KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

Consolidated financial statements

For the year ended 31 December 2025

CONTENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Management of Kazakhstan Temir Zholy National Company JSC ("the Company") is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of the Company and its subsidiaries (collectively – "the Group") as at 31 December 2025, and the consolidated results of its operations, consolidated cash flows and consolidated changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying appropriate accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's consolidated financial position and consolidated financial performance; and
- Making an assessment of the group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS Accounting Standards;
- Maintaining statutory accounting records in compliance with local legislation and IFRS Accounting Standards;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved for issue by management on 13 March 2026, pre-approved by the Audit Committee of the Board of Directors of the Company and subject to further approval by the Board of Directors and the Shareholder.

On behalf of management of the Group:

_______________ *Dair Kusherov* Finance Director

_______________ *Yelena Stankova* Chief Accountant

13 March 2026

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Independent auditor's report

To the Shareholder, Board of Directors and management of "National Company "Kazakhstan Temir Zholy" JSC

Opinion

We have audited the consolidated financial statements of "National Company "Kazakhstan Temir Zholy" JSC and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

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

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

Key audit matter	*How our audit addressed the key audit matter*
Revenue from freight and passenger transportation services	
The Group's revenue from freight and passenger transportation services is generated from a significant number of low-value transactions. The processing and recording of revenue transactions is highly automated. We identified this matter as one of the matters of most significance in the audit due to the materiality of revenue and complexity of information systems involved in the accounting for revenue from freight and passenger transportation services and the risks associated with incorrect recognition and measurement of such revenue, given the differentiated tariffs. The Group's disclosure regarding its revenue recognition accounting policy is included in *Note 3* to the consolidated financial statements, and revenue by type is disclosed in *Note 21* to the consolidated financial statements.	We assessed the design and tested the operating effectiveness of IT general controls supporting the revenue accounting and tariff calculation systems. On a sample basis, we examined the documentation supporting the authorization of tariff changes reflected in the tariff calculation system used for the recording and recognition of revenue from freight transportation services. On a sample basis, we compared the tariffs applied in revenue transactions for passenger transportation services recorded in the main accounting system to the tariffs approved by the Group. We tested controls related to transfer of information from the IT system used for the recording and recognition of revenue from freight transportation services to the main accounting system. We reconciled information in the IT systems used for the recording and recognition of revenue with revenue recorded in the main accounting systems. We selected a sample of revenue transactions recorded in the IT system used for the recording and recognition of revenue and main accounting systems and compared them to supporting documents. We analysed correlation among journal entries related to revenue from freight and passenger transportation services, trade receivables, contract liabilities and cash receipts.

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	We recalculated amounts of manual adjustments posted by the Group related to the deferral of unearned portion of revenue to liabilities under contracts with customers. We analysed monthly trends in freight volume, volume of wagon shipments and the number of passenger railway tickets sold and compared them to monthly trends in revenue from freight and passenger transportation services. We evaluated the Group's accounting policy for revenue recognition. We analysed disclosures on revenue in the consolidated financial statements.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of non-current assets	
We considered this matter to be one of the matters of most significance in our audit due to materiality of non-current assets to the consolidated financial statements, the high level of subjectivity in respect of assumptions underlying the impairment analysis and significant judgements made by management. Significant judgements included identification of cash generating units by management. Assumptions and estimates included discount rates, inflation and exchange rate forecasts, projected freight turnovers and future capital expenditures. Information on the impairment analysis performed with respect to non-current assets is disclosed in *Notes 4* to the consolidated financial statements.	We evaluated the appropriateness of management's identification of cash generating units. We analysed management's assessment of the existence of indications of impairment and where such indications were identified, we involved our business valuation specialists in the testing of management's impairment analysis and calculations of recoverable amounts. With the assistance of our valuation specialists, we analysed the factors used by management in their analysis of indications of impairment. We compared input data used by management in the impairment testing models with the Group's most recent business plans. We also assessed the underlying assumptions and compared them with historical data. We compared discount rates and long-term growth rates used in the impairment testing models with available external information. We tested the mathematical accuracy of the impairment testing models and assessed the sensitivity of key assumptions used in the impairment testing models. We evaluated disclosures on impairment analysis in the consolidated financial statements.

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Key audit matter	How our audit addressed the key audit matter
Compliance with covenants under financing arrangements	
Under the terms of certain financing arrangements, including lease agreements, the Group is required to comply with certain financial and non-financial covenants. Breach of these covenants could result in significant penalties and fines and may give the lender the right to demand early fulfilment of financing arrangements obligations. Compliance with these covenants was a key audit matter as it could have a significant impact on the going concern assumption applied in the preparation of the consolidated financial statements, as well as on the classification of loans, bonds and lease liabilities in the consolidated financial statements. Information on loans and bonds is disclosed in *Note 14* to the consolidated financial statements. Information on lease obligations is disclosed in *Note 15* to the consolidated financial statements.	We analysed the terms of the financing arrangements including financial and non-financial covenants as well as the clauses that allow the lender to demand early repayment. We checked mathematical accuracy of financial covenants calculations prepared by management in accordance with the financing arrangements. We compared the data used in the covenant calculations with the amounts in the consolidated financial statements. We analysed disclosures in respect of covenants compliance under financing arrangements in the consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 13 March 2025.

Other information included in the Group's 2025 Integrated Annual Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young LLP

Adil Syzdykov
Auditor

Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2, № 0000003, issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

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13 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

In millions of tenge	Notes	2025	2024
Revenue and other income			
Revenue from freight transportation	21	**2.463.197**	1.875.558
Revenue from passenger transportation	21	**129.250**	110.523
Government grants	5	**43.275**	41.124
Other income	22	**121.361**	136.737
Total revenue and other income		**2.757.083**	2.163.942
Cost of sales	23	**(1.924.051)**	(1.620.017)
Gross revenue		**833.032**	543.925
General and administrative expenses	24	**(145.837)**	(128.390)
Finance income	25	**88.618**	52.955
Finance costs	25	**(245.844)**	(184.984)
Foreign exchange loss	30	**(19.990)**	(69.620)
Share of profit of associates and joint ventures	7	**1.634**	10.772
Impairment/ reversal of impairment of financial assets and contract asset		**(3.893)**	1.601
Impairment of non-financial assets		**(11.480)**	(7.336)
Other profit and losses		**2.781**	4.606
Profit before tax		**499.021**	223.529
Income tax expenses	17	**(155.375)**	(62.724)
Profit for the year		**343.646**	160.805
Other comprehensive income/(loss), net of income tax:			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plans	16	**276**	3.688
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		**276**	3.688
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Loss on cash flow hedging instruments	13	**(97.584)**	(48.625)
Reclassification of the loss on cash flow hedging instruments to profit for the period	13,21	**80.781**	412
Income tax relating to items that may be reclassified subsequently to profit or loss	13,17	**3.361**	9.643
Foreign exchange difference on translation of foreign operations		**4.595**	1.774
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		**(8.847)**	(36.796)
Other comprehensive loss for the year		**(8.571)**	(33.108)
Total comprehensive income for the year		**335.075**	127.697

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

In millions of tenge	Notes	2025	2024
Profit for the year attributable to:			
The Shareholder		**339.919**	157.818
Non-controlling interests		**3.727**	2.987
		343.646	160.805
Total comprehensive income attributable to:			
the Shareholder		**331.350**	124.699
Non-controlling interests		**3.725**	2.998
		335.075	127.697
Basic and diluted earnings per share, in Tenge	26	**684,36**	**317,74**

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

In millions of tenge	**Notes**	**31 December 2025**	31 December 2024
Assets			
Non-current assets			
Property, plant, and equipment	6	**5.875.447**	4.782.227
Goodwill		**15.520**	15.520
Intangible assets		**11.022**	11.250
Investments in joint ventures	7	**11.637**	1.396
Investments in associates	7	**56.464**	48.678
Deferred tax assets	17	**312**	21
Other non-current assets	8	**1.118.527**	628.464
Other non-current financial assets	8	**18.261**	19.019
Total non-current assets		**7.107.190**	5.506.575
Current assets			
Cash and cash equivalents	9	**232.973**	198.578
Inventories	10	**86.422**	57.820
VAT recoverable	4	**48.789**	120.475
Trade receivables	11	**18.009**	21.666
Corporate income tax prepaid		**8.219**	7.899
Asset under contracts with customers		**1.071**	336
Other current assets	12	**66.302**	22.753
Other current financial assets	12	**29.537**	22.654
Total current assets		**491.322**	452.181
Total assets		**7.598.512**	5.958.756
Equity and liabilities			
Equity			
Share capital	13	**1.152.698**	1.123.907
Hedging reserve	13	**(52.012)**	(38.570)
Foreign currency translation reserve		**13.589**	8.994
Retained earnings		**1.255.462**	856.709
Shareholder's equity		**2.369.737**	1.951.040
Non-controlling interests		**18.493**	18.277
Total equity		**2.388.230**	1.969.317

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	**Notes**	**31 December 2025**	31 December 2024
Non-current liabilities			
Borrowings	14	**2.697.359**	1.840.423
Deferred tax liabilities	17	**615.181**	468.057
Lease liabilities	15	**224.936**	139.465
Employee benefit obligations	16	**41.027**	41.105
Other non-current liabilities	20	**177.442**	92.444
Other non-current financial liabilities	20	**–**	26.326
Total non-current liabilities		**3.755.945**	2.607.820
Current liabilities			
Borrowings	14	**488.658**	812.965
Trade accounts payable	18	**525.770**	231.351
Liabilities under contracts with customers	19	**149.196**	133.170
Lease liabilities	15	**45.146**	35.517
Derivative financial instruments	30	**91.496**	32.697
Other taxes payable		**16.083**	15.694
Employee benefit obligations	16	**8.167**	7.598
Other current liabilities	20	**24.391**	34.636
Other current financial liabilities	20	**105.430**	77.991
Total current liabilities		**1.454.337**	1.381.619
Total liabilities		**5.210.282**	3.989.439
Total equity and liabilities		**7.598.512**	5.958.756

On behalf of management of the Group:

“ҚТЖ” ҰК” АҚ
АО “НК “ҚТЖ”

_______________ *Dair Kusherov* Finance Director

_______________ *Yelena Stankova* Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

In millions of tenge	**Notes**	**2025**	2024
Operating activities:			
Profit for the year		**343.646**	160.805
Adjustments for:			
Income tax expenses recognised in profit or loss	17	**155.375**	62.724
Finance costs	25	**245.844**	184.984
Depreciation and amortization	8,23,24	**196.219**	170.516
Finance income	25	**(88.618)**	(52.955)
Reclassification of the loss on cash flow hedging instruments to profit for the period	13,21	**80.781**	412
Foreign exchange loss	30	**19.990**	69.620
Impairment of non-financial assets		**11.480**	7.336
Post-employment benefits and other long-term employee benefit expenses	23,24	**3.281**	14.662
Share of profit of associates and joint ventures	7	**(1.634)**	(10.772)
Impairment/ reversal of impairment of financial assets and contract asset		**3.893**	(1.601)
Other		**13.465**	10.051
Operating income before changes in working capital and other balances		**983.722**	615.782
Change in trade accounts receivable		**(27.099)**	(31.033)
Change in inventories		**(25.134)**	9.617
Change in other current and non-current assets (including long-term VAT recoverable)		**(133.114)**	(89.717)
Change in trade accounts payable		**166.443**	7.213
Change in other taxes payable		**1.167**	1.890
Change in other liabilities and contract liabilities		**1.478**	15.543
Change in employee benefit obligations		**(8.553)**	(7.275)
Cash generated from operations before interest and corporate income tax payments		**958.910**	522.020
Interest paid		**(222.376)**	(188.409)
Interest received		**30.866**	21.001
Corporate income tax paid		**(20.603)**	(18.015)
Net cash from operating activities		**746.797**	336.597
Investing activities:			
Purchase of property, plant and equipment, including advances paid for property, plant and equipment		**(925.368)**	(741.695)
Share capital contributions in joint ventures without a change in ownership interest	7	**(7.143)**	(243)
Investments acquired in associates and joint ventures	7	**(6.211)**	(1.578)
Dividends received from associates		**4.693**	4.419
Repayment of loans issued		**2.272**	3.731
Proceeds from sale of other non-current assets		**1.499**	1.293
Other		**(2.009)**	12
Net cash used in investing activities		**(932.267)**	(734.061)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Notes	2025	2024
Financing activities:			
Contribution to the share capital	13	**–**	13.273
Proceeds from borrowings	14	**908.235**	879.762
Repayment of borrowings	14	**(648.674)**	(480.532)
Repayment of lease liabilities	14	**(18.072)**	(11.358)
Dividends paid to non-controlling interests in subsidiaries		**(3.509)**	(2.225)
Transfers to restricted cash		**(14.368)**	(3.092)
Transfers from restricted cash		**4.427**	–
Other		**–**	(2.461)
Net cash flows from financing activities		**228.039**	393.367
Net increase/(decrease) in cash and cash equivalents		**42.569**	(4.097)
Cash and cash equivalents, beginning	9	**198.578**	204.614
Effect of exchange rate change on balance of cash and cash equivalents denominated in foreign currency		**(8.166)**	(1.945)
Effect of change in the allowance for expected credit losses		**(8)**	6
Cash and cash equivalents, ending	9	**232.973**	198.578
Non-cash transactions:			
Purchase of property, plant and equipment using borrowed funds directly transferred by bank to supplier	14	**272.755**	67.738

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

In millions of tenge	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Shareholder's equity	Non-controlling interests	Total equity
As at 1 January 2024	1.110.634	–	7.220	623.698	1.741.552	17.504	1.759.056
Profit for the year	–	–	–	157.818	157.818	2.987	160.805
Other comprehensive (loss)/income for the year	–	(38.570)	1.774	3.677	(33.119)	11	(33.108)
Total comprehensive (loss)/income for the year	–	(38.570)	1.774	161.495	124.699	2.998	127.697
Issue of shares *(Note 13)*	13.273	–	–	–	13.273	–	13.273
Other contributions *(Note 13)*	–	–	–	71.516	71.516	–	71.516
Dividends	–	–	–	–	–	(2.225)	(2.225)
As at 31 December 2024	1.123.907	(38.570)	8.994	856.709	1.951.040	18.277	1.969.317
Profit for the year	–	–	–	**339.919**	**339.919**	**3.727**	**343.646**
Other comprehensive (loss)/income for the year	–	**(13.442)**	**4.595**	**278**	**(8.569)**	**(2)**	**(8.571)**
Total comprehensive (loss)/income for the year	–	**(13.442)**	**4.595**	**340.197**	**331.350**	**3.725**	**335.075**
Issue of shares *(Note 13)*	**28.791**	–	–	–	**28.791**	–	**28.791**
Other contributions *(Note 13)*	–	–	–	**58.556**	**58.556**	–	**58.556**
Dividends	–	–	–	–	–	**(3.509)**	**(3.509)**
As at 31 December 2025	**1.152.698**	**(52.012)**	**13.589**	**1.255.462**	**2.369.737**	**18.493**	**2.388.230**

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Kazakhstan Temir Zholy National Company JSC ("the Company") was created in the Republic of Kazakhstan (hereinafter – "Kazakhstan") in accordance with Resolutions of the Kazakhstan Government ("the Ultimate Shareholder") to establish a holding company for management of railway industry assets. The Company was registered on 15 May 2002. The consolidated financial statements include the results of the operations of the Company and its controlled subsidiaries (collectively – "the Group"). The address of the Company's registered office is 6 D. Kunayev Street, Astana, 010000, Republic of Kazakhstan.

Samruk-Kazyna Sovereign Wealth Fund JSC ("the Shareholder") is the Company's sole shareholder.

The Group operates the state railway system, providing freight and passenger transportation services, the main railway network services, and ensuring the operation, maintenance and modernization of the main railway network in Kazakhstan. The railways industry is subject to regulations by the state, according to statutory acts ("Kazakhstan Entrepreneurial Code" etc.) the government approves railway network services tariffs and provides grants for partially subsidising passenger transportation on socially important routes. The level of regulated tariffs differs based on the type of freight transported. The government does not regulate international transit and container freight transportation tariffs.

The Kazakhstan Ministry of the National Economy's Committee for the Regulation of Natural Monopolies ("CRNM") approved main railway network service tariffs for 2021-2025. From 1 January and 1 May 2025, increase in tariffs for main railway network services was 2,6% and 35%, respectively. From 1 June 2025, the increase in tariffs for locomotive traction services was 14,2%. As a result, the average increase in the regulated freight transportation tariffs for the year ended 31 December 2025 was 28% (for the year ended 31 December 2024: 24%).

The authorised body, represented by the Ministry of Transport of Kazakhstan, agreed to increase tariffs for the transportation of passengers on socially important interdistrict routes from 1 March 2025 by 7% (from 1 January 2024 and from 1 October 2024 by 7% and 19,99%, respectively).

Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan may change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment in the country and worldwide.

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. The global geopolitical situation affects oil and gas prices across the world.

Also, the government spending on major infrastructure projects and various socio-economic development programs have a significant impact on the country's economy.

The conflict between Russian Federation (hereinafter – "Russia") and Ukraine escalated in early 2022. As a result, several countries introduced economic sanctions against Russia and Belarus, including measures to ban new investment and restrict interaction with major financial institutions and many state enterprises.

In 2025, the average price for Brent crude oil was 68.91 USD per barrel (2024: 81 USD per barrel). According to preliminary estimates, Kazakhstan's gross domestic product ("GDP") grew 6,5% per annum in 2025 (2024: grew 4,4%). In 2025, inflation in Kazakhstan was 12,3% per annum (2024: 8,6%).

In 2025, the National Bank of the Republic of Kazakhstan (NBRK) increased the base rate from 15,25% to 18% per annum with a corridor of +/- 1,0 percentage points. In February 2026, the base rate remained at 18% per annum with a corridor of +/- 1,0 percentage points. Thus, uncertainty still exists with respect to the future development of geopolitical risks and their impact on the Kazakhstan economy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

Operating environment (continued)

Management of the Group is monitoring developments in the economic and political situation in Kazakhstan and the world and taking measures it considers necessary to support the sustainability and development of the Group's business for the foreseeable future. The Group has liabilities denominated in foreign currencies, therefore, if the exchange rate increases, there is an increase in the foreign exchange loss. In general, the Group does not expect a significant negative impact from the current changes on the Group's business and operations, as freight rail traffic, including international (transit) freight transportation has not been suspended in either Kazakhstan or other countries. During 2025, the volume of freight transportation in transit route increased compared to the previous year.

However, the consequences of these events and related future changes may have a significant impact on the Group's operations.

The State controls Group structure and determines the long-term railway operating strategy in Kazakhstan.

2. BASIS OF PREPARATION

Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Going concern

The Group's consolidated financial statements have been prepared on a going concern basis. Going concern assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future covering at least 12 months after the reporting date. As at 31 December 2025, current liabilities of the Group exceeded its current assets by 963.015 million tenge (31 December 2024: 929.438 million tenge).

As at 31 December 2025, current liabilities include borrowings of 488.658 million tenge that are payable within twelve months after the reporting date. At the same time, profit for the year ended 31 December 2025 amounted to 343.646 million tenge (for the year ended 2024: 160.805 million tenge), and cash inflows from operating activities amounted to 746.797 million tenge (for the year ended 31 December 2024: 336.597 million tenge).

Group management has assessed the Group's needs for cash, as well as its scheduled debt repayments and development plans. Historically, the Group has financed major investment projects using funds from the government of Kazakhstan and through borrowings, in addition to cash from operating activities. To realise Kazakhstan's transit potential, the Group continues to take measures to attract additional transit traffic and expand its influence on the multimodal transportation market. Management of the Group has been having discussions with investors to refinance borrowings due to be repaid within twelve months after the reporting date - the possibility of, and a positive decision from the discussions is considered to be high.

In assessing its going concern status, management also considered the Group's financial position, expected future performance and cash flows from operations, tariff growth, its borrowings, available credit facilities, its capital expenditure commitments, exchange rates and other risks that the Group is facing. Furthermore, the Shareholder intends and is able to provide the Group with continued uninterrupted financial and operational support for the foreseeable future. As at 31 December 2025, the Group has available credit lines with an undrawn balance in a total amount of 259.680 million tenge *(Note 30).* As at 31 December 2025, part of the Group's liabilities are represented by loans from the Shareholder in the amount of 975.160 million tenge *(Note 29),* including a current portion in the amount of 37.630 million tenge. Based on past experience, the Group's management believes that it will be able to negotiate changes in payment terms on its payables with the Shareholder, if necessary. After completing the relevant analysis and the available mitigating actions to management whereby management can carry out certain actions to improve the going concern and liquidity position of the Group, the management concluded that the Group has adequate resources to continue in operational existence and settle its liabilities and that the going concern basis is appropriate in preparing these consolidated financial statements.

2. BASIS OF PREPARATION (continued)

Basis for measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value as at the reporting date.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by it and by the subsidiaries listed in *Note 28*. The Group's investments in which it has significant influence are accounted for using the equity method. All intragroup transactions, balances, and unrealised gains and losses of the Group are eliminated on consolidation.

Functional and presentation currency

The Group's consolidated financial statements are presented in Kazakhstan Tenge ("tenge"). The assets and liabilities of foreign operations, where the functional currency is different to tenge, are translated into tenge at the exchange rate prevailing on the reporting date, while profit and loss items are translated into tenge at the weighted-average exchange rate for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange rate differences arising on translation are recorded to other comprehensive income. On disposal of a foreign operation, all accumulated foreign exchange differences related to this specific foreign operation are recognised in profit or loss.

Tenge is not a fully convertible currency outside of the Republic of Kazakhstan. Transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the market rate effective at the transaction date using market rates set by the Kazakhstan Stock Exchange ("KASE"). For foreign currencies not quoted by KASE, exchange rates are set by the National Bank of Kazakhstan using cross-rates to the US Dollar ("US$") in accordance with quotations received from Reuters.

Monetary assets and liabilities denominated in foreign currencies are translated to the entity's functional currency at the exchange rate effective at the reporting date. All differences arising from a change in exchange rates subsequent to the transaction date recognised in profit or loss, except for exchange differences from translation recognised in other comprehensive income and exchange differences on loans that are directly attributable to the acquisition, construction or production of an asset, meeting certain requirements included in the cost of this asset. Non-monetary assets and liabilities denominated in foreign currencies that are carried at fair value are remeasured at the rates prevailing at the date when fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are carried at historical cost are not remeasured. Foreign exchange gains or losses in profit or loss are presented separately in the consolidated statement of profit or loss and other comprehensive income.

The following table presents foreign currency exchange rates to tenge:

	31 December 2025	31 December 2024	**Average rate for 2025**	Average rate for 2024
US dollar	**505,53**	525,11	**521,59**	469,44
Euro	**593,44**	546,74	**590,15**	507,86
Swiss Francs	**637,33**	580,68	**630,43**	533,96
Russian ruble	**6,34**	4,88	**6,28**	5,08
Chinese Yuan	**73,22**	72,59	**71,94**	65,25

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Adoption of new and revised standards

In the current year, the Group applied the Amendments to IFRS (IAS) 21 *Lack of Exchangeability*, which are effective for annual periods beginning on or after 1 January 2025. Their adoption has not had any significant impact on the disclosures or on the amounts reported in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Adoption of new and revised standards (continued)

Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules

Based on the performed analysis, the Group's management concluded that introduction and application of Pillar II requirements has no material impact on the Group's consolidated financial statements for the reporting period. Additional income tax liabilities are either absent or immaterial.

The Group continues to monitor changes in the legislation and will record the implications in the consolidated financial statements as soon as they appear, when necessary.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Description of the standard and interpretation	Applicable to annual periods beginning on or after
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets* between an Investor and its Associate or Joint Venture	Date to be determined by the IASB
Amendments to IFRS 7 and IFRS 9 *Classification and Measurement of Financial Instruments*	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 7 and IFRS 9	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11: IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
Amendments to IAS 21 *Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency*	1 January 2027
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures and Amendments thereof*	1 January 2027

Management does not expect that the adoption of standards above will have a significant impact on the consolidated financial statements of the Group in the future periods.

The management is in the process of analysing the impact of IFRS 18 on the consolidated financial statements of the Group.

Material accounting policy information

Property, plant, and equipment

Property, plant and equipment is stated at historical cost less subsequent accumulated depreciation and impairment losses. Depreciation is charged once the asset becomes available for its intended use.

Subsequent costs

The costs of the day-to-day servicing incurred during an asset's useful life (regular maintenance to ensure the asset remains in a working condition, technical inspections, etc.) are recorded in profit or loss when incurred.

Costs incurred subsequent to the acquisition of an item of property, plant and equipment that meets the recognition criteria in accordance with IAS 16 *Property, Plant and Equipment* are capitalized, and the replaced items of property, plant and equipment are written off.

Construction in progress

Construction-in-progress comprises costs directly related to the acquisition and construction of property, plant and equipment, including the appropriate allocation of directly attributable variable overheads incurred during construction. The carrying value of construction-in-progress is regularly reviewed for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets as part of the cost of that asset.

The Group capitalises borrowing costs on general purpose borrowings to the extent they are used to obtain a qualifying asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the period and used to construct and produce a qualifying asset, other than borrowings received specifically for the purpose of obtaining a qualifying asset.

Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. As a result, capitalised borrowing costs denominated in foreign currencies, adjusted for exchange differences, cannot exceed the borrowing costs that would have been capitalised if the borrowing had been denominated in the functional currency. Any excess exchange difference is recognised in profit or loss.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Lease contracts

The Group as lessee

For the lease contracts (or separate components of the contracts), under which the Group is granted the right to control the use of an identified asset (as defined by IFRS 16 *Leases*) for a certain period of time in exchange for consideration, the Group recognises a right-of-use asset and a corresponding lease liability at the inception of the contract. Non-lease components of the contracts are accounted for in accordance with other relevant standards.

In accordance with IFRS 16 *Leases*, the Group applies practical exemption for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, and for the leases of low original value assets (less than 2 million tenge). However, an asset may have a low value only if it is not highly dependent on or highly interrelated with other assets. The Group recognises short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted by using the Group incremental borrowing rate, except when the rate is implicit in the lease and can be readily determined.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Lease payments change due to index or rate changes or a change in expected payments under a guaranteed residual value, in which cases lease liabilities are remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a floating interest rate change, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

At the commencement date, the Group measures the right-of-use asset at cost that includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured according to the accounting policy that is applied for own assets, including for depreciation and amortisation and impairment measurement.

The recognised right-of-use asset is depreciated over the shorter period of expected useful life of the underlying asset or lease term. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Group's intent to purchase, the related right-of-use asset is depreciated over the useful life of the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Lease contracts (continued)

The Group as lessee (continued)

The Group presents lease liabilities in the consolidated statement of financial position as a separate line *(Note 15)*, while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment *(Note 6)* and intangible assets.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items *(Notes 6 and 22).*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Inventories

Inventories are valued at the lower of cost or net realisable value. Costs comprise of charges incurred to bring the inventory to its present location and condition for its intended use. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Inventory, being used in production, for sale or other disposal, is valued on a weighted-average cost basis.

Financial instruments

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical exception , financial assets and financial liabilities are initially measured at fair value plus or minus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue*.

All recognised financial assets are measured subsequently either at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Wherein:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI); and
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

For the years ended 31 December 2025 and 2024, the Group did not designate any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are further evaluated for impairment.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Gains or losses on insubstantial modification of financial liabilities at amortised cost are recognised in profit or loss. A gain or loss is determined as the difference between the carrying value at the date of modification and the present value of the estimated future cash flows discounted using an initial effective interest rate of the financial instrument.

A substantial modification should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivative financial instruments

The Group uses the currency swap derivative financial instrument to manage its currency risk on borrowings. These derivative financial instruments were designated into hedging relationships from October 2024 to August 2025 in the consolidated financial statements.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

Gains or losses arising from changes in the fair value of derivative instruments designated as hedging instruments from October 2024 to August 2025 are recognized directly in other comprehensive income, accumulated in the cash flow hedge reserve, and subsequently reclassified to profit or loss in the period in which the hedged item affects profit or loss, except for the ineffective portion of the cash flow hedge, which is recognized in profit or loss.

If derivatives are not designated into hedging relationships, the resulting gain or loss is recognised in profit or loss immediately. The net gain or loss incorporates interest income on derivative financial instruments and is included in the finance income. The change in fair value of derivative financial instruments, which are not designated into hedging relationships, is reflected in finance income or finance costs *(Note 25).*

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Instruments for hedging foreign currency risk on liabilities under future transactions are recognised as cash flow hedging instruments.

The Group documents relationship between the hedging instrument and the hedged item from the date of their designation in accordance with the risk management and hedging strategies. In addition, at the date of designation of the hedging relationship and thereafter the Group documents the efficiency of the hedging instrument from the perspective of compensation of changes in the hedged item's fair value or cash flows in relation to the hedged risk.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument;
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flows hedging

The Group uses a combination of certain foreign-currency borrowings and, where applicable, related swap agreements to hedge its exposure to foreign exchange risk associated with forecast transactions, as described in *Note 30*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Hedge accounting (continued)

Cash flows hedging (continued)

The effective portion of changes in the fair value of financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. A gain or loss relating to the ineffective portion is recognised immediately in profit or loss for the reporting period, and is included in the finance costs line item. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when:

a) The Group revokes the hedging relationship;

b) The hedging instrument expires or is sold, terminated, or exercised; or

c) it no longer qualifies for hedge accounting.

If the cash flow hedge is discontinued, the amount accumulated in other comprehensive income remains in other comprehensive income if future cash flows that are the hedged item are still expected to occur. Otherwise, amount is immediately reclassified to profit or loss.

The Group uses currency swaps and non-derivative foreign currency financial liabilities (e.g. bonds and loans) as hedge of its exposure to foreign currency risk in forecast sales transactions (*Note 13).*

Equity

Share capital

Common shares are classified as equity. Costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from equity proceeds. All non-cash contributions to share capital are assessed by an independent appraiser at fair value as at the date of the contribution.

Consideration received for common shares yet to be legally registered is recognised as additional paid-in capital until they are registered, when any proceeds are transferred to share capital.

Other contributions

The Group enters into equity transactions with the Shareholder, such as asset transfers, adjustments for below market interest loans and others that would not relate to the acquisition of additional equity interest in the Group. The Group recognises such transactions through equity within retained earnings (*Note 13*).

Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants that compensate for expenses incurred

Government grants that reimburse costs that have already been incurred are recognised in profit or loss on a systematic basis at the same time when these costs are recognised in profit or loss.

In particular, the government of the Republic of Kazakhstan allows the Group to receive subsidies in the form of government grants to partially cover the cost of transporting passengers including locomotive traction on socially important routes in Kazakhstan. Government grants are recognised on a systematic basis over the periods as the subsidies are used to cover carrier costs to transport passengers on socially important routes. In 2025, the Group recognized government grants compensating for expenses incurred within profit or loss as government grants in the amount of 46.142 million tenge (2024: 41.124 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Government grants (continued)

Government grants for the acquisition of long-term assets (interest rate subsidies under finance lease agreements)

Government grants partly subsidising interest rates on loans are recognised in finance income during the periods when the Group recognises the corresponding finance costs. In 2024, the Group recognized income from interest rate subsidies on loans in the amount of 22.300 million tenge within finance income (*Note 14*).

When grants relate to long-term assets, their fair value is recognized as deferred income in profit or loss on a systematic basis over the expected useful lives of the respective long-term assets.

In particular, the Group participates in a government program that provides interest rates subsidies under finance lease agreements (hereinafter, "lease agreements") for the acquisition of railcars. Grants are recognized when there is reasonable assurance that all conditions of the program will be met. The amount of government grants is determined as the present value of future compensation, discounted at the rate stipulated in the lease agreements. As at 31 December 2025 and 2024, the Group has no unmet conditions or contingent liabilities related to these government grants.

During 2025 and 2024, the Group recognized deferred income (government grants) under lease agreements in the amount of 82.089 million tenge and 60.914 million tenge, respectively.

Revenue

The Group recognises revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised less Value Added Tax (hereinafter – “VAT”) and rebates.

Revenue from freight transportation services

Freight transportation service revenue is recognised over time. The extent of completion of the freight transportation process is calculated as the ratio of transportation provided as at the reporting date to total transportation.

The Group provides services on monthly 100% prepayment terms, as agreed in contracts with customers. Prepayments received from customers for transportation services not yet rendered are typically short-term and recognised as advances received within contract liabilities at the date of receipt.

Advances received from customers for domestic, international import, international export and international transit freight transportation services are recognised as deferred income within contract liabilities once transportation has started. Deferred income is credited to revenue of the reporting period as the services are provided.

There is no significant financing component in contracts with the Group's customers due to the short time elapsed between the transfer of the promised services to the customer and the moment the customer pays for these services.

The contracts that are in the scope of the Committee for Regulation of Natural Monopolies (CRNM) Order on “approval of the temporary reducing coefficient to the tariff for regulated mainline railway network services of freight transportation” provide for discounts depending on the volume of service consumed. Revenue from these services is recognised based on contractual prices less estimated discounts. The Group uses the expected value method to estimate the discount amount.

As at 31 December 2025 and 2024, the Group has no obligations to counterparties associated with provision of discounts.

The Group discloses handling service revenue in freight transportation service revenue and recognises it by the extent of completion of the services at the reporting date, as the performance obligation is satisfied over time and customers receive and use the benefits of the Group’s performance simultaneously. The extent of service completion is calculated as the ratio of transportation volume, provided as at the reporting date to total transportation volumes.

Rolling stock handling services are provided, as a rule, based on prepayments, which are recognised as advances received within contract liabilities.

Additional charges related to the transportation process and other revenue from freight transportation are recognised over time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue (continued)

Revenue from passenger transportation services

Revenue from passenger transportation services is recognised over time by the extent of completion of transportation at the reporting date. Proceeds from ticket sales are recognised as deferred income, accounted for as contract liabilities, which is transferred to revenue from the time of departure of a passenger. Prepayments received from customers for transportation services not yet rendered are recorded within advances at the time of their receipt. Upon receipt of applications for passenger transportation and issuing tickets, advances approximating the expected estimated revenue from the services are transferred to deferred income. Deferred income is similarly transferred to revenue as passengers depart.

Passenger transportation services are generally completed within several hours/days. An analysis of past experience has shown that passenger transportation in progress at the reporting date is insignificant.

Other revenue

Other revenue includes penalties received, revenues from the sale of goods, materials, scrap metal, loading and unloading services and vehicle servicing.

Other revenue from the provision of services is recognised over time as the services are provided. When a performance obligation is not satisfied over time (sale of goods, materials and scrap metals and others), the performance obligation is satisfied at a point in time.

The Group when accounting for significant contracts under which the period between the transfer of the promised goods or services to the customer and the respective payment exceeds one year, adjusts the transaction price for the time value of money.

Sale and lease back transactions

The Group accounts for a transfer of an asset in a sale and leaseback transaction as a sale only if the transfer meets the requirements of IFRS 15 *Revenue from Contracts with Customers.*

Under IFRS 15, if a sale is to be recognised by the seller-lessee, then the right-of-use asset leased back is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset by the seller-lessee does not meet the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to proceeds for the transfer by applying IFRS 9 *Financial Instruments*.

Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Climate-related matters (continued)

The Group considers any potential effects on the Group associated both with physical risks (shallowing of the Caspian Sea, change in the climate's physical parameters) and transition risks (related legislation and regulations, changes in customer behaviour, use of new technologies, etc.). While the Group believes that its business model and services will remain competitive after the transition to a low-carbon economy, climate-related factors increase uncertainty about the estimates and assumptions underlying some items in the financial statements. Although climate-related risks may not currently have a significant impact on the assessment, the Group closely monitors relevant changes and developments, such as the adoption of new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful lives of property and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures;
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk, in particular, such as climate-related legislation and regulations and changes in demand for the Group's services;
- Decommissioning liability. The Group has no potential asset retirement and land reclamation obligations that could have a material effect on the consolidated financial position, results of operations or cash flows of the Group *(Note 27);*
- Emission rights. The Group is not subject to state regulation and GHG emission quotas system in the RK, and it is not among the entities receiving free allowances for CO2 and other GHG emissions. Therefore, the Group is not exposed to the risks associated with the need to acquire additional allowances or pay fines for excess emissions within the state quotas system.

The Group's management analysed potential impact of climate-related factors on the consolidated financial statements and concluded that no material impact on the estimates and indicators was identified as at the reporting date.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in *Note 3*, management of the Group is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised in the consolidated financial statements and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management of the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Control assessment

Subsidiaries are those entities controlled by the Group. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Losses are attributed to non-controlling interests in full, even if this results in a debit balance ("deficit") *(Note 28).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies

Under the trust management agreement with the Shareholder, the Shareholder transferred 100% shares in National Company Aktau International Sea Commercial Port JSC in the Shareholder's ownership to the Company for trust management and granted wide powers to the Company for managing operations and this shareholding. The Company recognised National Company Aktau International Sea Commercial Port JSC as its subsidiary because the agreement allows it to manage relevant activities of this entity and receive dividends practically at its sole discretion.

Loans at a rate below the market interest rate

The Group receives loans from the Shareholder/Ultimate Shareholder at a rate below the market rate for similar loans. These loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The Group calculates the fair value (amortised cost) of these loans using market rates on governmental long-term treasury bonds with comparable maturities, given the Group's status as a monopolist in the Kazakhstan railway industry and 100% state ownership, and recognises an adjustment to the loan value (less the related deferred tax) within equity. When no comparable maturities exist, the Group extrapolates the most comparable market rates to the life of the loan received by the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

The benefit from government loans with an interest rate below the market, where the Group, upon receipt of loans, qualifying under certain criteria established by the State for all market participants, is recognised by the Group as a government grant. In other cases, the Group considers these loans as transactions with the ultimate Shareholder and accounts for the fair value adjustments of the loans received at a rate below market through equity.

Identifying the cash-generating units

In accordance with IAS 36 *Impairment of Assets*, a cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Taking into account the Group's current operating model and industry tariff regulation in the Republic of Kazakhstan (*Note 1*), the Group's management concluded that freight transportation, passenger transportation, mainline railway infrastructure and ancillary assets intended to support the operational functioning of the infrastructure form a single CGU, as the cash inflows from these operations are not largely independent.

The Group's operations are influenced by the following factors:

- State tariff regulation of trunk railway network services. Tariffs are approved by the CRNM and are not formed in an active market. The Group has no ability to change prices at its own discretion, as stipulated by the Law of the Republic of Kazakhstan "On Railway Transport";
- Mechanism of the temporary balancing fee, approved by the Law of the Republic of Kazakhstan On Railway Transport and paid to the Passenger Traction Operator and the National Infrastructure Operator from the revenues of the National Freight Carrier from transit traffic in accordance with the Rules for calculating and paying the temporary balancing fee;
- Temporary reduction factor applied to tariffs for regulated services of the mainline railway network on socially significant passenger routes, approved by the CRNM in accordance with the legislation on natural monopolies. The application of the temporary reduction factor serves as a regulatory mechanism for cross-subsidizing passenger transportation on socially significant routes;
- The legal and functional indivisibility of the mainline railway network, since the mainline railway network is not subject to privatization and is classified as property transferred to national institutions in accordance with the procedure established by authorized bodies pursuant to the Law of the Republic of Kazakhstan On Railway Transport. Consequently, there is no objective and reliable basis for allocating infrastructure assets among different modes of transportation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Identifying the cash-generating units (continued)

The factors above influence the redistribution of revenues from the freight segment in favor of passenger transportation and infrastructure and create a systemic economic interdependence of cash inflows, which precludes the generation of independent and distinct inflows for each of these segments.

Based on the foregoing, currently, the lowest level at which cash inflows can be identified as largely independent (as defined in IAS 36) is the combination of these business segments into a single CGU.

In 2025, the Group also identified separate CGUs for other business activities where cash flows are generated independently of the mainline railway infrastructure, freight transportation, passenger transportation, and ancillary services intended to support the operational functioning of the infrastructure.

The rules for identifying CGUs are applied consistently and reviewed when facts and circumstances change (completion of privatization/structural reforms approved by the Government of the Republic of Kazakhstan; changes in the tariff structure/subsidy mechanisms; the emergence of an active market generating independent cash inflows, etc.).

The Group notes that changes in the operating model or the completion of restructuring processes in future periods may result in a revision of the identified CGUs and, accordingly, may impact the carrying amount of the Group’s long-term assets in future periods.

Assessment of impairment indicators of property, plant and equipment

When assessing impairment indicators of property, plant and equipment the Group considers external and internal impairment indicators. The management of the Group considered external and internal impairment indicators to determine if any events or changes in circumstances demonstrate that the carrying amount of property, plant and equipment is not recoverable.

The assessment of whether there is an indication of assets impairment is based on a number of factors, such as a change in market rates, in growth expectations in the railway industry, future cash flow estimates, changes in the future availability of financing, technological obsolescence, discontinuance of service provision, current replacement costs and other changes in circumstances.

As at 31 December 2025, the Group performed the analysis of the above external and internal impairment indicators of property, plant and equipment, in particular changes in interest rates, an analysis of the achievement of actual indicators versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

The assessment of whether each external and internal factor is an indication of impairment requires significant management judgement. Management’s key judgement is based on the fact that amid the current geopolitical situation and disruption of traditional transportation and logistics chains, the country’s transit potential is a key factor in the promotion of transcontinental trade.

As at 31 December 2025, the Group’s management did not identify any events that occurred during 2025 that could be considered an indicator of impairment of the single CGU, "Transportation Operations," which comprises business activities related to freight and passenger transportation, mainline railway infrastructure, and ancillary assets intended to support the operational functioning of the infrastructure.

Accounting for finance agreements with Industrial Development Fund JSC

The Group, represented by Passenger Transportation JSC and Railway Passenger Coach Construction Plant LLP (disposed in 2023), entered into a number of trilateral purchase-sale and finance lease agreements with Industrial Development Fund JSC, which is under the common control of the ultimate Shareholder, to renew its passenger carriage fleet. Under the agreements, Industrial Development Fund JSC finances Railway Passenger Coach Construction Plant LLP’s construction of passenger carriages on a 100% prepayment basis for ownership with a further finance lease to Passenger Transportation JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Accounting for finance agreements with Industrial Development Fund JSC (continued)

Management of the Group concluded that the transaction between Railway Passenger Coach Construction Plant LLP and Industrial Development Fund JSC does not meet the requirements of IFRS 15 *Revenue from Contracts with Customers* to account for the asset sale at the Group level, as control over passenger carriages is not transferred to Industrial Development Fund JSC, but remains with the Group.

Industrial Development Fund JSC finances the construction of the carriages, but is limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognises the obligation that arose to Industrial Development Fund JSC before the loss of control over the Railway Passenger Coach Construction Plant LLP as a financial liability (borrowing) according to IFRS 9 *Financial Instruments* and recognises passenger carriages as property, plant and equipment items and construction in progress in accordance with IFRS 16.103 *Leases (Note 3).*

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of property, plant and equipment, intangible assets and goodwill

The Group assesses at each reporting date whether there is an indication that the carrying amount of property, plant and equipment and intangible assets may be impaired.

If any such an indication exists, the recoverable amount of the assets or CGU is estimated and compared to its carrying amount. Impairment is recognized should the carrying amount exceed the recoverable amount of assets. The recoverable amount is the greater of fair value less cost to sell and value in use. When the carrying amount of an asset or CGU exceeds its relevant recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate (WACC rate) that management believes reflects the current market assessment of the time value of money and the risks specific to the assets. The change in the estimated recoverable amount may result in an additional impairment or a reversal of the impairment being recognised in future periods.

As at 31 December 2025, for certain individual CGUs, comprising other business activities, due to the presence of impairment indicators, the Group’s management determined the recoverable amount and identified no impairment.

In addition, the Group’s management assesses the recoverability of goodwill annually as at 31 December or whenever there are indicators of impairment of the CGU which includes the assets of its subsidiary Kedentransservice JSC. As at 31 December 2025 and 2024, the carrying amount of goodwill amounted to 15.520 million tenge.

To assess the impairment of goodwill, the Group’s management performed an impairment test as at 31 December 2025 and determined the recoverable amount based on a value in use calculation.

The cash flow estimates incorporate a number of subjective factors, including operational and financial factors, using the best available evidence. These plans and forecasts are typically prepared for a 10-year period and are extrapolated to the subsequent medium-term period using projected inflation rates and projected growth rates for freight and passenger traffic, and tariffs. For longer periods, a long-term growth rate is determined, which is applied to projected future cash flows in the long-term period.

The Group applied a 10-year cash flow forecasting period, as the Group develops a general development strategy for a 10-year period and makes forecasts within the framework of this strategy, incorporating into the forecast the growth in the volume of services provided (operations, freight forwarding and logistics, transshipment and terminal activities) based on the GDP growth rates of the Republic of Kazakhstan and neighboring regions, as such correlation was observed in prior periods. Given the availability of 10-year GDP growth rate forecasts, the Group's management believes it can reliably forecast its cash flows over a 10-year period and extrapolate beyond that using the projected inflation rate and projected long-term growth rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment of property, plant and equipment, intangible assets and goodwill (continued)

Financial assumptions include significant estimates related to the projected level and growth of tariffs and discounts provided. The discount rate (WACC) used to calculate the value in use was 12,46%, and cash flows beyond the 10-year period were extrapolated using a growth rate of 3,31%, which corresponds to the long-term average growth rate of the industry.

The Group’s management concluded that the recoverable amount of goodwill is higher than its carrying amount as at 31 December 2025.

In calculating value in use, the most significant assumptions were those made with respect to the discount rate and the volume of operations and freight forwarding and logistics services.

The Group’s management believes that a reasonably possible change in the key assumptions underlying the calculation of the recoverable amount of goodwill would not cause the carrying amount of goodwill to exceed its recoverable amount.

Recoverability of VAT

At each reporting date, the Group estimates its provision for non-recoverable VAT incurred from the provision of international transportation services. The Group cannot charge VAT to customers and, accordingly, can only realise it from the tax authorities.

In accordance with the Tax legislation of Kazakhstan, up to 70% of the accrued VAT receivable is subject to refund from the budget on a quarterly basis, after the submission of the tax declaration. The remaining part of the accrued VAT is subject to refund based on the results of the tax audit, within 5 years. In 2024, the Group conducted an analysis of major suppliers and did not identify any signs of unreliability in accordance with the criteria of the Rules for the refund of excess VAT. Based on this analysis, the Group indicated a requirement to conduct a thematic tax audit for the period from first quarter of 2020 to fourth quarter 2023 in the amount of 142.427 million tenge in order to confirm the amounts of excess VAT and receive a refund. In January 2025, an order was received from the tax authorities to conduct a tax audit to confirm the amounts of excess VAT from 1 January 2020 to 30 September 2024 in accordance with the Kazakhstan tax legislation. In April 2025, as a result of the tax audit, the tax authority confirmed the amount of VAT excess eligible for reimbursement from the budget for the period from first quarter of 2020 to fourth quarter 2023, amounting to 137.949 million tenge. As at 31 December 2025, the Group recognized a provision of 4.478 million tenge for the unconfirmed excess VAT amount that is eligible for reimbursement from the budget for the period from first quarter of 2020 to fourth quarter 2023.

To assess VAT recoverability, the Group considers information from its internal tax department on projected VAT collection, correspondence with the tax authorities and historical recovery experience. Actual VAT amounts recovered could differ materially from Group estimates, which could affect future operating results significantly.

As at 31 December 2025, total VAT recoverable amounted to 421.676 million tenge (31 December 2024: 315.184 million tenge), of which 48.789 million tenge (31 December 2024: 120.475 million tenge) were classified as current assets. The Group expects that the current portion of VAT will be refunded by tax authorities or offset against future VAT payable during 2026 and believes that the total VAT receivable is fully recoverable.

Depreciation of property, plant and equipment and amortisation of intangible assets

Property, plant and equipment and intangible assets are depreciated and amortised using the straight-line method over estimated useful lives, The estimates of useful lives, residual values and depreciation methods are reviewed at each reporting date and adjusted if appropriate. Any changes are accounted for prospectively as a change in accounting estimates. Estimates of the useful lives and residual value of these assets are based on expected economic use, repair and maintenance programmes, and activity levels, technological advancements and other business conditions. A change in these assumptions could result in significantly different depreciation amounts than those previously recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Depreciation of property, plant and equipment and amortisation of intangible assets (continued)

The estimated useful lives applied by the Group are as follows (in years):

Buildings and structures	10-140
Railway track infrastructure	5-100
Machinery and equipment	3-35
Vehicles	4-40
Other	2–50
Intangible assets	1-10

Taxation

Various Kazakhstan legislative acts and regulations are not always clearly written. Instances of inconsistent opinions between local, regional and national tax authorities are possible. Where additional taxes are imposed by the tax authorities, fines and interest applied are significant; fines are generally assessed at 80% of additional taxes accrued, and interest is in average assessed at 20,75% of additional accruals or overdue taxes. As a result, penalties and interest can exceed the amount of additional accrued taxes.

Because of the uncertainties disclosed above, the ultimate amount of taxes, penalties and interest, if any, imposed may be in excess of the amount expensed to date and accrued as at 31 December 2025. Any difference between the estimated amount and the actual amount paid, if any, could have a significant impact on future operating results.

5. SEGMENT INFORMATION

The Group's operating segments are based on services provided. The Group has two reportable segments, namely freight transportation and passenger transportation. All other operating segments, including mainly utilities, loading and unloading services, and vessel servicing, which in aggregate do not exceed quantitative thresholds, are thus not separately disclosed and combined into "Others".

Key management personnel (the Management Board and the Board of Directors of the Company) constitute the chief operating decision maker and monitor the operating results of each business unit separately. The Group tracks a number of profitability elements of the Group's business units, such as profit before tax, profit for the year and gross profit calculated in accordance with IFRS. However, profit for the year is the primary measure used by management of the Group to allocate resources and performance of business units.

5. SEGMENT INFORMATION (continued)

Intra-segment and inter-segment transactions may not be conducted on the same terms, conditions, or amounts as transactions with third parties. Inter-segment revenues and income, as well as the related margins, are eliminated upon consolidation.

	For the year ended 31 December 2025					
In millions of tenge	**Freight transpor-tation**	**Passenger transpor-tation**	**Reporting segments**	**Others**	**Eliminations**	**Total**
Key operating indicators						
Revenue and other income						
Transportation revenue from third parties *(Note 21)*	**2.463.197**	**129.250**	**2.592.447**	**–**	**–**	**2.592.447**
Government grants	**(2.581)**	**45.856**	**43.275**	**–**	**–**	**43.275**
Other income from third parties	**94.501**	**6.437**	**100.938**	**20.423**	**–**	**121.361**
Inter-segment transactions	**43.871**	**105.961**	**149.832**	**14.792**	**(164.624)**	**–**
Total revenue and other income	**2.598.988**	**287.504**	**2.886.492**	**35.215**	**(164.624)**	**2.757.083**
Cost of sales	**(1.807.010)**	**(252.171)**	**(2.059.181)**	**(28.627)**	**163.757**	**(1.924.051)**
Including:						
Staff costs, including taxes, contributions and provisions for unused vacations	***(758.730)***	***(63.962)***	***(822.692)***	***(13.220)***	***5***	***(835.907)***
Fuel and lubricants	***(237.119)***	***(27.713)***	***(264.832)***	***(1.084)***	**–**	***(265.916)***
Repairs and maintenance	***(198.344)***	***(46.504)***	***(244.848)***	***(929)***	***2.935***	***(242.842)***
Electricity	***(126.507)***	***(12.120)***	***(138.627)***	***(497)***	***110***	***(139.014)***
Work and services of a production nature	***(151.120)***	***(24.160)***	***(175.280)***	***(5.377)***	***104.117***	***(76.540)***
Materials and supplies	***(68.427)***	***(7.930)***	***(76.357)***	***(1.881)***	***155***	***(78.083)***
Gross profit	**791.978**	**35.333**	**827.311**	**6.588**	**(867)**	**833.032**
General and administrative expenses	**(130.574)**	**(12.577)**	**(143.151)**	**(4.145)**	**1.459**	**(145.837)**
Including:						
Staff costs, including taxes, contributions and provisions for unused vacations	***(84.211)***	***(7.453)***	***(91.664)***	***(2.859)***	**–**	***(94.523)***
Finance income	**107.311**	**2.893**	**110.204**	**747**	**(22.333)**	**88.618**
Finance costs	**(213.787)**	**(45.777)**	**(259.564)**	**(319)**	**14.039**	**(245.844)**
Foreign exchange (loss) / gain	**(12.858)**	**(9.348)**	**(22.206)**	**68**	**2.148**	**(19.990)**
Share of profit of associates and joint ventures	**1.634**	**–**	**1.634**	**–**	**–**	**1.634**
(impairment)/Impairment reversal of financial assets and contract asset	**(6.327)**	**20**	**(6.307)**	**(713)**	**3.127**	**(3.893)**
(impairment)/Impairment reversal of non-financial assets	**(11.737)**	**183**	**(11.554)**	**74**	**–**	**(11.480)**
Other profit and losses	**3.055**	**294**	**3.349**	**(480)**	**(88)**	**2.781**
Profit/(loss) before tax	**528.695**	**(28.979)**	**499.716**	**1.820**	**(2.515)**	**499.021**
Income tax expenses	**(138.522)**	**(8.047)**	**(146.569)**	**(31)**	**(8.775)**	**(155.375)**
Profit (loss) for the year	**390.173**	**(37.026)**	**353.147**	**1.789**	**(11.290)**	**343.646**
Other key segment information						
Capital expenditures on property, plant and equipment	**1.239.973**	**37.323**	**1.277.296**	**2.355**	**–**	**1.279.651**
Depreciation of property, plant and equipment *(Note 6)*	**172.779**	**24.240**	**197.019**	**3.248**	**(3)**	**200.264**

5. SEGMENT INFORMATION (continued)

In millions of tenge	For the year ended 31 December 2024 Freight transpor-tation	Passenger transpor-tation	Reporting segments	Others	Elimi-nations	Total
Key operating indicators						
Revenue and other income						
Transportation revenue from third parties *(Note 21)*	1.875.558	110.523	1.986.081	–	–	1.986.081
Government grants	–	41.124	41.124	–	–	41.124
Other income from third parties	114.078	5.454	119.532	17.205	–	136.737
Inter-segment transactions	40.645	91.490	132.135	13.640	(145.775)	–
Total revenue and other income	**2.030.281**	**248.591**	**2.278.872**	**30.845**	**(145.775)**	**2.163.942**
Cost of sales	(1.512.468)	(226.168)	(1.738.636)	(26.176)	144.795	(1.620.017)
Including:						
Staff costs, including taxes, contributions and provisions for unused vacations	*(635.079)*	*(55.203)*	*(690.282)*	*(12.221)*	*3*	*(702.500)*
Fuel and lubricants	*(169.564)*	*(25.357)*	*(194.921)*	*(1.024)*	–	*(195.945)*
Repairs and maintenance	*(190.901)*	*(44.490)*	*(235.391)*	*(713)*	*1.143*	*(234.961)*
Electricity	*(81.783)*	*(8.642)*	*(90.425)*	*(543)*	*1*	*(90.967)*
Work and services of a production nature	*(135.762)*	*(21.785)*	*(157.547)*	*(4552)*	*90.853*	*(71.246)*
Materials and supplies	*(52.878)*	*(8.339)*	*(61.217)*	*(1.084)*	*1*	*(62.300)*
Gross profit	**517.813**	**22.423**	**540.236**	**4.669**	**(980)**	**543.925**
General and administrative expenses	(110.625)	(12.574)	(123.199)	(6.442)	1.251	(128.390)
Including:						
Staff costs, including taxes, contributions and provisions for unused vacations	*(68.368)*	*(7.480)*	*(75.848)*	*(2.625)*	–	*(78.473)*
Finance income	55.738	3.870	59.608	737	(7.390)	52.955
Finance costs	(158.367)	(29.278)	(187.645)	(247)	2.908	(184.984)
Foreign exchange (loss) / gain	(58.551)	(12.226)	(70.777)	435	722	(69.620)
Share of profit of associates and joint ventures	10.772	–	10.772	–	–	10.772
Impairment reversal/(impairment) of financial assets and contract asset	1.730	(226)	1.504	207	(110)	1.601
Impairment of non-financial assets	(5.162)	(1.906)	(7.068)	(268)	–	(7.336)
Other profit and losses	3.588	1.712	5.300	258	(952)	4.606
Profit/(loss) before taxes	**256.936**	**(28.205)**	**228.731**	**(651)**	**(4.551)**	**223.529**
Income tax expenses	(47.986)	(976)	(48.962)	(3.343)	(10.419)	(62.724)
Profit (loss) for the year	**208.950**	**(29.181)**	**179.769**	**(3.994)**	**(14.970)**	**160.805**
Other key segment information						
Capital expenditures on property, plant and equipment	1.006.018	110.003	1.116.021	54.217	–	1.170.238
Depreciation of property, plant and equipment *(Note 6)*	150.379	20.489	170.868	2.055	(2)	172.921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

Geographical information of the Group

The Group generates its revenue from customers in multiple geographical regions. The table below shows revenue based on customer country of domicile for each of the years ended 31 December:

In millions of tenge	**2025**	2024
Customer location		
Kazakhstan	**2.643.614**	2.077.544
RF	**47.251**	37.356
CPR	**39.801**	28.419
Germany	**4.070**	8.531
Other	**22.347**	12.092
	2.757.083	2.163.942

Practically, all of the Group's non-current assets are in Kazakhstan.

6. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	Rail track infrastructure	Buildings and constructions	Machinery & equipment	Vehicles	Land	Other	Construction in progress	Total
Carrying amount as at 1 January 2025	**1.536.109**	**350.284**	**277.382**	**2.124.128**	**3.892**	**11.088**	**479.344**	**4.782.227**
Purchases	**20**	**4.832**	**13.071**	**12.241**	**4**	**298**	**1.061.777**	**1.092.243**
Contribution to the share capital	**8.056**	**1.275**	**7.345**	**224**	**–**	**11.892**	**–**	**28.792**
Lease additions	**–**	**22**	**107**	**186.082**	**–**	**–**	**–**	**186.211**
Lease modifications	**–**	**1.055**	**(9)**	**(504)**	**–**	**(624)**	**–**	**(82)**
Disposals	**(2.881)**	**(2.652)**	**(9.706)**	**(5.626)**	**(1.089)**	**(532)**	**(353)**	**(22.839)**
Depreciation charge *(Note 5)*	**(49.192)**	**(8.336)**	**(37.208)**	**(101.980)**	**–**	**(3.548)**	**–**	**(200.264)**
Depreciation on disposal	**1.476**	**1.333**	**8.729**	**5.022**	**–**	**530**	**–**	**17.090**
Impairment reversal/(impairment)	**11**	**(61)**	**(244)**	**(141)**	**–**	**(619)**	**(3.532)**	**(4.586)**
Other movements and transfers*	**553.793**	**30.900**	**172.569**	**411.400**	**–**	**256**	**(1.172.263)**	**(3.345)**
Carrying amount as at 31 December 2025	**2.047.392**	**378.652**	**432.036**	**2.630.846**	**2.807**	**18.741**	**364.973**	**5.875.447**
Cost	**2.485.112**	**469.206**	**788.817**	**3.445.837**	**2.807**	**45.043**	**378.987**	**7.615.809**
Accumulated depreciation and impairment	**(437.720)**	**(90.554)**	**(356.781)**	**(814.991)**	**–**	**(26.302)**	**(14.014)**	**(1.740.362)**
Carrying amount as at 31 December 2025	**2.047.392**	**378.652**	**432.036**	**2.630.846**	**2.807**	**18.741**	**364.973**	**5.875.447**
Including:								
Right of use assets:								
Cost	**–**	**2.682**	**40.087**	**441.332**	**–**	**7.374**	**–**	**491.475**
Accumulated depreciation and impairment	**–**	**(1.165)**	**(24.029)**	**(22.489)**	**–**	**(7.125)**	**–**	**(54.808)**
Carrying amount	**–**	**1.517**	**16.058**	**418.843**	**–**	**249**	**–**	**436.667**
Property, plant, and equipment that are subject to operating lease (Group as the lessor)	**537**	**7.130**	**5**	**60.282**	**38**	**2**	**–**	**67.994**

* *Other movements and transfers also include transfers to/from inventories.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	Rail track infrastructure	Buildings and structures	Machinery & equipment	Vehicles	Land	Other	Construction in progress	Total
Carrying amount as at 1 January 2024	1.415.744	313.465	247.974	1.607.550	3.871	10.500	195.375	3.794.479
Purchases	365	4.909	20.711	4.162	28	1.526	965.112	996.813
Lease additions	–	6	27.261	144.260	–	–	–	171.527
Lease modifications	–	117	(383)	(41)	–	–	–	(307)
Disposals	(457)	(1.912)	(38.630)	(2.202)	(7)	(640)	(1.768)	(45.616)
Depreciation charge *(Note 5)*	(42.240)	(7.129)	(35.863)	(85.408)	–	(2.281)	–	(172.921)
Depreciation on disposal	296	724	36.242	2.168	–	601	–	40.031
(Impairment)/impairment reversal	(59)	(298)	(36)	(23)	–	104	(229)	(541)
Other movements and transfers*	162.460	40.402	20.106	453.662	–	1.278	(679.146)	(1.238)
Carrying amount as at 31 December 2024	**1.536.109**	**350.284**	**277.382**	**2.124.128**	**3.892**	**11.088**	**479.344**	**4.782.227**
Cost	1.933.491	433.876	605.303	2.857.264	3.892	33.660	490.175	6.357.661
Accumulated depreciation and impairment	(397.382)	(83.592)	(327.921)	(733.136)	–	(22.572)	(10.831)	(1.575.434)
Carrying amount as at 31 December 2024	**1.536.109**	**350.284**	**277.382**	**2.124.128**	**3.892**	**11.088**	**479.344**	**4.782.227**
Including:								
Right of use assets:								
Cost	–	1.889	44.754	255.797	–	7.955	–	310.395
Accumulated depreciation and impairment	–	(1.165)	(20.386)	(11.738)	–	(4.815)	–	(38.104)
Carrying amount	–	724	24.368	244.059	–	3.140	–	272.291
Property, plant, and equipment that are subject to operating lease (Group as the lessor)	2.250	4.284	14	94.199	106	–	–	100.853

* *Other movements and transfers also include transfers to/from inventories.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2025, construction-in-progress mainly consists of project costs for the modernisation of the Dostyk-Moiynty railway transport corridor, the construction of the Dostyk–Alashankou, Darbaza–Maktaaral, Moiynty–Kyzylzhar and Bakhty–Ayagoz railway lines, a bypass railway line bypassing the Almaty station and other railway reconstruction infrastructure.

As at 31 December 2025 and 2024, the Group's property, plant and equipment with a carrying amount of 82.275 million tenge and 95.258 million tenge, respectively, was pledged as collateral for specific borrowings. As at 31 December 2025, collateral is mainly represented by freight locomotives transferred during 2024 as collateral under a loan agreement with the Eurasian Development Bank ("EDB").

For the year ended 31 December 2025, the Group recognised depreciation expenses on right-of-use assets of 21.109 million tenge for the year ended (31 December 2024: 14.156 million tenge), primarily related to vehicles (for the year ended 31 December 2024: primarily related to machinery and equipment).

For the years ended 31 December 2025 and 2024, capitalised borrowing costs amounted to 68.453 million tenge and 52.177 million tenge, respectively. The average capitalization rate for the Group was 8,8% (for the year ended 31 December 2024: 9,11%).

As at 31 December 2025 and 2024, the cost of the Group's fully depreciated property, plant and equipment in use was 396.684 million tenge and 375.511 million tenge, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Name	Primary activity	Main country of operation / country of registration	31 December 2025 Carrying amount	31 December 2025 Ownership	31 December 2024 Carrying amount	31 December 2024 Ownership
Associates						
United Transport and Logistics Company - Eurasian Rail Alliance JSC (UTLC ERA JSC)	Domestic and international rail transportation and freight forwarding	Russia	**20.475**	**33,33%**	16.963	33,33%
Transtelecom JSC	Telecommunication services	Kazakhstan	**14.398**	**25%**	15.607	25%
Aktau International Container Hub LLP	Container loading and unloading to/from railway transport and cargo shipping through existing Aktau sea trade port on various routes.	Kazakhstan	**7.668**	**49%**	1.578	49%
Chinese-Kazakhstan International Logistics Company in Lianyungang	International multimodal transportation	China	**7.457**	**49%**	8.712	49%
China-Kazakhstan International Trade and Logistics Company LLC (Xi'an)	International multimodal transportation, terminal services, etc.	China	**6.357**	**49%**	5.818	49%
Other			**109**	**40-49%**	–	40-49%
Total investments in associates			**56.464**		48.678	
Joint ventures						
Private Company Kazakh-Chinese trade and logistics company (Almaty) Ltd.	Management of freight transportation on domestic and international routes, multimodal transportation, rendering of freight forwarding and warehousing services.	Kazakhstan	**10.747**	**49,9%**	–	–
Private Company KPMC Ltd.	Organization of container block trains and freight forwarding services for land–sea cargo routes	China	**464**	**49%**	876	49%
KIF Warehouses LLP	Warehouse operations and supporting transport operations	Kazakhstan	**300**	**50%**	277	50%
Private Company Middle Corridor Multimodal Ltd.	Organisation of domestic and international freight transportation, multimodal, transport and logistics services on the Trans-Caspian International Transport route	Kazakhstan	**126**	**33,33%***	78	33,33%
CRK-Terminal LLC		Russia				
CRK-Terminal LLC			**–**	**33,3%***	165	33,3%
Total investments in joint ventures			**11.637**		1.396	

* *Decisions regarding relevant activities are made unanimously by all participants of the joint venture*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Movements in investments in associates and joint ventures are as follows:

In millions of tenge	**2025**	2024
Associates		
As at 1 January	**48.678**	38.989
Acquisition	**6.211**	1.578
Foreign currency translation	**5.314**	1.927
Share of profit	**2.414**	10.962
Impairment	**(1.508)**	(298)
Dividends receivable	**(4.645)**	(4.480)
As at 31 December	**56.464**	48.678
Joint ventures		
As at 1 January	**1.396**	1.579
Acquisition	**6.576**	–
Foreign currency translation	**–**	(5)
Adjustment of unrealised gain	**(2.698)**	–
Share of loss	**(780)**	(190)
Contributions to the share capital	**7.143**	243
Impairment	**–**	(231)
As at 31 December	**11.637**	1.396

During 2025, the Group, represented by its subsidiary KTZ Express JSC, made a cash contribution of 6.161 million tenge to the share capital of an associate Aktau International Container Hub LLP, which is distributed between the Group, represented by subsidiaries KTZ Express JSC and NC Aktau International Commercial Seaport JSC, and Shanghai (Hong Kong) Investment & Development Co. Ltd. As at 31 December 2025, the share capital of Aktau International Container Hub LLP is not fully formed, the Group's actual contribution is 42,26%, while the Group's ownership interest remains unchanged at 49%. The remaining part of the ownership stake of the Group in NC Aktau International Commercial Seaport JSC amounting to 2.418 million tenge will be contributed and recorded in subsequent periods.

During 2025, the Group represented by its subsidiary Kedentrasservice JSC, made a contribution of assets with the fair value of 6.576 million tenge and an additional contribution of cash, without changing the ownership interest, in the amount of 7.000 million tenge to the share capital of a joint venture Private Company Kazakh-Chinese trade and logistics company (Almaty) Ltd., which is distributed between the Group and Xi`an Free Trade Port Construction and Operation Co., Ltd. As at 31 December 2025, the share capital of Private Company Kazakh-Chinese trade and logistics company (Almaty) Ltd. is not fully formed, the Group's actual contribution is 56,29%, while the Group's ownership interest remains unchanged at 49,9%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Summary financial information on significant associates and joint ventures as at and for the years ended 31 December:

	2025						
In millions of tenge	**China-Kazakhstan International Trade and Logistics Company LLC (Xi'an)**	**Chinese-Kazakhstan International Logistics Company in Lianyungang**	**Aktau Marine North Terminal LLP**	**Aktau International Container Hub LLP**	**Transtelecom JSC**	**UTLC ERA JSC**	**Private Company Kazakh-Chinese trade and logistics company (Almaty) Ltd.**
Current assets	**11.727**	**10.200**	**613**	**4.976**	**37.902**	**49.806**	**1.983**
Non-current assets	**7.131**	**23.020**	**32.361**	**16.484**	**77.236**	**64.493**	**25.810**
Total assets	**18.858**	**33.220**	**32.974**	**21.460**	**115.138**	**114.299**	**27.793**
Current liabilities	**2.206**	**1.449**	**21.693**	**3.317**	**25.753**	**22.736**	**3.874**
Non-current liabilities	**3.678**	**272**	**35.782**	**–**	**40.689**	**30.136**	**–**
Total liabilities	**5.884**	**1.721**	**57.475**	**3.317**	**66.442**	**52.872**	**3.874**
Total net assets / (liabilities)	**12.974**	**31.499**	**(24.501)**	**18.143**	**48.696**	**61.427**	**23.919**
Ownership interest	**49%**	**49%**	**40%**	**42,26%**	**25%**	**33,33%**	**56,29%**
Net assets/(liabilities) attributable to the Group	**6.357**	**15.435**	**(9.800)**	**7.668**	**12.175**	**20.475**	**13.463**
Accumulated impairment	**–**	**(7.978)**	**–**	**–**	**–**	**–**	**–**
Net assets/(liabilities) attributable to the Group, including impairment	**6.357**	**7.457**	**(9.800)**	**7.668**	**12.175**	**20.475**	**13.463**
Accumulated unrecognised loss	**–**	**–**	**(9.800)**	**–**	**–**	**–**	**–**
Adjustment of the carrying amount of investments for the change in the entity's net assets (fair value adjustment of the concessional loan received from the other shareholder, adjustment for the participants' unpaid portion)	**–**	**–**	**–**	**–**	**2.223**	**–**	**(18)**
Unrealized profit accumulated	**–**	**–**	**–**	**–**	**–**	**–**	**(2.698)**
Carrying amount of investment	**6.357**	**7.457**	**–**	**7.668**	**14.398**	**20.475**	**10.747**
Revenue	**19.560**	**7.049**	**5.444**	**–**	**79.978**	**15.215**	**–**
Profit/(loss) and total comprehensive income/(loss) for the year	**1.040**	**348**	**(15.014)**	**(168)**	**1.163**	**4.366**	**(232)**
Recognised share of the Group in profit/(loss)	**509**	**171**	**–**	**(71)**	**291**	**1.455**	**(131)**

7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

	2024				
In millions of tenge	**China-Kazakhstan International Trade and Logistics Company LLC (Xi'an)**	**Chinese-Kazakhstan International Logistics Company in Lianyungang**	**Aktau Marine North Terminal LLP**	**Transtelecom JSC**	**UTLC ERA JSC**
Current assets	8.781	8.704	1.026	51.979	53.561
Non-current assets	4.698	23.852	33.776	72.970	51.462
Total assets	**13.479**	**32.556**	**34.802**	**124.949**	**105.023**
Current liabilities	347	1.235	13.217	29.296	19.162
Non-current liabilities	1.259	337	31.073	42.120	34.973
Total liabilities	**1.606**	**1.572**	**44.290**	**71.416**	**54.135**
Total net assets / (liabilities)	**11.873**	**30.984**	**(9.488)**	**53.533**	**50.888**
Ownership interest	49%	49%	40%	25%	33,33%
Net assets/(liabilities) attributable to the Group	5.818	15.182	(3.795)	13.384	16.963
Accumulated impairment	–	(6.470)	–	–	–
Net assets/(liabilities) attributable to the Group, including impairment	5.818	8.712	(3.795)	13.384	16.963
Accumulated unrecognised loss	–	–	(3.795)	–	–
Adjustment of the carrying amount of investments for the change in the entity's net assets (fair value adjustment of the concessional loan received from the other shareholder)	–	–	–	2.223	–
Carrying amount of investment	**5.818**	**8.712**	**–**	**15.607**	**16.963**
Revenue	216	2.531	3.121	86.174	43.333
(Loss)/profit and total comprehensive (loss)/income for the year	72	266	(7.988)	19.358	17.871
Recognised share of the Group in (loss)/profit	**36**	**130**	**–**	**4.839**	**5.957**

8. OTHER NON-CURRENT ASSETS

In millions of tenge	**31 December 2025**	31 December 2024
Advances paid for property, plant and equipment	**731.026**	384.165
VAT recoverable	**390.051**	207.246
Investment properties	**8.565**	8.765
Withholding corporate income tax	**3.408**	36.441
Other	**4.350**	6.006
Less: allowance for non-recoverable VAT	**(17.164)**	(12.537)
Less allowance for withholding corporate income tax	**(1.167)**	(1.028)
Less allowance for advances to vendors for property, plant and equipment	**(470)**	(522)
Less: allowance for other non-current non-financial assets	**(72)**	(72)
Total other non-financial assets	**1.118.527**	628.464
Restricted cash	**14.069**	13.932
Loans to employees	**2.366**	3.163
Bonds of Kazakhstan commercial banks and other credit institutions, and other debt securities	**676**	654
Other	**1.533**	1.757
Less: allowance for expected credit losses on other non-current financial assets	**(383)**	(487)
Total other financial assets	**18.261**	19.019
	1.136.788	647.483

For the year ended 31 December 2025, the Group accrued depreciation expense on investment property in the amount of 133 million tenge for the year ended (31 December 2024: 145 million tenge).

As at 31 December 2025, the Group reclassified a portion of the withholding corporate income tax to other current assets in the amount of 34.388 million tenge (*Note 12*).

Restricted cash is mostly denominated in Euros and is used as security on non-current part of loans from HSBC Continental Europe. The restriction on cash will be released once the loans have been repaid.

As at 31 December advances paid for property, plant and equipment included:

In millions of tenge	**31 December 2025**	31 December 2024
Construction of the railway	**289.072**	128.984
Passenger carriages supply	**206.144**	163.047
Electric locomotive supplies	**113.959**	82.510
Construction of automatic train control systems	**68.598**	–
Modernization of railway station infrastructure	**26.469**	–
Construction of rolling stock accounting and control system	**6.427**	–
Acquisition of rails	**5.341**	–
Other	**15.016**	9.624
	731.026	384.165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. CASH AND CASH EQUIVALENTS

In millions of tenge	**31 December 2025**	31 December 2024
Short-term bank deposits in tenge	**175.890**	61.779
Short-term bank deposits in US dollars	**4.532**	2.339
Short-term bank deposits in other currencies	**34**	–
Cash in digital accounts in tenge	**22.882**	116.635
Cash in current accounts in tenge	**16.462**	7.326
Cash in current bank accounts in US dollars	**6.806**	4.763
Cash in current bank accounts in Russian rubles	**3.392**	2.484
Cash in Chinese Yuan current bank accounts	**2.714**	2.070
Cash in current bank accounts in other currencies	**277**	1.182
Cash on hand	**2**	10
Less: allowance for expected credit losses on cash and cash equivalents	**(18)**	(10)
	232.973	198.578

As at 31 December 2025, cash on digital accounts represents programmable digital tenge only for the modernisation of the Dostyk-Moiynty railway transport corridor and received as part of the bonds issuance on the Kazakhstan Stock Exchange in favour of the Shareholder *(Note 14).*

As at 31 December 2025, the weighted average interest rate on cash in current accounts was 5,63% in tenge and 0,32% in other currencies (31 December 2024: 8,19% in tenge and 0,16% in other currencies).

Short-term tenge and foreign currency bank deposits are placed for three months and less, depending on the Group's cash needs. As at 31 December 2025, the weighted average interest rate on short-term bank deposits was 17,68% in tenge, 2,36% in US$, 11,75% in other currencies (31 December 2024: 14,9% in tenge, 3% in US$).

As at 31 December 2025, the carrying value of cash placed by the Group on current and short-term accounts in Kazpost JSC and on digital accounts in the National Bank of Kazakhstan, which are related parties of the Group, amounted to 24.570 million tenge (31 December 2024: 1 million tenge) and 22.882 million tenge (31 December 2024: 116.631 million tenge),respectively (*Note 30*). In addition, the Group places cash and cash equivalents in banks and other financial institutions rated from AA to B+. Based on this, the Group believes that its cash and cash equivalents credit risk as at 31 December 2025 is low.

The allowance for expected credit losses on cash and cash equivalents is based on 12-month expected credit losses, which matches their maturity date.

10. INVENTORIES

In millions of tenge	**31 December 2025**	31 December 2024
Fuel and lubricants (at cost)	**30.827**	13.553
Track structure materials (at cost)	**26.862**	15.648
Raw and other materials (at cost)	**13.825**	15.454
Spare parts (at cost)	**11.015**	8.743
Construction materials (at cost)	**1.128**	1.453
Others (at cost)	**3.745**	4.409
	87.402	59.260
Less allowance for inventory	**(980)**	(1.440)
	86.422	57.820

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. TRADE ACCOUNTS RECEIVABLE

In millions of tenge	**31 December 2025**	31 December 2024
Trade accounts receivable arising from contracts with customers	**21.864**	24.288
Other trade accounts receivable	**1.001**	885
Less: allowance for expected credit losses of trade accounts receivable arising from contracts with customers	**(4.223)**	(2.841)
Less: allowance for expected credit losses on other trade accounts receivable	**(633)**	(666)
	18.009	21.666

As at 31 December 2025 and 2024 the trade accounts receivable were denominated in the following currencies:

In millions of tenge	**31 December 2025**	31 December 2024
US dollars	**9.096**	14.743
Tenge	**8.021**	6.853
In other currencies	**892**	70
	18.009	21.666

12. OTHER CURRENT ASSETS

In millions of tenge	**31 December 2025**	31 December 2024
Withholding corporate income tax	**36.392**	5.169
Advances paid	**26.713**	20.183
Other taxes prepaid	**4.089**	1.021
Deferred expenses	**1.037**	2.690
Other	**5.488**	5.670
Less: allowance for the impairment of advances paid	**(2.328)**	(2.665)
Less allowance for withholding corporate income tax	**–**	(4.229)
Less: allowance for the impairment of other current non-financial assets	**(5.089)**	(5.086)
Total other non-financial assets	**66.302**	22.753
Restricted cash	**25.009**	16.235
Claims, interest and fines	**1.947**	2.409
Due from employees	**1.628**	1.416
Others	**5.160**	5.766
Less: allowance for expected credit losses on other current financial assets	**(4.207)**	(3.172)
Total other financial assets	**29.537**	22.654
	95.839	45.407

As at 31 December 2025, the Group reclassified from other long-term assets a portion of corporate income tax withheld at source in the amount of 34.388 million tenge, expected to be offset against corporate income tax payable for 2026 *(Note 8).*

During 2025, due to the expiration of the ten-year period established by the tax legislation of the Republic of Kazakhstan for offset against corporate income tax payable, the Group wrote off a portion of corporate income tax withheld at source in the amount of 4.229 million tenge against a previously recognized provision.

Restricted cash is mainly denominated in US Dollars and is used as collateral for current part of loans received from Citibank. The restriction will be removed upon repayment of these loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. EQUITY

As at 31 December 2025 and 2024, share capital was presented as follows:

In millions of tenge	**Number of shares authorised for issue**	**Number of shares, issued and paid**	**Share capital, millions of tenge**
As at 01 January 2024	502.040.458	496.693.666	1.110.634
Placed shares	–	1.000	13.273
As at 31 December 2024	**502.040.458**	**496.694.666**	**1.123.907**
Placed shares	**–**	**1.010**	**28.791**
As at 31 December 2025	**502.040.458**	**496.695.676**	**1.152.698**

The Company's share capital was formed through a series of emissions of shares in exchange for cash, items of property, plant and equipment, intangible assets or share ownership. The Shareholder is entitled to dividends, a part of the Company's assets in the event of liquidation, and preference in purchasing the Company's shares or other securities convertible into Company shares.

Share issuance

During 2025, the Group issued 1.010 shares paid by the Shareholder by contributing non-current assets with a total fair value of 28.791 million tenge.

During 2024, the Group issued 1.000 shares that was paid in cash of 13.273 million tenge by the Shareholder.

Other contributions

In 2025, the Group recognised a difference between loans received from Shareholder at rates lower than market and fair value of 73.195 million tenge (2024: 89.395 million tenge) less the deferred tax effect of 14.639 million tenge (2024: 17.879 million tenge) (*Notes 14 and 17*).

Hedging reserve

During 2024, the Group implemented a cash flow hedge to reduce the currency risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss Francs, as part of two strategies. To confirm highly probable transactions, the Group relied on the existence of a history of cash flows from freight transit transportation in Swiss Francs, sufficient infrastructure, as well as a favourable geographical location for freight transit transportation. The Group has a monopoly in terms of access to the main railway network and dominates in freight transportation services.

Strategy 1 (effective from 1 October 2024)

Eurobonds with the nominal amount of 882.978.000 US Dollars issued in October 2022 on the Kazakhstan Stock Exchange in favour of the Shareholder, and due on 28 October 2025, as well as cross-currency swaps in the amount of 881.881.000 Swiss Francs with maturity date on 25 October 2025 are hedging instruments that are separately identifiable and reliably measurable. The hedged item in this respect is the probable revenue from freight transit transportation of 875.066.510 Swiss Francs for the period from 1 January 2025 to 22 October 2025.

In August 2025, due to signing of memorandum on the extension of Eurobonds' maturity from 2025 to 2028 and on the change of the coupon rate from 2% to 3% *(Note 14)*, the Group discontinued hedge accounting where the hedging instrument was represented by Eurobonds maturing on 28 October 2025. In 2025, the Group received international (transit) freight transportation revenue, which is the cash flow hedged item; therefore, the accumulated loss in the amount of 72.260 million tenge attributable to the hedging instrument was reclassified from other comprehensive loss to freight transportation revenue *(Note 21)*. The deferred income tax effect amounted to 14.452 million tenge *(Note 17)*.

In 2025, the effective portion, including the effective portion of changes in the fair value of the derivative instrument, totaling of 44.034 million tenge, was allocated to the hedge reserve in other comprehensive loss as net loss arising on cash flow hedging instruments (2024: 28.226 million tenge). The deferred income tax effect amounted to 8.807 million tenge (2024: 5.645 million tenge) (*Note 17*). The ineffective portion in the amount of 44.857 million tenge was reclassified to finance costs (2024: 3.609 million tenge) (*Note 25*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. EQUITY (continued)

Hedging reserve (continued)

Strategy 2 (effective from 21 November 2024)

The principal debt of the Group's loans of 1.070.208.399 Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at 31 December 2025, the carrying value of these loans amounted to 534.250 million tenge (31 December 2024: 567.213 million tenge). The hedged item in this respect is the highly probable revenue from transit freight transportation of 1.070.208.399 Swiss Francs for the period from 21 November 2024 to 15 November 2034, of which 139.167.166 Swiss Francs are repayable in 2025.

In 2025, the effective portion of 53.550 million tenge was allocated to the hedge reserve in other comprehensive loss as net loss arising on cash flow hedging instruments (2024: 20.399 million tenge). The deferred income tax effect amounted to 10.710 million tenge (2024: 4.080 million tenge) *(Note 17).*

In 2025, the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 8.521 million tenge attributable to the hedging instrument was reclassified from other comprehensive loss to revenue from freight transportation (2024: 412 million tenge) *(Note 21)*. The deferred income tax effect amounted to 1.704 million tenge (2024: 82 million tenge) *(Note 17)*.

14. BORROWINGS

Borrowings, including accrued interest, which are accounted for at amortised cost consisted of the following:

	31 December 2025		31 December 2024	
In millions of tenge	**Amount**	**Weighted average effective interest rate (%)**	Amount	Weighted average effective interest rate (%)
Borrowings with a fixed interest rate				
Loans obtained	**378.916**		475.243	
- in Tenge	***245.854***	***11,58***	*285.231*	*10,88*
- in Russian rubles	***92.153***	***8,04***	*79.276*	*9,02*
- in Euro	***40.909***	***6,75***	*51.253*	*5,85*
- in Swiss Francs	**–**	**–**	*59.483*	*3,40*
Debt securities issued	**1.192.346**		1.207.802	
- in Tenge	***783.334***	***12,16***	*759.017*	*11,78*
- in US dollars	***409.012***	***6,52***	*448.785*	*6,42*
Floating interest rate borrowings				
Loans obtained	**1.530.869**		886.253	
- in Tenge	**–**	**–**	*40.232*	*19,24*
- in Swiss Francs	***1.126.780***	***2,37***	*628.339*	*3,04*
- in Euro	***371.351***	***5,90***	*217.682*	*7,34*
- in Chinese Yuans	***32.738***	***5,61***	–	–
Issued debt securities	**83.886**		84.090	
- in Tenge	***83.886***	***13,63***	*84.090*	*14,78*
	3.186.017		2.653.388	
Current portion of borrowings	**488.658**		812.965	
Long-term portion of lborrowings	**2.697.359**		1.840.423	
	3.186.017		2.653.388	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Borrowings presented on discounted basis, excluding debt securities, should be repaid as follows:

	31 December 2025	31 December 2024
During the year	**389.543**	341.413
1 to 2 years	**164.515**	134.519
2 to 3 years	**470.345**	129.197
3 to 4 years	**152.879**	127.409
4 to 5 years	**138.166**	115.433
Over 5 years	**594.337**	513.525
	1.909.785	1.361.496

Loans received

Shareholder

In 2025, the Group, represented by the Company, received borrowings amounting to 65.480 million tenge under a loan agreement with the Shareholder concluded on 19 May 2025 to finance the purchase of passenger carriages. Loan interest is paid semi-annually at an interest rate of 0,05%. The principal is repayable by annual instalments until full repayment in 2055. The loan was provided at an interest rate below market, and the fair value of the loan received was determined using a market rate of 12,35%. The Group recognised an adjustment to fair value of borrowings in the amount of 56.989 million tenge, net of deferred tax in the amount of 11.398 million tenge through equity in retained earnings as other contributions *(Note 13)*.

In 2024, the Group, represented by the Company, under a loan agreement with the Shareholder concluded on 21 October 2010, to finance the construction of railways "Khorgos-Zhetygen" and "Uzen-Turkmenistan Border" for a total amount of 30.000 million tenge, signed an additional agreement to extend the repayment period from 2024 until 2044 and change the interest rate from 2% to 9,25%. Loan interest is repaid semi-annually. Due to a significant change in the terms of the loan, the Group recorded the transaction as a derecognition of the original financial liability and recognition of a new financial liability. The fair value was calculated based on the market rate of 12,25%. The Group recognised an adjustment to fair value of borrowings in the amount of 6.003 million tenge, net of deferred tax in the amount of 1.200 million tenge through equity in retained earnings as other contributions *(Note 13)*. During 2025, the Group has made early repayment of the loan.

Societe Generale and Natixis

In 2025, the Group, represented by KTZh – Freight Transportation LLP and KTZh – Passenger locomotives LLP, its subsidiaries, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated 23 February 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627.110.893 Euros, borrowed 56.854.843 Euros (33.441 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 1,15%. Principal is repaid semi-annually until full repayment in 2036.

In 2025, the Group, represented by KTZh – Freight Transportation LLP, its subsidiary, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated 13 December 2024 to finance the acquisition of freight locomotives for a total amount of 770.000.000 Euros, borrowed 280.445.323 Euros (159.028 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0,8%. Principal is repaid semi-annually until full repayment in 2035.

In 2024, the Group, represented by KTZh – Freight Transportation LLP and KTZh – Passenger locomotives LLP, its subsidiaries, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated 23 February 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627.110.893 Euros, borrowed 134.375.973 Euros (67.738 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 1,15%. Principal is repaid semi-annually until full repayment in 2035.

14. BORROWINGS (continued)

Loans received (continued)

Citibank

In 2025, the Group, represented by its subsidiaries KTZ-Freight Transportation LLP, under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 7 May 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593.952.912 US$ in Swiss Francs equivalent, borrowed 86.498.042 Swiss Francs (49.328 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0,75% margin. Principal is repayable quarterly until full repayment in 2035.

In 2025, the Group, represented by the Company, under the credit line agreement with Citibank dated 4 April 2024, borrowed funds in the total amount of 250.000.000 Swiss Francs (159.514 million tenge) with an interest rate of SARON + 2% and a maturity of up to one year. The Group has made partial early repayment of the loans received in the amount of 62.000.000 Swiss Francs (41.418 million tenge).

In 2024, the Group, represented by the Company, under the credit line agreement with Citibank, dated 4 April 2024, drew down borrowings in the total amount of 150.000.000 Swiss Francs (77.828 million tenge) with an interest rate from 3,21% to 3,4% and a repayment period of up to one year. In 2025, the Group settled its borrowings as they fell due.

In 2024, the Group, represented by its subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 7 May 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593.952.912 US Dollars in Swiss Francs equivalent, drew down borrowings in the total amount of 443.076.513 Swiss Francs (234.670 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0,75% margin. The principal amount is repaid quarterly until full repayment in 2034.

Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC

In August 2025, the Group, represented by the Company, under a loan agreement with Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC dated 18 July 2025, to finance the construction of large-scale railway infrastructure projects and the modernisation of existing railway lines, for a total amount of 600.000.000 US Dollars in Swiss Francs equivalent, received borrowed funds of 484.680.000 Swiss Francs (324.954 million tenge). Loan interest is repaid quarterly at SARON 6m + 1,6%. Principal is repayable in a single payment in July 2028.

The Export-Import Bank of China and China Development Bank

In 2025, the Group, represented by KTZh – Freight Transportation LLP, its subsidiary, as part of its loan agreement dated 7 February 2025 with The Export-Import Bank of China and China Development Bank under the guarantee issued by Sinosure (China Export & Credit Insurance Corporation) to finance the acquisition of main-line locomotives and pushers for the total of 3.560.188.615 Chinese yuan, borrowed 571.716.269 Chinese yuan (43.322 million tenge). Loan interest is paid semi-annually at LPR 5y – 0,55%. Principal is repaid semi-annually starting from 2028 until full repayment in 2040.

Deutsche Bank Luxembourg, S.A. and Banco Santander, S.A.

In 2025, the Group, represented by KTZh – Freight Transportation LLP, its subsidiary, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A.under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 26 November 2025, to finance the acquisition of freight diesel locomotives for a total amount of 445.000.000 US Dollars in Swiss Francs equivalent, borrowed 146.246.583 Swiss Francs (94.956 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON O/N + 0,48%. Principal is repayable quarterly until full repayment in 2035.

Citibank Kazakhstan JSC

In July 2025, the Group, represented by a subsidiary KTZ-Freight Transportation LLP, within the framework of a Master agreement with Citibank Kazakhstan on short-term loans, concluded on 30 November 2009, received borrowings in the total amount of 14.000 million tenge with an interest rate of 18%. The Group has made early repayment of the loan.

14. BORROWINGS (continued)

Loans received (continued)

Citibank Kazakhstan JSC (continued)

In July 2024, the Group, represented by a subsidiary KTZ-Freight Transportation LLP, within the framework of a Master agreement with Citibank Kazakhstan on short-term loans, concluded on 30 November 2009, drew down borrowings in the total amount of 14.000 million tenge with an interest rate of 15% and maturity of up to six months. In December 2024, the Group signed an additional agreement to extend the maturity until July 2025 and to change the interest rate from 15% to 16,5%. In 2025, the Group settled its loan as it fell due.

ForteBank JSC

In 2025, the Group, represented by the Company and its subsidiary KTZ-Freight Transportation LLP, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, drew down borrowings in the amount of 80.000 million tenge with an interest rate of 18% to 19,50% and maturity up to six months. The Group has made partial early repayment of loans received in the amount of 102.000 million tenge.

In 2024, the Group, represented by the Company and its subsidiary KTZ-Freight Transportation LLP, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, drew down borrowings of 97.000 million tenge with an interest rate of 15,75% to 16,75% and maturity up to six months. The Group has made early/partial early repayment of loans received in the amount of 55.000 million tenge.

Halyk Bank JSC

In 2024, the Group, represented by the Company and its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank JSC, concluded on 26 February 2015, drew down borrowings in the total amount of 160.000 million tenge with an interest rate of 16,75% to 19,50% and a maturity of up to one year. The Group has made partial early repayment of loans received in the total amount of 158.000 million tenge.

In 2024, the Group, represented by the Company and its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank JSC, concluded on 26 February 2015, drew down borrowings in the total amount of 97.000 million tenge with an interest rate of 15,75% to 17,25% and a maturity of up to one year. The Group has made partial/full early repayment of loans received in the total amount of 78.000 million tenge.

Freedom Bank Kazakhstan JSC

In December 2025, the Group, represented by the Company, under the credit line agreement dated 30 October 2025 with Freedom Bank Kazakhstan JSC drew down borrowings in a total amount of 10.000 million tenge with an interest rate of 19,50% and maturity of up to one year.

Eurasian Development Bank (EDB)

In 2024, the Group, represented by its subsidiary KTZ-Freight transportation, under the loan agreement with EDB dated 11 May 2023 to finance the acquisition of freight diesel locomotives for a total amount of 17.685.350.000 Russian Roubles drew down borrowings in the total amount of 7.640.071.200 Russian Roubles (37.956 million tenge). Loan interest is paid semi-annually at an interest rate of 7,8%. Principal is repaid semi-annually until full repayment in 2034.

European Bank for Reconstruction and Development (EBRD)

In July 2024, the Group, represented by the Company, under the credit line agreement with EBRD, dated 4 July 2024, drew down borrowings in the total amount of 200.000.000 Swiss Francs (107.986 million tenge). Interest is repaid semi-annually at SARON 6m + 1,80% margin. Principal is repayable semi-annually until full repayment in 2029.

Early repayment of non-current borrowings

In 2024, the Group, represented by its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank JSC, concluded on 22 October 2022, made an early repayment of borrowings received of 60.540 million tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Early repayment of non-current borrowings (continued)

In 2024, the Group, represented by its subsidiary KTZ-Passenger Locomotives LLP, under the credit line agreement with Halyk Bank JSC, concluded on 20 October 2022, made an early partial repayment of borrowings received of 9.198 million tenge.

Issued debt securities

As at 31 December, debt securities issued included:

	Repayment date	Exchanges	2025	2024
Debt securities, by price*				
3% Eurobonds (100%) in US dollars	28 October 2028	KASE	**409.012**	448.785
11,5% Bonds (100%) in tenge	3 October 2034	KASE	**308.433**	308.433
8,74% Bonds (100%) in tenge	12 June 2043	KASE	**137.356**	136.717
9,25% Bonds (100%) in tenge	24 June 2044	KASE	**115.316**	114.750
7,37% Bonds (100%) in tenge	30 December 2042	KASE	**96.698**	101.717
Inflation rate + 2,52% (11,42%) Bonds (100%) in tenge	25 April 2026	KASE	**53.886**	54.090
11,5% Bonds (100%) in tenge	12 September 2034	KASE	**41.380**	41.380
NBRK Base rate+0,75% (18,75%) Bonds (100%) in tenge	30 January 2026	AIX	**30.000**	30.000
9,37% Bonds (100%) in tenge	11 December 2045	KASE	**26.329**	–
11% Bonds (100%) in tenge	23 July 2027	KASE	**26.184**	26.184
2% Bonds (100%) in tenge	20 August 2034	KASE	**20.271**	18.947
1,8% Bonds (100%) in tenge	10 July 2044	AIX	**11.367**	10.889
Total debt securities issued			**1.276.232**	1.291.892
Current portion of debt securities issued			**99.115**	471.552
Non-current portion of debt securities issued			**1.177.117**	820.340
			1.276.232	1.291.892

* *Percentages in brackets represent the cost of issuing bonds/Eurobonds from par value (at premium/with discount or at par)*

In August 2025, the Group, represented by the Company, as part of the Eurobonds issuance on the Kazakhstan Stock Exchange in favor of the Shareholder in the amount of 882.978.000 US$ dated 28 October 2022, signed a memorandum to extend the maturity of the Eurobonds from 2025 to 2028 and to change the coupon rate from 2% to 3%. Coupon rate - twice a year. As the modification is considered insignificant, the Group recognized an adjustment to the carrying amount of the bonds issued within finance income in the amount of 80.296.949 US$ (43.226 million tenge) *(Note 25).*

In December 2025, the Group, represented by the Company, to implement the project “Modernisation of the railway transport corridor Dostyk-Moiynty, issued bonds on the Kazakhstan Stock Exchange in favour of the Shareholder in the amount of 42.326 million tenge with a coupon rate of 9,37% per annum and a maturity date in 2045. Coupon payment - twice a year. Digital tenge were used in this issue *(Note 8)*. The bonds were issued with a coupon rate below the market rate and the fair value was calculated based on the market rate of 16,30%. The Group recognised an adjustment to fair value of the bonds in the amount of 16.206 million tenge, net of deferred tax in the amount of 3.241 million tenge through equity in retained earnings as other contributions *(Note 13).*

In June and December 2024, the Group, represented by the Company, to implement the project “Modernisation of the railway transport corridor Dostyk-Moiynty, issued bonds on the Kazakhstan Stock Exchange in favour of the Shareholder in the amount of 20.316 million tenge and 143.653 million tenge, respectively, with a coupon rate of 9,25% per annum and a maturity date in 2044. Coupon payment - twice a year. Digital tenge were used in this issue. The bonds were issued with a coupon rate below the market rate and the fair value was calculated based on the market rate of 12,34% and 14,50%, respectively. The Group recognised an adjustment to fair value of the bonds in the amount of 49.499 million tenge, net of deferred tax in the amount of 9.900 million tenge through equity in retained earnings as other contributions *(Note 13).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Issued debt securities (continued)

In July 2024, the Group, represented by the Company, to implement the project "Construction of Darbaza-Maktaaral railway line", issued bonds on the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 44.200 million tenge, with a coupon rate of 1,8% per annum and a maturity date in 2044. Coupon payment - twice a year. The bonds were issued with a coupon rate below the market rate and the fair value was calculated based on the market rate of 12,34%. The Group recognised an adjustment to fair value of the bonds in the amount of 33.893 million tenge, net of deferred tax in the amount of 6.779 million tenge through equity in retained earnings as other contributions *(Note 13).*

In December 2024, the Group, represented by the Company, to refinance obligations, issued bonds on the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 30.000 million tenge, with a coupon rate of Base rate of National Bank of Kazakhstan + 0,75% margin per annum and a maturity date in 2026. Coupon payment - twice a year.

State subsidy of the interest rate

In May 2020, the Group, represented by the Company, entered into a contract with the Ministry of Industry and Construction of the Republic of Kazakhstan to subsidise part of the coupon rate in the amount of 307.194 million tenge, on bonds issued in 2019 at the coupon rate of 11,5% per annum and used for early repayment of Eurobonds issued in 2017 in the amount of 780.000.000 US$, which in turn were attracted and utilised for infrastructure modernisation, updating locomotives and freight carriages. The Agreement stipulates that the amount of subsidy should be provided for under the republican budget program "Subsidising the coupon rate on the carrier's bonds issued for the development of the main railway network and rolling stock of railway transport" (hereinafter – "the Program"). Since the budget Program is available to all transportation companies that have the status of a "carrier" in accordance with the Law on Railway Transport, the Group's management accounts for the financing under this Program as a government grant recognised within finance income.

In 2024, the Group recognised income from government subsidies under the Program in the amount of 22.300 million tenge.

The fair value of borrowings and debt securities issued is presented in *Note 30*.

Credit agreements and breaches of credit agreements

The long-term loan agreements with the carrying amount of 1.543.241 million tenge as at 31 December 2025 require compliance with certain financial and non-financial covenants. Non-compliance with these covenants may result in an obligation to repay the loans early at the request of creditors.

The Group complied with all covenants required to be met as at 31 December 2025, and management does not expect any breaches in periods subsequent to the reporting date. Covenants that are required to be met after 31 December 2025 do not affect the classification of these borrowings as at 31 December 2025.

Loan agreements with HSBC Continental Europe include financial covenant Net Debt to Equity (at the same time, concessional loans from the Shareholder should not exceed 50% of the total debt) calculated based on the semi-annual consolidated financial statements of the Group. In addition, the Group should comply with the covenant that the Company has any two of three corporate ratings (S&P, Fitch, Moody's) of at least BB. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 40.909 million tenge (31 December 2024: 51.253 million tenge).

Loan agreements with Societe Generale and Natixis include financial covenant Net Debt to Equity (at the same time, concessional loans from the Shareholder should not exceed 50% of the total debt) calculated based on the annual consolidated financial statements of the Group. As at 31 December 2025, this covenant was met. As at 31 December 2025, the carrying value of this loan is 371.351 million tenge (31 December 2024: 217.682 million tenge).

Loan agreement with EDB includes certain financial covenants such as Debt to EBITDA and Interest coverage ratio calculated semi-annually based on the consolidated results of the Group. In addition, the Group should comply with the covenant that the Company has any two of three corporate ratings (S&P, Fitch, Moody's) of at least BB. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 92.152 million tenge (31 December 2024: 79.276 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Credit agreements and breaches of credit agreements (continued)

Loan agreement with Citibank and Santander under the MIGA guarantee includes compliance with certain financial covenants such as EBITDA to interest expense and Total debt to EBITDA (with the share of subsidiaries' debt to third parties not exceeding 35% of total debt) calculated based on the consolidated results of the Group. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 264.740 million tenge (31 December 2024: 274.190 million tenge).

Loan agreement with EBRD includes compliance with financial covenant of Debt to EBITDA calculated based on the annual consolidated results of the Group. As at 31 December 2025, this covenant was met. As at 31 December 2025, the carrying value of this loan is 88.641 million tenge (31 December 2024: 103.881 million tenge).

Under the loan agreement with Citibank under the guarantee of the Export-Import Bank of the United States (US EXIM Bank), as at the end of each financial year, the total aggregate assets and total revenue of the Company, Kaztemirtrans JSC, KTZ-Passenger Locomotives LLP and KTZ-Freight Transportation LLP must be equal to or greater than 75% of the Group's total aggregate assets and total revenue, respectively, calculated on the basis of the Group's annual consolidated results. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 261.819 million tenge (31 December 2024: 220.910 million tenge).

Under the terms of the loan received from the Export-Import Bank of China and China Development Bank, guaranteed by Sinosure, China Credit and Export Insurance Corporation, the Group is required to comply with the Interest Coverage Ratio financial ratio (covenant), calculated based on the Group's annual consolidated data. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 32.738 million tenge (31 December 2024: nil).

Under the terms of the loan received from Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC the Group is required to comply with certain financial covenants, such as Net Debt/EBITDA and EBITDA/Interest Expense, calculated based on the Group's semi-annual consolidated data. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 308.081 million tenge (31 December 2024: nil).

Under the loan agreement with Deutsche Bank Luxembourg S.A., Banco Santander S.A. and Export-Import Bank of the United States, as at the end of each financial year, the total aggregate assets and total revenue of the Company, Kaztemirtrans JSC, KTZ-Passenger Locomotives LLP and KTZ-Freight Transportation LLP must be equal to or greater than 75% of the Group's total aggregate assets and total revenue, respectively, calculated on the basis of the Group's annual consolidated results. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 82.810 million tenge (31 December 2024: nil).

Debt securities contain covenants that place certain limitations on the Company including, but not limited to, business changes and assets disposal, limitations on mergers and consolidations with other legal entities. In the event of default, as defined by the debt securities' indenture, investors are entitled to require repayment of the debt securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Reconciliation of changes in liabilities and cash flows from financing activity:

In millions of tenge	**2025** Borrowings and debt securities issued	**2025** Lease liabilities *(Note 15)*	**2025** Total	2024 Borrowings and debt securities issued	2024 Lease liabilities (*Note 15*)	2024 Total
As at 1 January	**2.653.388**	**174.982**	**2.828.370**	2.117.547	71.506	2.189.053
Changes due to cash flows from financing activities						
Loan principal payments	**(648.674)**	**–**	**(648.674)**	(480.532)	–	(480.532)
Proceeds from borrowings	**908.235**	**–**	**908.235**	879.762	–	879.762
Lease liability payments	**–**	**(18.072)**	**(18.072)**	–	(11.358)	(11.358)
Total changes due to cash flows from financing activities	**259.561**	**(18.072)**	**241.489**	399.230	(11.358)	387.872
Other changes						
Effect of changes in foreign exchange rates	**16.531**	**(54)**	**16.477**	68.605	34	68.639
Cash flows hedging	**77.848**	**–**	**77.848**	62.215	–	62.215
Purchase of property, plant and equipment using borrowed funds directly transferred by bank to supplier	**272.755**	**–**	**272.755**	67.738	–	67.738
New lease agreements	**–**	**104.369**	**104.369**	–	107.742	107.742
Adjustment to the fair value of loans received from the Shareholder at rates lower than market *(Note 13)*	**(73.195)**	**–**	**(73.195)**	(89.395)	–	(89.395)
Effect of the modification of debt liabilities that does not result in derecognition *(Note 25)*	**(43.226)**	**–**	**(43.226)**	–	–	–
Interest costs and unwinding of discount, including capitalised	**221.887**	**36.307**	**258.194**	204.960	19.502	224.462
Interest paid	**(184.142)**	**(23.976)**	**(208.118)**	(171.648)	(12.050)	(183.698)
Other changes	**(15.390)**	**(3.474)**	**(18.864)**	(5.864)	(394)	(6.258)
Total other changes related to liabilities	**273.068**	**113.172**	**386.240**	136.611	114.834	251.445
At 31 December	**3.186.017**	**270.082**	**3.456.099**	2.653.388	174.982	2.828.370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. LEASE LIABILITIES

As at 31 December the Group's lease liabilities included:

In millions of tenge	**2025** Lease payments	**2025** Present value of lease payments	2024 Lease payments	2024 Present value of lease payments
Up to one year	**49.804**	**45.146**	38.423	35.517
From two to five years, inclusive	**225.579**	**132.097**	141.989	83.387
Over 5 years	**392.427**	**92.839**	232.330	56.078
Total	**667.810**	**270.082**	412.742	174.982
Less unearned interest	**(397.728)**	**–**	(237.760)	–
Present value of lease liabilities	**270.082**	**270.082**	174.982	174.982
Less amounts due within 12 months		**(45.146)**		(35.517)
Amounts to be repaid after 12 months		**224.936**		139.465

As at 31 December 2025, interest calculations are based on effective interest rates of between 1,68% and 26,72% (31 December 2024: 2,5% and 21,69%).

Lease liabilities are mainly denominated in tenge, except for lease liabilities for other equipment, which are denominated in US$.

Lease agreements with Industrial Development Fund JSC

Flat carriages

In July 2024, the Group, represented by its subsidiary KTZ Express JSC, entered into an agreement to lease 2.000 flat carriages with a total value of 63.356 million tenge and at interest of 13,75% per annum, of which 7% per annum is subsidised by the State. The grace period for the principal is 5 years. The Group acts as a lessee.

In 2025, within the framework of the agreement, the Group received 1.254 flat carriages and recognised right-of-use assets of 40.064 million tenge for 32 years and a lease liability of 24.715 million tenge for 15 years.

Passenger carriages

In May 2024, the Group, represented by its subsidiary Passenger Transportation JSC, entered into an agreement for the lease of 157 passenger carriages with a total value of 103.432 million tenge and an interest rate of 13,75% per annum, of which 10% per annum is subsidised by the State. The grace period for the principal is 5 years. The Group acts as a lessee.

During 2025, under this agreement, the Group received 107 passenger carriages and recognised right-of-use assets in the amount of 70.382 million tenge for 40 years and a lease liability in the amount of 33.325 million tenge for 14 years.

In August 2024, the Group, represented by its subsidiary Passenger Transportation JSC, entered into a lease agreement for 3 electric trains with a total amount of 11.802 million tenge (taking into account the additional agreement dated 29 August 2024) and an interest rate of 14,5% per annum, of which 10% per annum is subsidised by the State. The grace period for the principal is 5 years. The Group acts as a lessee.

During 2025, under this agreement, the Group received 2 electric trains and recognised right-of-use asset of 7.848 million tenge for 40 years and a lease liability of 3.734 million tenge for 15 years.

In October 2025, the Group, represented by its subsidiary Passenger Transportation JSC, entered into a lease agreement for 100 passenger carriages with a total amount of 92.095 million tenge and an interest rate of 16% per annum, of which 10% per annum is subsidised by the State. The grace period for the principal is 3 years. The Group acts as a lessee.

During 2025, under this agreement, the Group received 42 passenger carriages and recognised right-of-use assets of 36.386 million tenge for 40 years and a lease liability of 19.746 million tenge for 15 years.

15. LEASE LIABILITIES (continued)

Lease agreements with Industrial Development Fund JSC (continued)

Freight open wagons

In July 2023, the Group, represented by its subsidiary Kaztemirtrans JSC, entered into an agreement for the lease of 3.000 open wagons with a total value of 88.125 million tenge and an interest rate of 13,15% per annum, of which 6% per annum is subsidised by the State. The grace period for the principal is 2 years. The Group acts as a lessee.

During 2025, under this agreement, the Group received 1.069 open wagons and recognised right-of-use assets of 31.402 million tenge for 22 years and a lease liability of 22.473 million tenge for 13 years.

The terms and conditions of lease agreements

The terms and conditions of lease agreements of the Group, represented by subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC, with Industrial Development Fund JSC, includes compliance with the financial covenant "Debt Security Coverage Ratio" calculated on the basis of the annual consolidated results of the Group. As at 31 December 2025, this covenant was met.

In addition, the requirements of the Group's lease agreements, represented by the subsidiaries KTZ Express JSC, Passenger transportation JSC and Kaztemirtrans JSC, with Industrial Development Fund JSC, incorporate restrictive terms with respect to changing legal status through voluntary liquidation; concluding a transaction or several transactions where the value exceeds 10-25% of the carrying amount of assets; subleasing lease subjects or a part of them. In the event of a default as defined by the lease agreements, the lessor is entitled to demand the indisputable requisition of the lease items.

In 2025, under lease agreements and agreements on subsidizing interest rates on loans and financial leases with Industrial Development Fund JSC, the payment dates for the subsidized portion of the remuneration (interest) payable by the Ministry of Transport of the Republic of Kazakhstan were extended until 2026. As at 31 December 2025, the Group signed the relevant additional agreements to the lease contracts with Industrial Development Fund JSC.

16. EMPLOYEE BENEFIT OBLIGATIONS

Post-employment defined employee benefits and other long-term employee benefits

Under Kazakhstan law, pension contributions are the responsibility of employees, and the Group has no current or future obligations to make payments to employees following their retirement, apart from those described below.

In 2019, the Group introduced Early Retirement Rules ("Rules No. 1"), which determine the procedure for paying compensation to persons of pre-retirement age with whom employment contracts have been terminated early by agreement of the parties.

In 2021, the Group approved Rules for the payment of compensation to employees of the Company and its subsidiaries ("Rules No. 2"), which determine the procedure for paying compensation to employees whose positions are affected by reductions and with whom employment agreements have been terminated by agreement of the parties.

In 2024, the Company approved the Rules for the payment of sectoral old-age benefits ("Rules No. 3"), which determine the procedure for payment of industry age benefits to the Company's employees holding certain positions and who have three or less years left until reaching retirement age. Rules No. 3 were adopted in order to ensure traffic safety in railway transport, reduce the risk of occupational injuries at work with harmful and difficult working conditions, and comply with the socio-economic and legal guarantees provided to the Company's employees.

Employee retirement compensation and other long-term employment benefits are paid in accordance with Rules No. 1, Rules No. 2, Rules No. 3 and a collective agreement for 2024-2026 between the Group and its staff, and other documents.

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Post-employment defined employee benefits and other long-term employee benefits (continued)

Pursuant to these documents, the Group provides the following benefits under an unfunded scheme:

Post-employment benefit obligations:

- A one-time retirement payment;
- A one-time payment for the early employment agreement termination that depends on work experience in the industry, in accordance with Rules No. 1;
- A payment of between 70 thousand tenge and 200 thousand tenge per month payable either as a one-time payment for the whole period until the retirement age or on a monthly basis in accordance with Rules No. 1;
- A benefit payment depending on work experience in the industry over six months – twenty four months from the date of the termination of an employment agreement of between 70 thousand tenge and 200 thousand tenge per month, in accordance with Rules No. 2;
- Sectoral old-age allowance on a monthly basis in the amount of 32 times the amount of the monthly calculation index established by the law on the republican budget for the relevant financial year, in accordance with Rules No. 3;
- Financial support to pensioners for the holidays;
- Vouchers for sanatorium-resort treatment to pensioners;
- Funeral aid of pensioners;
- A one-time payment to pensioners on special anniversaries;
- The reimbursement for denture treatment costs to pensioners;
- The reimbursement of railway ticket costs to pensioners.

Other long-term employee benefits:

- Financial support for sanatorium-resort treatment to employees;
- Financial assistance on denture treatment to employees;
- A one-time payment to employees on anniversaries;
- The reimbursement of railway ticket expense to employees.

The programs are unfunded. Group policy towards these programs does not assume the accumulation of assets to cover obligations. The programs do not require employee contributions.

In millions of tenge	**31 December 2025**	31 December 2024
Non-current portion of employee benefit obligations	**41.027**	41.105
Current portion of employee benefit obligations	**8.167**	7.598
Total liabilities as at the end of the year	**49.194**	48.703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Post-employment defined employee benefits and other long-term employee benefits (continued)

Movement in the present value of obligations for the years ended 31 December is as follows:

In millions of tenge	**2025**	2024
Total liabilities at the beginning of the year	**48.703**	45.004
Current service cost	**2.267**	2.254
Past service cost	**1.473**	9.694
Interest costs	**6.039**	5.108
Actuarial gain on other long-term employee benefits	**(459)**	(2.394)
Total expenses recognised in profit or loss	**9.320**	14.662
Actuarial revaluation recognised in other comprehensive income:	**(276)**	(3.688)
- experience-based adjustments	***8.581***	*(1.850)*
- change in demographic assumptions	***1.503***	*(2.694)*
- change in financial assumptions	***(10.360)***	*856*
Payments made for the year	**(8.553)**	(7.275)
Total liabilities as at the end of the year	**49.194**	48.703

The total post-employment defined benefits and other long-term employee benefits recognised in profit or loss during the years ended 31 December are as follows:

In millions of tenge	**2025**	2024
Finance costs *(Note 25)*	**6.039**	–
Cost of sales (*Note 23*)	**3.069**	14.150
General and administrative expenses (*Note 24*)	**212**	512
Total recognised in profit or loss for the year	**9.320**	14.662

The calculation of the Group's obligation has been prepared on the basis of published mortality statistics, as well as the Group's actual data on the number, age, gender and years of service of employees and retirees, and statistics on changes in the number of employees, the expectation that all employees who will be given the opportunity to benefit from the Rules No. 1, Rules No. 2 and Rules No. 3 will take advantage of them. The average longevity after retirement age for current and former employees who have retired is 8,33 years for men and 16,42 years for women.

Other significant actuarial assumptions as at the reporting date for the consolidated statement of financial position are as follows:

	2025	2024
Discount rate	**16,8%**	12,4%
Expected annual future growth in rail ticket cost	**8,6% (average)**	7,6% (average)
Expected annual minimum salary growth in the future	**7,7% (average)**	6,6% (average)
Expected annual growth in material aid in the future	**6,4% (average)**	5,3% (average)

The expected repayment schedule for defined benefit obligations for the years ended 31 December is presented below:

In millions of tenge	**2025**	2024
Within the next 12 months	**8.167**	7.598
2 to 5 years	**16.869**	16.901
5 to 10 years	**11.594**	11.616
Beyond 10 years	**12.564**	12.588
Total expected payments	**49.194**	48.703

According to an actuarial sensitivity analysis, the maximum increase in employee benefit obligations is 8,7% caused by an inflation rate increase of 1%, and 8,1% caused by a discount rate decrease of 1%.

The given above analysis may not reflect actual changes in post-employment defined employee benefit obligations, as changes in assumptions separate from each other are unlikely (some assumptions are interrelated).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Post-employment defined employee benefits and other long-term employee benefits (continued)

In addition, for the sensitivity analysis, the present value of post-employment defined employee benefit obligations was calculated using the projected unit credit method as at the reporting date. The same method was applied when calculating post-employment defined employee benefit obligations reflected in the consolidated statement of financial position.

The methods and assumptions used in the sensitivity analysis do not differ from those used in prior years.

17. CORPORATE INCOME TAX

Income tax expenses for the years ended 31 December included:

In millions of tenge	**2025**	2024
Current income tax expense	**19.343**	14.969
Adjustment of income tax for prior years	**477**	(217)
Deferred income tax expense	**123.184**	37.811
Change in unrecognised deferred tax assets, including for tax losses carried forward	**12.371**	10.161
	155.375	62.724

The table below provides a reconciliation of income tax expenses based on accounting profit before tax at the statutory rate against income tax expenses reported for the years ended 31 December:

In millions of tenge	**2025**	2024
Profit before tax	**499.021**	223.529
Statutory tax rate	**20%**	20%
Calculated corporate income tax expense at the official rate	**99.804**	44.706
Tax effect of non-deductible expenses/(non-taxable income) for tax calculation purposes, and other effect:		
Adjustment of income tax for prior years	**477**	(217)
Non-deductible expenses	**42.723**	8.074
Change in unrecognised deferred tax assets, including for tax losses carried forward	**12.371**	10.161
Corporate income tax expense recognised in profit or loss	**155.375**	62.724

The amounts of deferred income tax calculated by applying the statutory tax rate in effect at the respective dates of the consolidated statement of financial position to temporary differences between the tax basis for assets and liabilities and amounts reported in the consolidated financial statements are as follows:

In millions of tenge	**31 December 2025**	31 December 2024
Deferred tax assets:		
Tax losses carried forward	**162.891**	128.414
Deferred revenue	**21.675**	–
Derivative financial instruments	**18.299**	6.432
Accrued employee obligations	**9.847**	7.912
Financial guarantee agreement liabilities	**4.909**	5.490
Lease liabilities	**4.831**	7.010
Difference in receivables	**3.487**	3.889
Other	**2.272**	2.692
	228.211	161.839
Less: deferred tax assets offset with deferred tax liabilities	**(227.899)**	(161.818)
Deferred tax assets	**312**	21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. CORPORATE INCOME TAX (continued)

In millions of tenge	**31 December 2025**	31 December 2024
Deferred tax liabilities:		
Property, plant and equipment and other non-current assets	**(679.716)**	(507.804)
Fair value adjustment to borrowings received from the Shareholder at the rates below market	**(137.268)**	(122.066)
Lease liabilities	**(26.011)**	–
Other	**(85)**	(5)
	(843.080)	(629.875)
Less: deferred tax liabilities offset with deferred tax assets	**227.899**	161.818
Deferred tax liabilities	**(615.181)**	(468.057)
Total net deferred tax liabilities	**(614.869)**	(468.036)

In millions of tenge	**2025**	2024
Net deferred tax liabilities as at the beginning of the year	**(468.036)**	(411.828)
Recognised in profit or loss	**(135.555)**	(47.972)
Recognised in equity (*Note 13)*	**(14.639)**	(17.879)
Recognised in other comprehensive income *(Note 13)*	**3.361**	9.643
Net deferred tax liabilities as at the end of the year	**(614.869)**	(468.036)

The Group has not recognised deferred tax assets relating to the portion of tax losses carried forward of subsidiaries. Management believes it is improbable that there will be sufficient taxable income available in the future against which any such deferred tax assets can be utilised. As at 31 December 2025, the total tax effect of unrecognised tax losses carried forward amounted to 18.753 million tenge (31 December 2024: 9.470 million tenge). These tax losses carried forward expire in 10 years from the date they were incurred.

18. TRADE ACCOUNTS PAYABLE

In millions of tenge	**31 December 2025**	31 December 2024
Accounts payable for the supply of property, plant and equipment	**246.955**	86.906
Accounts payable for inventories received	**173.200**	52.106
Accounts payable for services provided	**96.837**	84.619
Other payables	**8.778**	7.720
	525.770	231.351

As at 31 December, trade accounts payable were denominated in the following currencies:

In millions of tenge	**2025**	2024
Tenge	**457.719**	203.015
Chinese Yuan	**32.132**	48
Euro	**20.042**	13.414
US dollars	**14.344**	13.000
In other currencies	**1.533**	1.874
	525.770	231.351

19. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS

In millions of tenge	**31 December 2025**	31 December 2024
Advances received on contracts with customers	**138.658**	117.973
Deferred revenue	**10.538**	15.197
	149.196	133.170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS (continued)

Revenue recognised in the reporting period, which was included in the balance of advances received and deferred income at the beginning of the year amounted to 122.072 million tenge (31 December 2024: 95.811 million tenge).

Contract liabilities as at 31 December 2025 will be recognised in revenue during 12 months after the reporting date.

20. OTHER LIABILITIES

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

In millions of tenge	**31 December 2025**	31 December 2024
Deferred income (government grants)	**183.321**	99.999
Obligatory pension contributions, social insurance and obligatory medical insurance contributions	**15.816**	14.302
Advances received	**2.211**	9.700
Other	**485**	3.079
Total other non-financial liabilities	**201.833**	127.080
Current portion of other non-financial liabilities	**24.391**	34.636
Non-current portion of other non-financial liabilities	**177.442**	92.444
	201.833	127.080

As at 31 December 2025 and 2024, other current financial liabilities comprised the following:

In millions of tenge	**31 December 2025**	31 December 2024
Allowances for unused vacation and other employee benefits	**49.671**	40.069
Financial guarantee agreement liabilities	**24.545**	27.449
Salary payables	**15.188**	18.966
Other	**16.026**	17.833
	105.430	104.317
Current portion of other financial liabilities	**105.430**	77.991
Non-current portion of other financial liabilities	**–**	26.326
	105.430	104.317

As disclosed in *Note 27*, the Group has provided financial guarantees to banks on loans received by Nursultan Nazarbayev International Airport JSC and Aktobe Rail and Section Mill Plant LLP, and has recognised obligations under financial guarantee agreements. As at 31 December 2025, liabilities under financial guarantee agreements amounted to 13.521 million tenge for Nursultan Nazarbayev International Airport JSC and 11.024 million tenge for Aktobe Rail and Section Mill Plant LLP (31 December 2024: 14.896 million tenge for Nursultan Nazarbayev International Airport JSC and 12.553 million tenge for Aktobe Rail and Section Mill Plant LLP).

At 31 December 2025 and 2024, other financial liabilities were mainly denominated in tenge.

21. REVENUE

In 2025 and 2024, revenue from freight transportation included:

In millions of tenge	**2025**	2024
Revenue from contracts with customers:		
International (transit) routes	**827.178**	698.797
Domestic routes	**687.325**	507.501
International (export) routes	**489.375**	322.631
International (import) routes	**276.243**	194.279
Additional charges related to the transportation process	**65.194**	67.769
Other revenue from freight transportation	**117.882**	84.581
	2.463.197	1.875.558

21. REVENUE (continued)

During 2025, the Group received international (transit) freight transportation revenue, which is the cash flow hedged item, therefore, the accumulated loss in the amount of 80.781 million tenge attributable to the hedging instrument was reclassified from other comprehensive income to freight transportation revenue (2024: 412 million tenge) *(Note 13).*

Revenue from freight transportation is recognised over time.

In 2025 and 2024, revenue from passenger transportation included:

In millions of tenge	**2025**	2024
Revenue from contracts with customers:		
Passenger transportation	**110.746**	94.003
Other revenue from passenger transportation	**18.504**	16.520
	129.250	110.523

Revenue from passenger transportation of 2.753 million tenge, attributable to portion of other revenue from passenger transportation, was recognised at a point in time (for the year ended 31 December 2024: 1.763 million tenge), and 126.497 million tenge was recognised over time (for the year ended 31 December 2024: 108.760 million tenge).

Total revenue from contracts with customers for the year ended 31 December 2025 amounted to 2.592.447 million tenge (for the year ended 31 December 2024: 1.986.081 million tenge).

22. OTHER REVENUE

In millions of tenge	**2025**	2024
Revenue from the sale of goods and provision of other services	**69.285**	61.172
Revenue from the lease of carriages	**39.007**	63.368
Revenue from fines	**7.940**	6.382
Revenue from the lease of other property, plant and equipment	**5.129**	5.815
	121.361	136.737

Revenue from the sale of goods and the provision of other services mainly consists of revenue from loading and unloading services, vehicle servicing and the sale of materials and scrap metal.

The Group leases out carriages and other property, plant and equipment under operating lease agreements. Accounts receivable under operating leases are payable within one year. Operating leases do not include an extension or early termination option. The Group is not exposed to currency risk as a result of operating leases, as all leases are denominated in tenge. The lessee does not have an option to purchase carriages and other property, plant and equipment at the end of the lease term.

Revenue from fines is mainly represented by interest from the late dispatch of freight from destination stations and for a breach of contracts.

The major portion of other revenue is attributable to the Freight Transportation segment.

Revenue of 21.627 million tenge is recognised at a point in time (for the year ended 31 December 2024: 18.544 million tenge), and of 55.598 million tenge – over time (for the year ended 31 December 2024: 49.010 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. COST OF SALES

In millions of tenge	**2025**	2024
Staff costs, including taxes, contributions and provisions for unused vacations	**835.907**	702.500
Fuel and lubricants	**265.916**	195.945
Repairs and maintenance	**242.842**	234.961
Depreciation and amortisation	**192.897**	165.925
Electrical power	**139.014**	90.967
Materials and supplies	**78.083**	62.300
Work and services of a production nature	**76.540**	71.246
Property tax and other taxes, excluding social tax and social contributions	**31.979**	29.816
Utilities and building maintenance	**9.423**	7.730
Communication services	**3.127**	3.125
Employee post-employment benefit expenses and other long-term employee benefits *(Note 16)*	**3.069**	14.150
Other expenses	**45.254**	41.352
	1.924.051	1.620.017

24. GENERAL AND ADMINISTRATIVE EXPENSES

In millions of tenge	**2025**	2024
Staff costs, including taxes, contributions and provisions for unused vacations	**94.523**	78.473
Property tax and other taxes, excluding social tax and social contributions	**15.458**	17.942
Other third-party services	**5.649**	3.809
Consulting, audit and legal services	**5.626**	2.873
Expenses for holding festive and cultural events	**4.712**	3.273
Depreciation and amortisation	**3.189**	4.446
Business trips	**2.502**	2.590
Membership fees	**1.641**	1.299
Utilities and building maintenance	**1.587**	1.170
Short-term lease expenses	**1.548**	1.133
Insurance	**745**	636
Communication services	**698**	653
Expenses to maintain social sphere facilities	**539**	431
Banking services	**453**	442
Repairs and maintenance	**431**	1.216
Employee post-employment benefit expenses and other long-term employee benefits *(Note 16)*	**212**	512
Charity	**–**	2.000
Other expenses	**6.324**	5.492
	145.837	128.390

25. FINANCE INCOME AND COSTS

In millions of tenge	**2025**	2024
Finance income		
Effect of the modification of debt liabilities that does not result in derecognition *(Note 14)*	**43.226**	–
Interest income on cash and cash equivalents	**21.770**	11.517
Interest income on derivative financial instruments recognised at fair value through profit or loss	**10.745**	10.010
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	**7.196**	–
Income from guarantees issued	**2.850**	1.322
Income from subsidising the interest rate on financial liabilities	**–**	28.019
Other finance income	**2.831**	2.087
	88.618	52.955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. FINANCE INCOME AND COSTS (continued)

In millions of tenge	**2025**	2024
Finance costs		
Interest costs and unwinding of discount on loans	**153.443**	152.777
Lease interest expenses	**36.307**	19.502
Interest expense on employee benefit obligations *(Note 16)*	**6.039**	–
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	**–**	6.363
Other finance costs	**5.198**	2.733
	200.987	181.375
Loss from the ineffective part of hedging instruments *(Note 13)*	**44.857**	3.609
	245.844	184.984

26. BOOK VALUE AND EARNINGS PER SHARE

According to the requirements of KASE, the financial statements should comprise data on the carrying amount of one share (common and preferred) as at the reporting date calculated as per the rules approved by KASE. The book value per share is not a measure determined in accordance with IFRS.

	31 December 2025	31 December 2024
Net assets excluding intangible assets, goodwill and non-controlling interests, in million tenge	**2.343.195**	1.924.270
Quantity of common shares in circulation (registered)	**496.695.676**	496.694.666
Book value per share, tenge	**4.717,57**	3.874,15

Earnings per share

Basic earnings per share are calculated using the weighted average number of common shares issued during the year. Basic and diluted per share data are the same, as there are no dilutive instruments outstanding. During 2025 and 2024, there were no antidilutive instruments outstanding.

	2025	2024
Weighted average quantity of common shares	**496.695.065**	496.693.715
Profit for the year attributable to the Shareholder, in million tenge	**339.919**	157.818
Basic and diluted earnings per common share, in Tenge	**684,36**	317,74

27. FINANCIAL AND CONTINGENT LIABILITIES

Capital commitments

As at 31 December 2025, the Group had investment liabilities, including the modernisation of the Dostyk-Moiynty railway transport corridor; the Altynkol–Zhetygen railway section; the construction of the Darbaza-Maktaaral, Moiynty-Kyzylzhar and Bakhty–Ayagoz railway lines; the construction of second tracks on the Dostyk–Alashankou railway section; the construction of a bypass railway line bypassing the Almaty station; the construction of automatic train traffic control systems; liabilities under lease agreements with Industrial Development Fund JSC, overhaul of railway tracks, acquisition of equipment, long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives, passenger carriages for a total amount of 4.681.921 million tenge excluding VAT (31 December 2024: 2.427.217 million tenge excluding VAT).

Other contract liabilities

As at 31 December 2025, the Group, represented by its subsidiary KTZ Express JSC, has an agreement in place to provide freight handling and freight storage services in the future. The agreement stipulates that the Group has to acquire a minimum volume of freight storage services for 10 years and make substantial payments for those services.

27. FINANCIAL AND CONTINGENT LIABILITIES (continued)

Other contract liabilities (continued)

Management of the Group believes that the service period under the Agreement with Aktau Marine North Terminal LLP has not yet commenced, because the Group has not been notified about the commencement date of commercial operations and service period, and the parties have not begun executing the obligations under the Agreement. Management of the Group believes that as at 31 December 2025, the outflow of resources embodying economic benefits under this agreement is not highly probable.

Contingent liabilities

Litigations

The Group is subject to various legal proceedings related to its business operations, such as property damage claims. The Group does not believe that pending or threatened claims of these types, individually or in aggregate, are likely to have any material adverse effect on the Group's consolidated financial position, results of operations or cash flows.

Contingent liabilities related to the Kazakhstan tax system

Due to the uncertainties inherent in the Kazakhstan tax system, the ultimate amount of taxes, fines and late payment interest may exceed the amount expensed as at 31 December 2025 and 2024. It is not possible to determine the value of any unasserted claims that may be charged, if any, or the likelihood of any unfavourable outcome.

The Group's management believes that its interpretation of the Kazakhstan relevant legislation is appropriate and the Group's tax positions will be sustained. However, tax authorities may take a different position on the interpretation of the effective Kazakhstan tax legislation, which may have a significant impact on the Group's consolidated financial statements.

Insurance

The insurance market is still in the early stages of development in Kazakhstan and, in common with other state-owned enterprises, the Group does not, with the exception of obligatory passenger insurance with regard to personal injury, death and loss or damage to passenger property, maintain any insurance against the risk of damage to any of its properties, assets or equipment (including infrastructure, rolling stock and stations) nor against business interruption or third party liability in respect of property or environmental damage arising from accidents to the Group's property or relating to the Group's operations. The Group maintains the required insurance coverage under policies purchased from commercial insurance operators in Kazakhstan.

Environmental protection

Legislation on environmental protection in Kazakhstan is in the process of development and therefore is subject to constant changes. From 1 July 2021, amendments to the Environmental Code of Kazakhstan ("the Code") has become effective. This Code includes set of principles aimed at minimising the consequences of environmental damage to the activities of entities and/or the full restoration of the environment to its original state. Depending on the level and risk of negative impact on the environment, assets are classified into four categories, where the asset that have a significant negative impact on the environment are classified to the first category. In accordance with the Code, the Group's management has analysed and classified the Group's assets that belong to rail track infrastructure into the second category. The sea port assets in Aktau city were also classified into the second category. The remaining assets of the Group were classified into the third and fourth categories. The Group's management believes that its interpretation of the relevant legislation of the Republic of Kazakhstan is appropriate.

No provision has been made in these consolidated financial statements as the Group's management assesses that there are no potential asset retirement and land reclamation obligations that could have a material effect on the consolidated financial position, results of operations or cash flows of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. FINANCIAL AND CONTINGENT LIABILITIES (continued)

Contingent liabilities (continued)

Guarantees

As at 31 December 2025, guarantees were presented as follows:

Creditor	Purpose of the guarantee	Guarantee issue date	Guarantee period	Amount of guarantee
Development Bank of Kazakhstan JSC	Execute the obligations of the associate Aktobe Rail and Section Mill Plant LLP to finance the construction of a rail and section mill plant in Aktobe	4 July 2013	until 2033	**14.498**
Development Bank of Kazakhstan JSC	Execute the obligations of Nursultan Nazarbayev International Airport JSC to finance its modernisation in Astana airpot	28 March 2018	until 2033	**20.252**

Note 20 discloses the carrying value of these guarantees.

As at 31 December 2025 and 2024, there were no cases of using the financial guarantees listed above.

Finance lease agreements with Development Bank of Kazakhstan JSC provide for the Company's compliance with certain financial covenants, such as debt to EBITDA and interest coverage ratio on an annual basis, as well as compliance with the condition that the Company has any two of the three corporate ratings (S&P, Fitch, Moody's) at a level not lower than BB-. As at 31 December 2025, these covenants were met.

28. SUBSIDIARIES

Information on the composition of the Group is provided below:

Subsidiary*	Activities	Country	Ownership interest/controlled interest, % 31 December 2025	31 December 2024
1. Kaztemirtrans JSC	Freight wagon operation	Kazakhstan	**100**	100
2. Passenger Transportation JSC	Passenger Transportation	Kazakhstan	**100**	100
3. KTZ-Freight Transportation LLP	Freight transportation and locomotive haulage	Kazakhstan	**100**	100
4. KTZ Express JSC	Freight forwarding services, multimodal transportation	Kazakhstan	**100**	100
5. Kedentransservice JSC	Freight forwarding services, rolling stock operation, terminal services	Kazakhstan	**100**	100
6. Temirzholsu JSC	Utilities	Kazakhstan	**100**	100
7. Militarised Railway Security LLP	Security service	Kazakhstan	**100**	100
8. Aktau International Sea Commercial Port National Company JSC**	Loading and unloading operations, ship maintenance	Kazakhstan	**100**	100
9. Port Kuryk LLP	Freight transhipment and vessel servicing	Kazakhstan	**100**	100
10. KTZ - Passenger Locomotives LLP	Provision of haulage rolling stock services	Kazakhstan	**100**	100

* *First level subsidiaries, some of which include subsidiaries that have non-controlling interests.*

** *In November 2013, the Shareholder transferred a 100% ownership interest in National Company Aktau International Sea Commercial Port JSC to the Group's trust management. National Company Aktau International Sea Commercial Port JSC is recognised as a Group subsidiary although the Group does not legally hold shares in it.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In addition, parties under common control with the Group are considered to be related. When considering possible relationships between related parties, in each case, attention is drawn to the nature of the relationship, and not just to the legal form.

The related parties may enter transactions that unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The nature of related party relationships for those related parties with which the Group entered into significant transactions or had significant balances outstanding as at 31 December are detailed below.

In millions of tenge		**Shareholder**	**Associates**	**Companies making up the Shareholder group**	**Other related parties***
Amounts due from related parties for goods, services and non-current assets, including advances paid	**2025**	**–**	**4.410**	**394**	**9.423**
	2024	–	2.162	211	5.202
including allowances for expected credit losses and impairment of advances paid	***2025***	**–**	***(73)***	***(3)***	***(173)***
	2024	–	*(30)*	*(4)*	*(150)*
Amounts due to related parties for goods, services and non-current assets, including advances received	**2025**	**–**	**15.684**	**149.510**	**12.215**
	2024	–	14.857	29.487	14.622
Current accounts and short-term deposits	**2025**	**–**	**–**	**24.570**	**–**
	2024	–	–	1	–
Cash on digital accounts *(Note 30)*	**2025**	**–**	**–**	**–**	**22.882**
	2024	–	–	–	116.631
Restricted cash	**2025**	**–**	**–**	**–**	**4**
	2024	–	–	–	197
Loans payable	**2025**	**975.160**	**–**	**–**	**164.264**
	2024	1.002.575	–	–	154.299
Lease liabilities	**2025**	**68**	**20.601**	**–**	**245.863**
	2024	–	31.296	–	140.393
Financial guarantee agreement liabilities	**2025**	**–**	**–**	**–**	**13.521**
	2024	–	–	–	14.897

* *Other related parties include National Bank of Kazakhstan and other commercial entities under common control and significant influence of the State.*

29. RELATED PARTY TRANSACTIONS (continued)

Related party transactions for the years ended 31 December are presented as follows:

In millions of tenge		Shareholder	Associates	Joint ventures	Companies making up the Shareholder Group	Other related parties
Sale of goods, services and non-current assets	**2025**	**–**	**101.424**	**–**	**35.936**	**127.508**
	2024	–	110.476	–	29.434	103.418
(Accrued) / recovered allowances for expected credit losses and impairment of advances paid	***2025***	**–**	***(42)***	**–**	***1***	***(67)***
	2024	–	*394*	–	*96*	*(70)*
Purchase of goods, services and non-current assets	**2025**	**–**	**24.523**	**–**	**221.052**	**119.948**
	2024	–	26.623	–	93.221	75.278
Proceeds from borrowings	**2025**	**107.806**	**–**	**–**	**–**	**–**
	2024	238.169	–	–	–	37.956
Repayment of borrowings	**2025**	**31.175**	**–**	**–**	**–**	**18.032**
	2024	1.175	–	–	–	11.160
New lease agreements (Group as lessee)	**2025**	**247**	**22**	**–**	**–**	**103.993**
	2024	–	27.261	–	–	80.475
	2025	**203**	**15.126**	**–**	**–**	**27.808**
Lease payments	2024	–	11.188	–	–	16.904
	2025	**43.226**	**–**	**–**	**–**	**1.376**
Finance income	2024	–	19	–	–	418
	2025	**40.421**	**4.414**	**–**	**–**	**45.945**
Finance costs	2024	36.853	5.755	–	–	26.047
	2025	**–**	**4.645**	**–**	**–**	**–**
Dividends receivable	2024	–	4.480	–	–	–
Contribution to the share capital	**2025**	**28.791**	**6.211**	**13.719**	**–**	**–**
	2024	13.273	1.578	243	–	–

In 2025, the Group received a loan from the Shareholder in the amount of 65.480 million tenge *(Note 14)* (2024: nil).

In 2025, the Group issued bonds in favour of the Shareholder in the amount of 42.326 million tenge *(Note 14)* (2024: 238.169 million tenge).

As at 31 December 2025, the Group has borrowings from Industrial Development Fund JSC, Development Bank of Kazakhstan JSC and EDB for a total of 164.264 million tenge (31 December 2024: 154.299 million tenge).

As at 31 December 2025, the Group's borrowings from the Shareholder were mainly received at rates below market varying from 0,075% to 9,37% (31 December 2024: from 0,075% to 9,25%) and maturity varying from 13 to 50 years and at initial recognition were reflected at fair value at rates from 6,53% to 16,3% (31 December 2024: from 6,53% to 14,5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS (continued)

Transactions with Shareholder group companies, associates and joint ventures and other related parties mainly comprise transactions with KazMunaiGas National Company JSC (diesel fuel and gasoline), Transtelecom JSC (telecommunication services, lease), Kazakhtelecom JSC (communication services), Kazatomprom National Nuclear Company JSC (electricity), KEGOC JSC (electricity), Kazpost JSC (postal services, cash deposits), Kazakhstan Engineering National Company JSC (engineering production), Samruk-Energo JSC (electricity), Settlement and financial centre for renewable energy support LLP (electricity), National Bank of the Republic of Kazakhstan (cash deposits). The Group also provides freight transportation services and lease of rolling stock to Shareholder group companies, associates and joint ventures, as well as other related parties.

Compensation of key management personnel of the Group

As at 31 December 2025, key management personnel comprise members of the Group’s Management Board and Board of Directors, totalling 18 persons (31 December 2024: 18 persons). Total compensation to key management personnel included in personnel costs in the consolidated statement of profit or loss and other comprehensive income comprised 1.036 million tenge for the year ended 31 December 2025 (for the year ended 31 December 2024: 816 million tenge). Compensation to key management personnel mainly consists of expenses related to remuneration of the members of the Board of Directors for their participation in meetings, contractual salaries of Management Board members, including related taxes and contributions, unused vacation reserve and other performance-based payments.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group’s principal financial instruments consist of loans, debt securities issued (bonds), lease liabilities, derivative financial instruments, cash and cash equivalents as well as trade accounts receivable and trade accounts payable and other financial assets and liabilities. The main risks arising from the Group’s financial instruments are interest rate risk, foreign currency risk and credit risk. The Group further monitors the market risk and liquidity risk arising from all financial instruments.

Capital risk management

The Group manages its capital risk to ensure that it can continue as a going concern, maximising shareholder value and optimising its debt and equity balance.

The Group's overall strategy remains unchanged from 2024.

There are no obligatory minimum equity requirements for the Group.

The Group’s equity structure includes net debt (loans, debt securities and lease liabilities less cash and cash equivalents) and Group’s equity (which comprises share capital, hedge reserve, foreign currency translation reserve, retained earnings and non-controlling interests.

Financial risk management objectives

Risk management is an essential element of the Group’s operations. The Company monitors and manages financial risks relating to the Group’s operations through internal risk reports which analyse risk exposure by the degree and size of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), liquidity risk and cash flow interest rate risk. A description of the Group’s risk management policies in relation to those risks presented below.

Market risk

Market risk is the risk that the value of a financial instrument may fluctuate as a result of changes in market prices. The Group manages market risk through periodic estimates of potential losses that could arise from adverse changes in market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on the Group's investments and/or increasing cash outflow on its loans and debt securities. The Group limits its interest rate risk by monitoring changes in interest rates in the currencies in which its financial instruments are held, and by maintaining a balance between its loans with fixed and floating interest rates.

The Group's exposure to the interest rate risk mainly relates to its loans and debt securities issued with floating interest rates.

The following table shows the sensitivity of the Group's profit and equity to possible changes in interest rates on borrowings (through the effect on interest for floating interest rate borrowing) with all other variables remaining constant.

		Interest rate increase/ (decrease) in basis points*	Effect on profit/equity
Key interest rate NBRK	**2025**	**186/(186)**	**(1.190)/1.190**
	2024	406/(231)	(3.877)/2.206
EURIBOR	**2025**	**27/(27)**	**(1.005)/1.005**
	2024	354/(127)	(6.061)/2.174
SARON	**2025**	**35/(35)**	**(3.144)/3.144**
	2024	126/(77)	(6.304)/3.852
LRP	**2025**	**350/(350)**	**(907)/907**
	2024	–	–

* *1 basis point - 0,01%.*

Currency risk

Since the functional currency of the Group is the tenge, the Group is exposed to foreign currency risk arising from transactions denominated in foreign currencies, in particular revenue from international (transit) freight transportation denominated in Swiss francs. Fluctuations in the exchange rate of the Swiss franc against the tenge may have a significant impact on the Group's financial results and cause volatility in cash flows. In addition, the Group raises financing denominated in US dollars, Swiss francs, euros, Chinese yuan and Russian rubles. Changes in the exchange rate of the tenge against these currencies also result in foreign exchange gains or losses, thereby affecting the Group's financial results.

Foreign currency risk management strategies

As part of managing foreign currency risk, the Group's management seeks, where practicable, to match the currency of future cash inflows with the currency of liabilities to be settled. This approach is aimed at reducing the sensitivity of the Group's financial results and cash flows to fluctuations in exchange rates by aligning the currencies of incoming and outgoing cash flows.

Given that a significant portion of the Group's forecast revenue from international transit is denominated in Swiss francs, the Group uses financing instruments and other risk-management mechanisms that allow it to align the corresponding Swiss-franc inflows with liabilities in the same currency. This approach is a fundamental element of the Group's strategy to mitigate foreign currency risk.

In addition to this approach, the Group, where appropriate and when the criteria established by IFRS are met, applies hedge accounting in the consolidated financial statements for certain hedging relationships. In particular, to reduce currency risk arising from changes in the Swiss franc–to–tenge exchange rate, the Group has employed two hedging strategies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Foreign currency risk management strategies (continued)

Under Strategy 1, the Group used debt obligations denominated in U.S. dollars together with cross-currency swaps that economically transformed the U.S. dollar obligations into obligations denominated in Swiss francs. This allowed the currency of the forecast cash inflows from transit revenue to be matched with the currency of the liabilities.

Under Strategy 2, the Group used borrowings denominated in Swiss francs as a tool to reduce foreign currency risk related to highly probable forecast revenue in Swiss francs. This approach represents a natural hedging strategy, in which the currency of future operating cash inflows is aligned with the currency of future cash outflows under financial liabilities.

Cross-currency swaps and borrowings

In October–November 2022, the Group entered into cross-currency swap transactions with Societe Generale SA (France), Citibank London, and J.P. Morgan Securities plc (United Kingdom) to manage the foreign currency risk of borrowings denominated in U.S. dollars. The Group received fixed amounts of consideration in Swiss francs and U.S. dollars.

The borrowings designated as the hedging instrument represent payments under Eurobonds totaling USD 882.978.000, bearing interest at 2% per annum and maturing in October 2025, held by the Shareholder. In August 2025, the Group signed a memorandum extending the maturity of the Eurobonds from 2025 to 2028 and changing the coupon rate from 2% to 3% (*Note 14*).

These derivative financial instruments and the Eurobonds were designated as part of specific hedging relationships in the consolidated financial statements from October 2024 to August 2025 (*Note 13*).

In October 2025, the Group extended the term of its cross-currency swap transactions for one year. Under the extended cross-currency swap agreements, the Group will pay a fixed amount of consideration in Swiss francs in exchange for a fixed amount of consideration in U.S. dollars.

Financial results on derivative instruments

During 2025, under the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc (United Kingdom), Societe Generale SA (France), and Citibank London in the amount of USD 17.565.607 (KZT 9.220 million) and CHF 4.512.532 (KZT 2.926 million) (during 2024: USD 17.674.778 (KZT 8.221 million) and CHF 4.540.916 (KZT 2.385 million)).

As of 31 December 2025, the fair value of the derivative financial instruments under the agreements with Societe Generale SA (France), Citibank London, and J.P. Morgan Securities plc (United Kingdom), amounting to USD 180.989.291 (KZT 91.496 million) (as of 31 December 2024: USD 62.267.864 (KZT 32.697 million)), was recognized as current liabilities.

Hedge effectiveness assessment

In 2024, the Group applied cash flow hedging to reduce the risk of changes in the tenge equivalent of revenue from transit freight transportation denominated in Swiss francs under two strategies *(Note 13)*. In August 2025, due to the signing of a memorandum extending the maturity of the Eurobonds from 2025 to 2028 *(Note 14)*, hedge accounting under Strategy 1 was discontinued.

There is an economic relationship between the hedged items and the hedging instruments because the terms of the foreign-currency loans and bonds match the terms of the expected highly probable forecast cash flows from revenue denominated in Swiss francs (nominal amount and expected payment date). The Group established a hedge ratio of 1:1 for these hedging relationships, as the underlying currency risk of the borrowings fully corresponds to the currency risk of the revenue and liabilities denominated in Swiss francs.

To assess hedge effectiveness, the Group applies the hypothetical derivative method, comparing changes in the fair value of the hedging instruments with changes in the fair value of the hedged items attributable to foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Hedge effectiveness assessment (continued)

Sources of hedge ineffectiveness may include:

- Mismatches in the timing of cash flows between the hedged items and the hedging instruments;
- Changes in the forecast amount of cash flows related to the hedged item;
- Changes in the fair value of the cross-currency swap due to movements in market interest rates for the Swiss franc and the U.S. dollar.

As of 31 December 2025, the Group assesses the likelihood of significant hedge ineffectiveness under *Strategy 2* as remote, given the high probability of receiving cash flows from revenue denominated in Swiss francs during the forecast period.

The Group applies the following currency swaps and foreign-currency bonds under Strategy 1:

	Maturity dates				
31 December 2024	**Up to 3 months**	**3-9 months**	**9-12 months**	**Over 12 months**	**Total**
Eurobonds					
Nominal values in USD	–	–	882.978.000	–	**882.978.000**
Nominal value in million tenge	–	–	463.661	–	**463.661**
Average USD / CHF exchange rate	–	–	–	–	**0,9986**
Currency SWAP					
Nominal value in Swiss francs	–	–	(881.881.000)	–	**(881.881.000)**
Nominal value in million tenge	–	–	(512.091)	–	**(512.091)**

The Group applies the following foreign-currency borrowings under Strategy 2:

	Maturity dates				
In millions of tenge	**Up to 3 months**	**3-9 months**	**9-12 months**	**Over 12 months**	**Total**
31 December 2025					
Nominal value in Swiss francs	**39.246.547**	**69.108.135**	**30.084.195**	**772.604.381**	**911.043.258**
31 December 2024					
Nominal value in Swiss francs	39.613.561	69.467.385	30.084.195	911.043.258	1.050.208.399

The impact of the hedging instruments on the consolidated statement of financial position is presented below:

In millions of tenge	**Nominal value (in original currency)**	**Carrying amount (million tenge)**	**Line item in the consolidated statement of financial position**	**Change in fair value / foreign-currency remeasurement used for assessing ineffectiveness for the period (million tenge)**
31 December 2025				
Borrowings in Swiss francs	**911.043.258**	**534.250**	**Borrowings**	**(53.550)**
31 December 2024				
Borrowings in Swiss francs	1.050.208.399	567.213	Borrowings	(20.399)
Eurobonds in US dollars	882.978.000	448.785	Borrowings	(37.037)
Currency swaps in Swiss francs	881.881.000	32.697	Derivative financial instruments	8.811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Hedge effectiveness assessment (continued)

A reconciliation of each component of equity and an analysis of other comprehensive income are presented below:

In millions of tenge	**Cash flow hedge reserve (Strategy 1)**	**Cash flow hedge reserve (Strategy 2)**	**Total**
1 January 2024	–	–	–
Effective portion of changes in fair value	28.226	20.399	48.625
Amount reclassified to profit or loss – effective portion as a reduction of revenue	–	(412)	(412)
Tax effect	(5.645)	(3.998)	(9.643)
31 December 2024	22.581	15.989	38.570
Effective portion of changes in fair value	**44.034**	**53.550**	**97.584**
Amount reclassified to profit or loss – effective portion as a reduction of revenue	**(72.260)**	**(8.521)**	**(80.781)**
Tax effect	**5.645**	**(9.006)**	**(3.361)**
31 December 2025	**–**	**52.012**	**52.012**

During 2025, the Group incurred a foreign exchange loss of 19.990 million tenge, of which a major portion is attributable to borrowing as disclosed in *Note 14* (2024: 69.620 million tenge).

The following table reflects the sensitivity of the Group's profit and equity to potential changes in the US$, Euro, Russian Rouble, Swiss Francs and other exchange rates, provided all other parameters remain constant.

	31 December 2025			31 December 2024		
In millions of tenge	**Exchange rate increase/ (decrease)**	**Effect on profit**	**Direct effect on equity**	Exchange rate increase/ (decrease)	Effect on profit	Direct effect on equity
	8,84%/	**(27.275)/**	**–**	9,09%/	1.372/	(32.621)/
US dollars	**(8,84%)**	**27.275**	**–**	(7,34%)	(1.108)	26.355
	11,12%/	**(37.181)/**	**–**	9,00%/	(19.263)/	–
Евро	**(11,12%)**	**37.181**	**–**	(5,95%)	12.736	–
	15,22%/	**(10.896)/**	**–**	2,00%/	(1.236)/	–
Russian rubles	**(15,22%)**	**10.896**	**–**	(22,95%)	14.186	–
	11,76%/	**(55.553)/**	**(50.267)/**	12,22%/	(8.581)/	(58.553)/
Swiss Francs	**(11,76%)**	**55.553**	**50.267**	(3,99%)	2.804	19.136
In other	**8,89%/**	**(4.438)/**	**–**	8,55%/	139/	–
currencies	**(8,89%)**	**4.438**	**–**	(13,22%)	(214)	–

Credit risk

Credit risk arising from a party's inability to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the Group's obligations to that party. It is the Group's policy to enter into financial instruments with a range of creditworthy parties. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Credit risk concentrations may arise from exposure to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As at 31 December 2025, the Group's cash with a carrying amount of 24.570 million tenge (10,55% of cash and cash equivalents) is held on current accounts and short-term deposits in Kazpost JSC and in the amount of 22.882 million tenge (9,82% of cash and cash equivalents) is held on digital accounts in National Bank of Kazakhstan, which are related parties of the Group *(Note 29).* In addition, cash and cash equivalents are mainly held in Halyk Bank JSC with a credit rating of BBB- (48,72% of cash and cash equivalents) and in Fortebank JSC with a credit rating of BB (22,72% of cash and cash equivalents).

The Group has procedures in place to ensure that sales are only made to customers with the appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its customers.

In addition, the Group is exposed to credit risk on financial guarantees provided to banks. The maximum risk of the Group in this regard is equal to the maximum amount that the Group will be obliged to pay in the event of claims for guarantees disclosed in *Note 27.*

Liquidity risk

The Group manages short-term, mid-term and long-term financing liquidity risk in accordance with Shareholder requirements. The Group manages liquidity risk by maintaining adequate reserves, bank loans and accessible credit lines by constantly monitoring projected and actual cash flows and comparing the maturity of financial assets and liabilities.

As at 31 December 2025, the Group has credit lines available in: Halyk Bank JSC, ForteBank JSC, Citibank, Citibank Kazakhstan JSC and Freedom Bank Kazakhstan JSC with undrawn balances totalling 259.680 million tenge (31 December 2024: Halyk Bank JSC, Fortebank JSC and Citibank for the total amount of 128.068 million tenge).

The Group controls and monitors compliance with the covenants set by the Shareholder and credit/guarantee agreements on a regular basis.

The following tables reflect the contractual terms of the Group's financial liabilities. The table was prepared using undiscounted cash flows on financial liabilities based on the earliest date at which the Company can be required to pay. The table includes both interest and principal cash flows.

In millions of tenge	On demand	Up to 1 month	1-3 months	3 months - 1 year	1–5 years	Over 5 years	Total
2025							
Non-interest bearing:							
Accounts payable	**–**	**522.689**	**343**	**2.738**	**–**	**–**	**525.770**
Other liabilities	**–**	**16.172**	**49.671**	**15.042**	**–**	**–**	**80.885**
Interest-bearing:							
Borrowings	**–**	**35.795**	**63.465**	**530.765**	**1.990.429**	**2.749.360**	**5.369.814**
Lease	**–**	**7.620**	**1.718**	**40.466**	**225.579**	**392.427**	**667.810**
Derivative financial instruments	**–**	**–**	**–**	**94.455**	**–**	**–**	**94.455**
Financial guarantees	**61.539**	**–**	**–**	**–**	**–**	**–**	**61.539**
	61.539	**582.276**	**115.197**	**683.466**	**2.216.008**	**3.141.787**	**6.800.273**
2024							
Non-interest bearing:							
Accounts payable	–	223.237	7.725	389	–	–	231.351
Other liabilities	–	18.966	40.069	17.833	–	–	76.868
Interest-bearing:							
Borrowings	–	5.267	53.609	891.823	1.132.753	2.608.153	4.691.605
Lease	–	7.371	3.898	27.154	141.989	232.330	412.742
Derivative financial instruments	–	–	–	34.312	–	–	34.312
Financial guarantees	72.415	–	–	–	–	–	72.415
	72.415	254.841	105.301	971.511	1.274.742	2.840.483	5.519.293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The amounts presented in the table of financial guarantee agreements reflect the maximum amounts that the Group will be obliged to pay in the event of claims under guarantee agreements. As at reporting date the Group believes that with probability of more than 50% no payments under these agreements will be required. At the same time, the given estimate may change if there is a change in the probability of claims under guarantee agreements. This probability is determined by the probability of default of counterparty's account receivable.

Fair value of financial instruments

Fair value is defined as the amount at which an instrument could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or distress sale. As no readily available market exists for a large part of the Group's financial instruments, judgement is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

The following methods and assumptions are used by the Group to estimate the fair value of these financial instruments:

Cash and cash equivalents

The carrying value of cash and cash equivalents approximates their fair value due to the short-term maturity of these financial instruments.

Financial assets and liabilities

For assets and liabilities with a maturity of less than twelve months, the carrying amount approximates fair value due to the relatively short maturity of these financial instruments.

For assets and liabilities maturing in over 12 months, the fair value represents the present value of estimated future cash flows discounted at year-end market rates.

Derivative financial instruments

Fair value of the derivative financial instrument was measured on expected discounted future cash flows based on forward exchange rates (observed at the reporting date) and contract forward rates, discounted at rates that reflect the credit risk of the Group and counterparties.

Borrowings

The fair value for bank loans was estimated by discounting the scheduled future cash flows of individual loans through estimated maturity using prevailing market rates as at the respective year-end for debt with a similar maturity and credit-rating profile. Although interest rates on the borrowings issued to the Group by international financial institutions and foreign banks are lower than interest rates of private commercial credit institutions in Kazakhstan, they are treated as the market interest rate for this lender category. The fair value of debt securities issued (bonds) has been determined based on market prices at the reporting date.

Fair value of the Group`s financial assets and financial liabilities not regularly measured at fair value (but fair value is mandatorily disclosed)

As at 31 December 2025 and 2024, the fair value of financial assets and financial liabilities, except for loans issued, borrowings and debt securities was not significantly different from carrying value. The carrying value and fair value of financial instruments as at 31 December is presented as follows:

	2025		2024	
In millions of tenge	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Loans issued	**–**	**–**	2.692	2.516
Other financial assets	**40.216**	**38.597**	31.218	30.069
Borrowings	**1.909.785**	**1.886.265**	1.361.496	1.337.391
Debt securities:	**1.276.232**	**1.119.852**	1.291.892	1.208.326

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The Group estimates fair value using the following fair value estimate hierarchy, taking into account the materiality of data used to generate the given estimates:

- Level 1: quotes on an active market (uncorrected) in relation to identified financial instruments;
- Level 2: data differing from quotes attributable to level 1, and available directly (i.e. quotes) or indirectly (i.e. data generated from quotes). This category includes instruments estimated using market quotes on active markets for similar instruments, market quotes for similar instruments on market not treated as active, or other estimation methods, all of whose data used is directly or indirectly based on observable primary data;
- Level 3: data that is not available. This category includes instruments estimated using information not based on observable primary data. Moreover, any such unobservable data has a significant impact on an instrument's estimation. This category includes instruments estimated based on quotes for similar instruments that require the use of material unobservable quotes or judgements to reflect the different between instruments.

The table below provides an analysis of financial instruments as at 31 December 2025 broken down into the fair value hierarchy levels.

In millions of tenge	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- other financial assets	**–**	**37.450**	**515**	**37.965**
Financial assets recognised at fair value through profit or loss:				
- other financial assets	**–**	**–**	**632**	**632**
Total	**–**	**37.450**	**1.147**	**38.597**
Financial liabilities carried at amortised cost				
- debt securities	**–**	**318.156**	**–**	**318.156**
- debt securities from the Shareholder	**–**	**801.696**	**–**	**801.696**
- bank loans	**–**	**1.841.777**	**–**	**1.841.777**
- loans from the Shareholder	**–**	**44.488**	**–**	**44.488**
Financial liabilities recognised at fair value through profit or loss:	**–**		**–**	
- derivative financial instruments	**–**	**91.496**	**–**	**91.496**
Total	**–**	**3.097.613**	**–**	**3.097.613**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The table below provides an analysis of financial instruments as at 31 December 2024 broken down into the fair value hierarchy levels.

In millions of tenge	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- loans issued	–	2.516	–	2.516
- other financial assets	–	29.437	–	29.437
Financial assets recognised at fair value through profit or loss:	–	–	–	–
- other financial assets	–	–	632	632
Total	**–**	**31.953**	**632**	**32.585**
Financial liabilities carried at amortised cost				
- debt securities	–	347.515	–	347.515
- debt securities from the Shareholder	–	860.811	–	860.811
- bank loans	–	1.268.631	–	1.268.631
- loans from the Shareholder	–	68.760	–	68.760
Financial liabilities recognised at fair value through profit or loss:	–	–	–	–
- derivative financial instruments	–	32.697	–	32.697
Total	**–**	**2.578.414**	**–**	**2.578.414**

The fair values of the financial assets and financial liabilities in levels 2 and 3 have been determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the counterparty credit risk and market forward exchange rates for derivative financial instruments.

31. EVENTS AFTER THE REPORTING DATE

Loans obtained

Societe Generale and Natixis

In January 2026, the Group, represented by its subsidiary KTZh – Passenger locomotives LLP, under the loan agreement with Societe Generale and Natixis under the guarantee of export credit agency BPIfrance dated 23 February 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627.110.893 Euros, borrowed 2.144.923 Euros (1.269 million tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 1,15%. Principal is repaid semi-annually until full repayment in 2036.

In January-February 2026, the Group, represented by its subsidiary KTZ-Freight transportation LLP, under the loan agreement with Societe Generale and Natixis under the guarantee of export credit agency BPIfrance dated 23 February 2023 to finance the acquisition of freight locomotives for a total amount of 770.000.000 Euros, borrowed 30.858.301 Euros (18.009 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0,8%. Principal is repaid semi-annually until full repayment in 2035.

China Development Bank, Exim Bank of China

In January 2026, the Group, represented by its subsidiary KTZh – Freight Transportation LLP, under the loan agreement dated 7 February 2025 with The Export-Import Bank of China and China Development Bank under the guarantee issued by Sinosure (China Export & Credit Insurance Corporation) to finance the acquisition of main-line locomotives and pushers for the total of 3.560.188.615 Chinese yuan, borrowed 299.558.147 Chinese yuan (21.616 million tenge). Loan interest is paid semi-annually at LPR 5y – 0,55%. Principal is repaid semi-annually starting from 2028 until full repayment in 2040.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. EVENTS AFTER THE REPORTING DATE (continued)

Loans obtained (continued)

Citibank Kazakhstan JSC

In February 2026, the Group, represented by its subsidiary KTZh – Freight Transportation LLP, as part of its Master Agreement with Citibank Kazakhstan JSC on short-term loans dated 30 November 2009, borrowed 14.000 million tenge with an interest rate of 18,11 % and maturity of up to one year.

Asian Infrastructure Investment Bank, International Finance Corporation, Standard Chartered Bank

On 9 January 2026, the Group, represented by the Company, as part of the implementation of the construction of a bypass railway line bypassing the Almaty station project (hereinafter – the "Project"), entered into a mandate letter and a loan agreement with the Asian Infrastructure Investment Bank (hereinafter – AIIB), the International Finance Corporation (hereinafter – IFC), and Standard Chartered Bank under the MIGA guarantees, for a total amount of 243.428.993 Swiss Francs.

In February 2026, The Group under the loan agreement concluded with AIIB on 9 January 2026 to finance the Project for a total amount of 119.923.249 Swiss francs, received borrowed funds in the total amount of 72.501.178 Swiss francs (46.732 million tenge). Loan interest is paid semi-annually at SARON 6M + 1,3%. Principal is repaid semi-annually until full repayment in 2035.

In February 2026, the Group, under the loan agreement with IFC dated 9 January 2026 to finance the Project for a total amount of 39.974.416 Swiss Francs borrowed 24.167.059 Swiss Francs (15.577 million tenge). Loan interest is paid semi-annually at SARON 6M + 1,3%. Principal is repaid semi-annually until full repayment in 2035.

In February 2026, the Group, under the loan agreement with Standard Chartered Bank under the guarantee of MIGA dated 9 January 2026 to finance the Project for a total amount of 83.531.328 Swiss Francs borrowed 51.896.370 Swiss Francs (33.335 million tenge). Loan interest is paid semi-annually at SARON 6M + 0,55%. Principal is repaid semi-annually until full repayment in 2035.

Shareholder

In February 2026, the Group, represented by the Company, issued bonds on Astana International Exchange (AIX) in favour of the Shareholder in the amount of 2.220.000,000 Chinese Yuan (158.730 million tenge) to finance the construction of the new railway line Bakhty–Ayagoz and the acquisition of six marine vessels with a coupon rate of LPR1Y+ 1,2 % per annum and a maturity date in 2028. Coupon rate - twice a year.

Deutsche Bank Luxembourg, S.A. and Banco Santander, S.A.

In March 2026, the Group, represented by KTZh – Freight Transportation LLP, its subsidiary, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A.under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 26 November 2025, to finance the acquisition of freight diesel locomotives for a total amount of 445.000.000 US Dollars in Swiss Francs equivalent, borrowed 19.259.005 Swiss Francs (12.172 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON O/N + 0,48%. Principal is repayable quarterly until full repayment in 2036.