,627,591**	3,707,197	**7,479,560**	7,702,004
Network sharing agreement	**2,180,572**	2,218,378	**4,320,785**	4,086,347
Inventories	**1,649,827**	1,568,429	**3,432,970**	3,042,743
Fee to provide telecom services	**1,665,811**	1,592,035	**3,331,621**	3,184,072
Security and safety	**1,164,465**	849,566	**2,258,837**	1,613,671
Utilities	**791,054**	506,542	**1,985,371**	1,499,791
Business trip expenses	**746,825**	681,942	**1,331,345**	1,137,732
Short-term leases and leases of low-value assets *(Note 19)*	**594,227**	2,219,564	**1,144,008**	4,149,967
Insurance	**232,485**	112,995	**459,960**	280,682
Content	**98,057**	746,090	**448,858**	2,674,260
Satellite communication services	**67,997**	50,534	**180,782**	244,472
Other	**1,887,782**	2,260,578	**5,238,780**	4,995,200
	113,511,137	107,833,740	**229,058,484**	213,328,093

30. SELLING EXPENSES

Selling expenses for the three and six months periods ended 30 June comprised:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Marketing and advertising	**1,586,672**	1,193,306	**2,319,725**	1,896,600
Amortization of cost to obtain a contract	**628,669**	532,103	**1,205,740**	1,037,032
Other	**418,364**	549,557	**1,048,280**	1,005,855
	2,633,705	2,274,966	**4,573,745**	3,939,487

31. FINANCE (COSTS)/INCOME

Finance costs and finance income for the three and six months periods ended 30 June comprised:

	For three months ended 30 June		For six months ended 30 June	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Finance costs				
Interest expense on loans	**12,787,390**	9,292,765	**25,516,024**	17,670,799
Interest expense on lease liabilities (*Note 19*)	**2,392,187**	1,525,238	**4,709,812**	3,073,547
Interest expense from a significant financing component in contracts with customers	**674,667**		**674,667**	–
Unwinding of discount (provision for asset retirement obligation)	**117,099**	(40,227)	**234,198**	465,269
Interest on debt component of preferred shares (*Note 17*)	**22,409**	22,409	**44,818**	44,818
Discounting of other non-current financial assets	**–**	19,237	**–**	16,800
Other costs	**362,750**	285,566	**753,523**	410,188
	16,356,502	11,104,988	**31,933,042**	21,681,421
Finance income				
Discounting of other non-current financial assets	**1,970,655**	146,496	**3,683,776**	2,282,169
Interest income on deposits	**847,557**	4,236,245	**3,246,050**	6,451,150
Interest income on financial assets at amortised cost	**895,359**	3,745,655	**1,814,426**	6,510,202
Unwinding of discount on long-term loans to employees	**187,364**	562,118	**529,333**	838,201
Interest income on cash balances	**131,536**	76,123	**263,692**	156,021
Other costs	**120,727**	754,390	**844,332**	797,183
	4,153,198	9,521,027	**10,381,609**	17,034,926

32. OTHER OPERATING INCOME/(EXPENSES)

Other operating income and expenses for the three and six months periods ended 30 June comprised:

	For three months ended 30 June		For six months ended 30 June	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Other operating income				
Income from write-off of payables	**84,270**	6,839,682	**458,234**	6,911,957
Fines and penalties	**(75,043)**	117,059	**251,488**	403,095
Reimbursement of utilities expenses	**138,233**	55,327	**190,825**	177,438
Other	**56,543**	938,790	**973,706**	1,568,856
	204,003	7,950,858	**1,874,253**	9,061,346
Other operating expenses				
Charge to the allowance *(Note 25)*	**876,696**	–	**876,696**	–
Utilities expenses	**195,566**	84,580	**314,941**	155,990
Rental expenses	**–**	6	**–**	12
Other	**–**	82,465	**–**	82,465
	1,072,262	167,051	**1,191,637**	238,467

33. INCOME TAX EXPENSES

Income tax expenses for the three and six months periods ended 30 June comprised:

In thousands of tenge	**For three months ended 30 June**		**For six months ended 30 June**	
	2026 (unaudited)	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Current income tax expenses	**4,492,675**	2,330,911	**7,081,540**	3,545,499
Adjustments in respect of income tax of previous year	**–**	–	**(407,393)**	–
Deferred income tax expenses/(benefit)	**(1,511,201)**	(20,656,420)	**(1,867,771)**	3,632,559
	(2,981,474)	(18,971,692)	**4,806,376**	7,178,058

34. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 31 May 2024, the Company (hereinafter referred to as "Limited Liability Partner 1" in this disclosure) entered into an agreement on establishing a limited liability partnership (hereinafter referred to as the "Agreement" in this disclosure) with BTS Digital Ventures (hereinafter referred to as the "General Partner" in this disclosure) and ERG Investments Projects BV (hereinafter referred to as "Limited Liability Partner 2" in this disclosure). The general partner and the limited liability partners agreed to establish Phoenix Fund Limited Partnership (hereinafter referred to as the "Fund" in this disclosure), which was registered as a limited liability partnership in the Astana International Financial Centre in accordance with the AIFC Limited Partnership Regulations (2017).

Based on the terms and conditions of the agreement on establishing a limited liability partnership, the Company performed an analysis and concluded that the Company has no control or significant influence over the investment in the Fund; therefore, the Company recognises this investment as a financial asset at fair value through profit or loss in accordance with IFRS 9.

Changes in the value of the interest in the Fund measured at fair value through profit or loss is detailed below:

In thousands of tenge	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
Balance as at 1 January	**12,094,090**	8,505,177
Return of contribution from share capital	**(1,499,400)**	–
Balance at 30 June	**10,594,690**	8,505,177

In January 2026 Phoenix Fund returned a capital contribution of KZT 1,499,400 thousand.

Management believes that the fair value of Phoenix Fund Limited Partnership has not materially changed.

35. NON-CASH TRANSACTIONS

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

During the six months period ended 30 June 2026, the Group received government grants in the total amount of KZT 4,005,714 thousand represented by 90% reduction in the annual fee for use of radio frequencies (during the six-month period ended 30 June 2025: KZT 3,798,159 thousand).

During the six months period ended 30 June 2026, the Group paid an amount of KZT 73,773,369 thousand for property and equipment purchased and intangible assets acquired in the previous year (during the six-month period ended 30 June 2025: KZT 22,253,770 thousand). Property, plant and equipment amounting to KZT 28,194,166 thousand were acquired by the Group prior to 30 June 2026 but remained unpaid as at 30 June 2026 (acquired but unpaid as at 30 June 2025: KZT 46,244,301 thousand).

During the six-month period ended 30 June 2026, the Group obtained a loan from Halyk Bank of Kazakhstan JSC at an interest rate below the market rate. The difference between the fair value of the loan and the proceeds actually received, amounting to KZT 669,000 thousand, was recognised as finance income (six-month period ended 30 June 2025: nil).

35. NON-CASH TRANSACTIONS (continued)

During the six-month period ended June 30, 2026, the Group offset overpaid corporate radio frequency spectrum (RFS) use fees amounting to KZT 3,600,000 thousand against current tax liabilities, comprising VAT (KZT 2,000,000 thousand), fees for the provision of international and/or long-distance telephone services and cellular services (KZT 1,200,000 thousand), withholding tax (KZT 300,000 thousand), and VAT on services received from non-residents (KZT 100,000 thousand).

During the six months period ended 30 June 2026, the Group withhold from the salary of employees the amount of previously issued loans for KZT 1,416,801 thousand (during the six months period ended 30 June 2025: KZT 2,704,243 thousand).

36. RELATED PARTY TRANSACTIONS

The category 'entities under control of the Parent' include entities controlled by the Parent Company. Transactions with such entities are mainly represented by transactions of the Group with NC Kazakhstan Temir Zholy JSC, NC KazMunayGaz JSC, KEGOC JSC, Kazpost JSC. The Group provides telecommunication services to the Parent and entities controlled by the Parent. The category of government-related entities includes different government agencies and ministries.

Related party transactions were made on terms, agreed to between the parties, which do not necessarily represent market terms and maybe not accessible to third parties. Outstanding balances at the end of the year are not secured, are short-term, and settlements are made in cash, except as described below.

At 30 June 2026, the Group recognized a provision for expected credit loss in the amount of KZT 438,981 thousand in respect of receivables from related parties.

Sales and purchases with related parties during the periods of three and six months period ended 30 June 2026 and 30 June 2025 and the balances with related parties at 30 June 2026 and 31 December 2025 were as follows:

	For three months ended 30 June		**For six months ended 30 June**	
In thousands of tenge	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unauditsed)
Sales of goods and services				
Parent	**4,648**	3,365,660	**9,076**	4,619,461
Parent-controlled entities	**1,066,040**	3,655,376	**1,831,793**	4,983,857
Government-related entities	**13,281,407**	13,823,217	**27,557,093**	29,742,670
Purchases of goods and services				
Parent	**5,048**	–	**5,048**	–
Parent-controlled entities	**954,730**	1,293,352	**2,116,825**	2,821,005
Government-related entities	**198,920**	(3,044)	**262,696**	63,383
Interest accrued on borrowings				
Entities under state control				
(Development Bank of Kazakhstan JSC)	**1,513,553**	312,128	**3,046,258**	636,705
Average interest rate on borrowings	**8.08%**	8.08%	**8.08%**	8.08%
Parent*	**7,920,042**	5,794,772	**15,629,067**	11,316,930
Average interest rate on borrowings	**16.25%**	15.95%	**16.25%**	15.95%

* *Local bonds of Kazakhtelecom JSC (KZTK.0630, KZTK.1228 and KTCB2.1227) were purchased by the parent company, Samruk-Kazyna.*

36. RELATED PARTY TRANSACTIONS (continued)

In thousands of tenge	**30 June 2026 (unaudited)**	31 December 2025
Cash and cash equivalents		
Entities under state control		
(Development Bank of Kazakhstan JSC)	**79**	79
Borrowings and bonds *(Note 18)*		
Entities under state control		
(Development Bank of Kazakhstan JSC)	**46,078,534**	15,818,162
Parent*	**231,267,410**	183,633,237
Trade receivables		
Parent	**3,375**	565,478
Parent-controlled entities	**1,068,767**	556,401
Government-related entities	**20,505,481**	23,062,902
Trade payables		
Parent	**59**	59
Parent-controlled entities	**329,328**	485,629
Government-related entities	**1,082,520**	4,185,734

* *Local bonds of Kazakhtelecom JSC (KZTK.0630, KZTK.1228 and KTCB2.1227) were purchased by the parent company, Samruk-Kazyna.*

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES

Impairment losses on financial assets/ gain from reversal of impairment

Impairment losses on financial assets for the six-month period ended 30 June 2026 consisted of accrued allowance for trade receivables in the amount of KZT 3,072,453 thousand *(Note 12),* other current financial assets in the amount of KZT 12,312 thousand *(Note 14),* and cash and cash equivalents in the amount of KZT 437 thousand *(Note 16)* (for the six-month period ended 30 June 2025: trade receivables in the amount of KZT 3,115,762 thousand, other current financial assets in the amount of KZT (55,609) thousand, and cash and cash equivalents in the amount of KZT 2,539 thousand).

Gain from reversal of impairment on non-financial assets

Impairment losses on non-financial assets for the six-month period ended 30 June 2026 consisted of accrued allowance for impairment of advance payments in the amount of KZT 139,068 thousand, recovery of impairment losses on property and equipment in the amount of KZT 34,503 thousand *(Note 5)*, and recovery of impairment losses on intangible assets in the amount of KZT 32,781 thousand *(Note 6)* (six-month period ended 30 June 2025: no impairment reversal gains on property, plant and equipment).

The Group's principal financial instruments include loans, lease obligations, cash and cash equivalents, bank deposits and accounts receivable and accounts payable, assets under reverse repurchase agreements and financial assets at amortized cost. The main risks associated with the Group's financial instruments include interest rate risk, currency and credit risk. In addition, the Group monitors market risk and liquidity risk associated with all financial instruments.

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

Fair value

For the purpose of disclosing the fair value, the Group determined classes of assets and liabilities based on characteristics and risks of assets or liabilities and fair value hierarchy level as described above.

The table below presents 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 was as follows:

		Fair value measurement using			
In thousands of tenge	**Date of valuation**	**Price quotations on active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets for which fair values are disclosed					
Financial assets at fair value through profit and loss	At 30 June 2026	**–**	**–**	**170,611,736**	**170,611,736**
Financial assets at fair value	At 30 June 2026	**27,200,745**	**–**	**–**	**27,200,745**
Other non-current financial assets	At 30 June 2026	**–**	**–**	**18,896,903**	**18,896,903**
Other current financial assets	At 30 June 2026	**–**	**–**	**9,746,314**	**9,746,314**
Trade receivables	At 30 June 2026	**–**	**–**	**76,376,241**	**76,376,241**
Liabilities for which fair values are disclosed					
Borrowings	At 30 June 2026	**–**	**–**	**442,228,137**	**442,228,137**
Other non-current financial liabilities	At 30 June 2026	**–**	**–**	**5,227,788**	**5,227,788**
Other current financial liabilities	At 30 June 2026	**–**	**–**	**15,598,766**	**15,598,766**
Trade payables	At 30 June 2026	**–**	**–**	**49,172,920**	**49,172,920**

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

Fair value (continued)

The table below presents fair value hierarchy of assets and liabilities of the Group. Disclosure of quantitative information of fair value hierarchy of financial instruments as at 31 December 2025 was as follows:

		Fair value measurement using			
In thousands of tenge	**Date of valuation**	**Price quotations on active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets for which fair values are disclosed					
Financial assets at fair value through profit and loss	31 December 2025	–	–	186,878,205	**186,878,205**
Financial assets at fair value	31 December 2025	39,390,226	–	–	**39,390,226**
Other non-current financial assets	31 December 2025	–	–	16,415,250	**16,415,250**
Other current financial assets	31 December 2025	–	–	7,326,022	**7,326,022**
Trade receivables	31 December 2025	–	–	65,630,022	**65,630,022**
Liabilities for which fair values are disclosed					
Borrowings	31 December 2025	–	–	324,010,488	**324,010,488**
Other non-current financial liabilities	31 December 2025	–	–	7,354,167	**7,354,167**
Other current financial liabilities	31 December 2025	–	–	24,194,659	**24,194,659**
Trade payables	31 December 2025	–	–	104,256,803	**104,256,803**

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

Fair value (continued)

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial assets and liabilities that are not carried at fair value in the interim condensed consolidated statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

In thousands of tenge	**Carrying amount as at 30 June 2026 (unaudited)**	**Fair value as at 30 June 2026 (unaudited)**	**Unrecog-nised gain as at 30 June 2026 (unaudited)**	Carrying amount as at 31 December 2025	Fair value as at 31 December 2025	Unrecognised (loss)/gain as at 31 December 2025
Financial assets						
Cash and cash equivalents	**85,542,750**	**85,542,750**	**–**	72,943,700	72,943,700	–
Other non-current financial assets	**18,896,903**	**18,896,903**	**–**	17,677,017	16,415,250	(1,261,767)
Financial assets carried at amortised cost	**27,200,745**	**27,257,745**	**57,000**	39,390,226	39,390,226	–
Financial assets at fair value through profit or loss	**170,611,736**	**170,611,736**	**–**	186,878,205	186,878,205	–
Other current financial assets	**9,746,314**	**9,746,314**	**–**	7,326,022	7,326,022	–
Trade receivables	**76,567,241**	**76,376,241**	**(191,000)**	65,592,690	65,630,022	(37,332)
Financial liabilities						
Borrowings	**460,110,192**	**442,228,137**	**17,882,055**	334,181,912	324,010,488	10,171,424
Other non-current financial liabilities	**5,227,788**	**5,227,788**	**–**	7,354,167	7,354,167	–
Other current financial liabilities	**15,598,766**	**15,598,766**	**–**	24,194,659	24,194,659	–
Trade payables	**48,868,920**	**49,172,920**	**(304,000)**	104,382,742	104,256,803	(125,939)
Total unrecognised change in unrealised fair value			**17,444,055**			8,746,386

Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not already recorded at fair value in these financial statements.

Assets for which their fair value approximates their carrying amount

For financial assets and financial liabilities that are liquid or have a short term maturity (less than three months) it is assumed that their fair value approximates their carrying amount. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Financial liabilities carried at amortised cost

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

38. COMMITMENTS AND CONTINGENCIES

Operating environment

The Group conducts its operations primarily in the Republic of Kazakhstan. The economic and regulatory environment has not changed significantly compared to that disclosed in the annual consolidated financial statements for the year ended 31 December 2025.

Capital commitments

The Group generally enters into contracts for the completion of construction projects and purchase of telecommunication equipment. As at 30 June 2026, the Group had contractual obligations in the total amount of KZT 73,809,756 thousand, including VAT (31 December 2025: KZT 50,541,569 thousand, including VAT) mainly related to purchase of telecommunication equipment and construction of telecommunication network.

Taxation

The tax legislation of the Republic of Kazakhstan allows for different interpretations. The Group's position regarding tax risks has not changed significantly compared to that disclosed in the annual consolidated financial statements for 2025; as at 30 June 2026, there were no significant unresolved tax claims.

Notifications from Mobile Telecom-Service LLP

In 2022, JSC Kcell entered into a network sharing agreement with Mobile Telecom-Service LLP ("MTS"). Under this agreement, the parties agreed on the joint construction of new base stations and modernisation of the existing network (the "MOCN Agreement"), which provides for penalties for mutual breaches of the agreement.

During 2023–2024, a number of disputes arose between the parties relating to delays in the performance of contractual obligations, mutual notices of withdrawal from network sharing in certain regions, claims for compensation, as well as mutual claims for recovery of penalties.

On 23 June 2025, JSC Kcell and MTS entered into Addendum No. 4 to the Agreement, under which the parties mutually withdrew the 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 regarding the penalties claimed.

On 12 February 2026, MTS filed a claim with the Specialised Inter-District Economic Court of Almaty (the "Almaty SIEC") seeking to recover from JSC Kcell a penalty under the MOCN Agreement in the amount of KZT 27,175.5 million, as well as a state duty of KZT 86.5 million. On 18 February 2026, the claim was accepted by the court and civil proceedings were initiated.

On 20 March 2026, JSC Kcell filed a counterclaim seeking to recover from MTS a penalty in the amount of KZT 3,142.4 million, as well as a state duty of KZT 86.5 million. On 27 March 2026, the court accepted the counterclaim for joint consideration and the civil cases were consolidated into a single proceeding.

By a ruling of the Almaty SIEC dated 23 April 2026, MTS's claim was left without consideration due to failure to comply with the pre-trial dispute resolution procedure. Following MTS's private appeal, by a ruling of the Appellate Panel of the Almaty City Court dated 18 June 2026, the aforementioned ruling was overturned, and the case was remitted to the court of first instance for consideration on the merits. On 2 July 2026, the case was transferred to the Almaty SIEC; as at the date of approval of these interim condensed financial statements, the date for consideration of the case on the merits had not been scheduled.

The Group's management believes that the provisions recognized in respect of the MOCN Agreement in prior periods are sufficient to cover any future cash outflows arising from the settlement of obligations under the agreement. In management's opinion, the outcome of the litigation cannot currently be reliably assessed at this 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.

39. SUBSEQUENT EVENTS

On 1 July 2026, the Group obtained a loan from Citibank Kazakhstan JSC in the amount of KZT 16 billion for a term of 29 days, maturing on 31 July 2026, at a fixed interest rate of 18.5% per annum, pursuant to the General Short-Term Credit Agreement No. 232-01-GS dated 1 July 2026. The loan was repaid on 31 July 2026 in accordance with the repayment schedule.

On 17 July 2026, the Group obtained a loan from China Construction Bank Corporation, Astana Branch, in the amount of CNY 675 million (equivalent to KZT 46,791,000 thousand) for a term of 36 months until 17 July 2029, at a fixed interest rate of 2.9% per annum, in accordance with Credit Facility Agreement No. C&A-CB-00016-2026 dated 16 July 2026.

On 3 July 2026, the Group fully repaid the KZTKb4 bonds, issued in 2019 on the KASE, by paying holders KZT 80 billion of principal and KZT 4.6 billion of the final coupon interest.

On 14 July 2026, the Group issued and placed unsecured coupon-bearing bonds with an aggregate principal amount of CNY 420 million (equivalent to KZT 29,568,000 thousand) at an interest rate of 4.2% per annum, with a maturity of five years, on the Astana International Exchange (AIX). The proceeds are intended to refinance the Group's existing obligations.

On 14 July 2026, the Group early redeemed the third tranche of bonds in the amount of KZT 30,000,000 thousand, issued under the bond programme on the Astana International Exchange (AIX).