

KAZAKHSTAN TEMIR ZHOLY

NATIONAL COMPANY JSC

Forms of consolidated annual financial statements for publication by public interest entities (other than financial institutions), in accordance with the format approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 No. 404 (with amendments from 2 March 2022 No. 241)

For the year ended 31 December 2025

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FORMS OF CONSOLIDATED ANNUAL 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 forms of consolidated annual financial statements that present fairly the consolidated financial position of the Company and its subsidiaries ("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, and with the format of annual financial statements for publication by public interest entities in the media (other than financial institutions) approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 No. 404 (with amendments from 2 March 2022 No. 241) ("Order No.404").

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

- properly selecting and applying 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;
- compliance with the format of annual financial statements approved by Order No.404, as well as compliance with the consolidated financial statements prepared in accordance with IFRS Accounting Standards; and
- making an assessment of the Group's ability to continue as a going concern.

The Group's 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 ensure that the forms of the consolidated annual financial statements comply with the format of the annual financial statements approved by Order No.404, and which enable them to ensure the compliance with the consolidated financial statements of the Group prepared in accordance with IFRS Accounting Standards on the basis of which they were prepared;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan 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.

These forms of consolidated annual financial statements for the year ended 31 December 2025, were authorised for issue by management on 20 March 2026 and subject to further approval by the Board of Directors and the Shareholder.

On behalf of the Group's management:

	<i>Dair Kuserov</i>	Finance Director
	<i>Yelena Stankova</i>	Chief Accountant

20 March 2026



Independent auditor's Report

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

Opinion

We have audited the accompanying forms of the consolidated financial statement of JSC "National Company 'Kazakhstan Temir Zholy'" and its subsidiaries (hereinafter – the "Group"), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statement forms, including information on significant accounting policy matters (hereinafter – "consolidated financial statement forms").

In our opinion, the accompanying consolidated financial statement forms of the Group for the year ended 31 December 2025 have been prepared, in all material respects, in accordance with the Order of the Minister of Finance of the Republic of Kazakhstan No. 404 dated 28 June 2017 (as amended on 2 March 2022 No. 241) "On approval of the list and forms of annual financial statements for publication by public interest entities (excluding financial institutions)".

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 statement forms* 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 statement forms 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.



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Key matters – Basis of Accounting and Restriction on Distribution or Use

We draw attention to the fact that the accompanying consolidated financial statement forms were prepared in accordance with the requirements of the Order of the Minister of Finance of the Republic of Kazakhstan No. 404 dated 28 June 2017 “On approval of the list and forms of annual financial statements for publication by public interest entities (excluding financial institutions)” solely for the purpose of complying with the aforementioned order related to the preparation of financial statement forms. As a result, these consolidated financial statement forms may not be suitable for another purpose. Our report is intended solely for the information and use of the Group and the Ministry of Finance of the Republic of Kazakhstan and is not intended for distribution to or use by any other parties (other than the Group and the Ministry of Finance of the Republic of Kazakhstan). Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statement Forms

Management of the Group is responsible for the preparation of these consolidated financial statement forms in accordance with the Order of the Minister of Finance of the Republic of Kazakhstan No. 404 dated 28 June 2017 “On approval of the list and forms of annual financial statements for publication by public interest entities (excluding financial institutions),” and for such internal control as management determines is necessary to enable the preparation of consolidated financial statement forms that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group’s consolidated financial statement forms preparation process.

Auditor’s Responsibilities for the audit of the Consolidated Financial Statement Forms

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement forms 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 statement forms.



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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 statement forms, 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 to design audit procedures 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statement forms or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on 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.
- ▶ 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.



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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.

Ernst & Young LLP



Adil Syzdykov
Auditor

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

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

20 March 2026



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

CONSOLIDATED BALANCE SHEET

Form No.1-B

As at 31 December 2025

Submitted: to the depository of financial statements in electronic format via software

The administrative data form is available on the Internet resource: www.minfin.gov.kz

Administrative data form index: No.1 – B (balance sheet)

Periodicity: annual

Range of persons providing information: public interest entities based on the results of the financial year

Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year

Assets	Line	<i>In thousands of tenge</i>	
		At the end of the reporting period	At the beginning of the reporting period
I. Current assets			
Cash and cash equivalents	010	232.973.392	198.578.273
Current financial assets at amortised cost	011	644	2.693.406
Current financial assets at fair value through other comprehensive income	012	-	-
Current financial assets at fair value through profit or loss	013	-	-
Current derivative financial instruments	014	-	-
Other current financial assets	015	25.849.719	17.078.916
Current trade and other accounts receivable	016	21.326.498	24.328.167
Current lease receivables	017	368.837	219.079
Current contract assets	018	1.071.064	336.288
Current income tax	019	8.218.943	7.898.697
Inventories	020	86.422.053	57.819.858
Biological assets	021	-	-
Other current assets	022	115.091.058	143.229.082
Total current assets (sum of lines 010 to 022)	100	491.322.208	452.181.766
Assets (or disposal groups) held for sale	101	-	-
II. Non-current assets			
Non-current financial assets at amortised cost	110	505.844	417.671
Non-current financial assets at fair value through other comprehensive income	111	-	-
Non-current financial assets at fair value through profit or loss	112	631.646	631.646
Non-current derivative financial instruments	113	-	-
Investments at cost	114	-	-
Equity method investments	115	68.101.102	50.073.630
Other non-current financial assets	116	14.757.640	14.780.852
Non-current trade and other accounts receivable	117	2.365.696	3.189.162
Non-current lease receivables	118	-	-
Non-current contract assets	119	-	-
Investment property	120	8.565.111	8.764.772
Property, plant and equipment	121	5.073.806.633	4.030.592.312
Right-of-use asset	122	436.879.443	272.293.683
Biological assets	123	-	-
Exploration and evaluation assets	124	-	-
Intangible assets	125	19.085.471	19.294.700
Deferred tax assets	126	312.446	20.789
Other non-current assets	127	1.482.178.741	1.106.515.295
Total non-current assets (sum of lines 110 to 127)	200	7.107.189.773	5.506.574.512
Balance (line 100 + line 101 + line 200)		7.598.511.981	5.958.756.278

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

CONSOLIDATED BALANCE SHEET (continued)

Form No.1-B

<i>In thousands of tenge</i>			
Liabilities and equity	Line	At the end of the reporting period	At the beginning of the reporting period
III. Current liabilities			
Current financial liabilities at amortised cost	210	488.657.844	812.965.422
Current financial liabilities at fair value through profit or loss	211	-	-
Current derivative financial instruments	212	91.495.518	32.697.478
Other current financial liabilities	213	24.545.167	1.123.525
Current trade and other accounts payable	214	540.437.503	247.985.454
Current provisions	215	145.250	747.693
Current income tax liabilities	216	31.221	71.791
Employee benefits	217	73.025.881	66.632.709
Current lease liabilities	218	46.504.173	36.715.572
Current contract liabilities	219	149.196.344	133.169.530
Government subsidies	220	5.878.432	7.555.339
Dividends payable	221	-	-
Other current liabilities	222	34.419.927	41.955.142
Total current liabilities (sum of lines 210 to 222)	300	1.454.337.260	1.381.619.655
Disposal group liabilities held for sale	301	-	-
IV. Non-current liabilities			
Non-current financial liabilities at amortised cost	310	2.697.358.665	1.840.422.999
Non-current financial liabilities at fair value through profit or loss	311	-	-
Non-current derivative financial instruments	312	-	-
Other non-current financial liabilities	313	-	26.325.789
Non-current trade and other accounts payable	314	-	-
Non-current provisions	315	-	-
Deferred tax liabilities	316	615.180.646	468.057.345
Employee benefits	317	41.026.505	41.104.732
Non-current lease liabilities	318	224.935.925	139.465.434
Non-current contract liabilities	319	-	-
Government subsidies	320	177.442.904	92.443.614
Other non-current liabilities	321	-	-
Total non-current liabilities (sum of lines 310 to 321)	400	3.755.944.645	2.607.819.913

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

CONSOLIDATED BALANCE SHEET (continued)

Form No.1-B

<i>In thousands of tenge</i>			
Liabilities and equity	Line	At the end of the reporting period	At the beginning of the reporting period
V. Equity			
Charter (shareholder's) capital	410	1.152.698.090	1.123.906.535
Share premium	411	-	-
Redeemed equity instruments	412	-	-
Components of other comprehensive income	413	(38.423.656)	(29.575.769)
Retained earnings (accumulated deficit)	414	1.255.462.595	856.708.911
Other capital	415	97	97
Total equity attributable to the owners (sum of lines 410 to 415)	420	2.369.737.126	1.951.039.774
Non-controlling interests	421	18.492.950	18.276.936
Total equity (line 420 + line 421)	500	2.388.230.076	1.969.316.710
Balance (line 300+ line 301+ line 400+ line 500)		7.598.511.981	5.958.756.278

On behalf of the Group's management:

Dair Kuserov

Finance Director

Yelena Stankova

Chief Accountant

20 March 2026

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Form No.2-SPL

For the year ended 31 December 2025

Submitted: to the depository of financial statements in electronic format via software

The administrative data form is available on the Internet resource: www.minfin.gov.kz

Administrative data form index: No.2 - SPL

Periodicity: annual

Range of persons providing information: public interest entities based on the results of the financial year

Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year

<i>In thousands of tenge</i>			
Description	Line	For the reporting period	For the previous period
Revenue from sale of goods, operations and services	010	2.757.082.902	2.163.942.032
Cost of goods, operations and services sold	011	(1.924.050.852)	(1.620.017.412)
Gross profit (loss) (line 010 – line 011)	012	833.032.050	543.924.620
Selling expenses	013	–	–
Administrative expenses	014	(146.272.224)	(128.883.521)
Total operating profit (loss) (+/- lines from 012 to 014)	020	686.759.826	415.041.099
Finance income	021	88.618.154	54.888.334
Finance costs	022	(246.281.594)	(184.983.900)
Share of the profit (loss) of associates and joint ventures accounted by equity method	023	1.633.928	10.771.527
Other income	024	8.068.296	9.767.316
Other expenses	025	(39.776.376)	(81.955.764)
Profit (loss) before tax (+/- lines from 020 to 025)	100	499.022.234	223.528.612
Income tax expense (-) (income (+))	101	(155.375.459)	(62.724.559)
Profit (loss) after tax from continuing operations (line 100 + line 101)	200	343.646.775	160.804.053
Profit (loss) after tax from discontinued operations	201	–	–
Profit for the year (line 200 + line 201) attributable to:	300	343.646.775	160.804.053
owners of the parent company		339.919.419	157.817.359
non-controlling interests		3.727.356	2.986.694
Other comprehensive income, total (sum of 420 and 440):	400	(8.571.881)	(33.106.860)
including:			
revaluation of debt financial instruments designated at fair value through other comprehensive income	410	–	–
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	411	–	–
effect of a change in income tax rate on deferred tax	412	–	–
cash flow hedging	413	(97.583.520)	(48.624.990)
foreign exchange difference on investments in foreign entities	414	4.594.161	1.774.728
hedging of net investments in foreign operations	415	–	–
other components of other comprehensive income	416	–	–
reclassification adjustment to profit (loss)	417	80.780.961	412.200
tax effect of components of other comprehensive income	418	3.360.511	9.642.558
Total other comprehensive income that may be reclassified subsequently to profit or loss (net of income tax) (sum of lines from 410 to 418)	420	(8.847.887)	(36.795.504)

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Form No.2-SPL

In thousands of tenge

Description	Line	For the reporting period	For the previous period
revaluation of property, plant and equipment and intangible assets	431	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	432	-	-
actuarial gains (loss) on pension obligations	433	276.006	3.688.644
tax effect of components of other comprehensive income	434	-	-
revaluation of equity financial instruments designated as at fair value through other comprehensive income	435	-	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss (net of income tax) (sum of lines from 431 to 435)	440	276.006	3.688.644
Total comprehensive income (line 300 + line 400)	500	335.074.894	127.697.193
Total comprehensive income attributable to:			
owners of the parent company		331.349.479	124.699.047
non-controlling interests		3.725.415	2.998.146
Earnings per share	600	0,684	0,318
including:			
Basic earnings per share:			
from continuing operations		0,684	0,318
from discontinued operations		-	-
Diluted earnings per share:			
from continuing operations		-	-
from discontinued operations		-	-

On behalf of the Group's management:



 Dair Kusherov Finance Director


 Yelena Stankova Chief Accountant

20 March 2026

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

CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD)

Form No.3-SCF-

PF for the year ended 31 December 2025

Submitted: to the depository of financial statements in electronic format via software

The administrative data form is available on the Internet resource: www.minfin.gov.kz

Administrative data form index: No. 3 – SCF-P

Periodicity: annual

Range of persons providing information: public interest entities based on the results of the financial year

Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year

Description	Line	<i>In thousands of tenge</i>	
		For the reporting period	For the previous period
I. Cash flows from operating activities			
1. Total cash inflows (sum of lines from 011 to 016)	010	2.910.834.971	2.228.638.781
including:			
sale of goods and services	011	2.682.252.183	2.032.773.635
other revenue	012	-	-
advances received from customers, clients	013	134.606.239	112.844.714
receipts under insurance contracts	014	-	-
interest received	015	30.866.346	21.001.388
other receipts	016	63.110.203	62.019.044
2. Total cash outflows (sum of lines from 021 to 027)	020	(2.164.038.263)	(1.892.041.607)
including:			
payments to suppliers for goods and services	021	(798.390.370)	(755.696.772)
advances paid to suppliers for goods and services	022	(25.074.854)	(12.282.455)
salaries paid	023	(663.288.459)	(561.570.711)
interest paid	024	(222.376.393)	(188.409.482)
payments under insurance contracts	025	-	-
income tax and other payments to budget	026	(254.358.423)	(192.794.597)
other payments	027	(200.549.764)	(181.287.590)
3. Net cash from operating activities (line 010 – line 020)	030	746.796.708	336.597.174
II. Cash flows from investing activities			
1. Total cash inflows (sum of lines from 041 to 052)	040	8.767.759	11.508.356
including:			
sale of property, plant and equipment	041	203.133	187.210
sale of intangible assets	042	14.506	-
sale of other non-current assets	043	1.499.101	1.292.917
sale of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	044	-	-
sale of debt instruments of other entities	045	52.926	1.481.395
compensation for loss of control over subsidiaries	046	-	-
cash deposits withdrawal	047	-	-
sale of other financial assets	048	-	-
futures and forward contracts, options and swaps	049	-	-
dividends received	050	4.725.791	4.419.398
interest received	051	-	-
other receipts	052	2.272.302	4.127.436

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

CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD) (continued)

Form No.3-SCF-P

Description	Line	In thousands of tenge	
		For the reporting period	For the previous period
2. Total cash outflows (sum of lines from 061 to 073)	060	(941.035.189)	(745.569.599)
including:			
acquisition of property, plant and equipment	061	(925.367.936)	(741.695.475)
acquisition of intangible assets	062	(363.109)	(526.815)
acquisition of other non-current assets	063	(1.949.862)	(468.341)
purchase of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	064	-	(16)
purchase of debt instruments of other entities	065	-	(500.000)
acquisition of control over subsidiaries	066	-	-
placement of cash deposits	067	-	-
interest paid	068	-	-
acquisition of other financial assets	069	-	(558.320)
loans issued	070	-	-
futures and forward contracts, options and swaps	071	-	-
investments in associates and subsidiaries	072	(13.354.282)	(1.820.632)
other payments	073	-	-
3. Net cash from investing activities (line 040 – line 060)	080	(932.267.430)	(734.061.243)
III. Cash flows from financing activities			
1. Total cash inflows (sum of lines from 091 to 094)	090	912.662.244	893.035.004
including:			
issue of shares and other financial instruments	091	42.325.904	251.441.274
proceeds from borrowings	092	865.909.316	641.593.730
interest received	093	-	-
other receipts	094	4.427.024	-
2. Total cash outflows (sum of lines from 101 to 105)	100	(684.623.229)	(499.667.797)
including:			
repayment of borrowings	101	(666.745.519)	(491.889.329)
interest paid	102	-	-
dividends paid	103	(3.509.401)	(2.225.188)
payments to owners on the shares of the entity	104	-	-
other payments	105	(14.368.309)	(5.553.280)
3. Net cash from financing activities (line 090 – line 100)	110	228.039.015	393.367.207
4. Effect of foreign exchange rates to tenge	120	(8.165.725)	(1.944.824)
5. Effect of changes in the carrying amount of cash and cash equivalents	130	(7.449)	5.972
6. Increase +/- decrease in cash (line 030 +/- line 080 +/- line 110 +/- line 120 +/- line 130)	140	34.395.119	(6.035.714)
7. Cash and cash equivalents at the beginning of the reporting period	150	198.578.273	204.613.987
8. Cash and cash equivalents at the end of the reporting period	160	232.973.392	198.578.273

On behalf of the Group's management:

Dair Kuserov

Finance Director

Yelena Stankova

Chief Accountant

20 March 2026

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Form No.5-CE

For the year ended 31 December 2025

Submitted to: Financial Reporting Depository in electronic format via software
The administrative data form is available on the Internet resource: www.minfin.gov.kz
Administrative data form index: No. 5 – CE
Periodicity: annual

Range of persons providing information: public interest entities based on the results of the financial year
Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year

In thousands of tenge

Description	Line	Equity attributable to owners					Non-controlling interests	Total equity	
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings			Other capital
Balance as at 1 January of the previous year	010	1.110.633.868	–	–	7.219.735	623.698.021	97	17.503.978	1.759.055.699
Change in accounting policy	011	–	–	–	–	–	–	–	–
Restated balance (line 010 +/- line 011)	100	1.110.633.868	–	–	7.219.735	623.698.021	97	17.503.978	1.759.055.699
Total comprehensive income (line 210 + line 220)	200	–	–	–	(36.795.504)	161.494.551	–	2.998.146	127.697.193
Profit / (loss) for the year	210	–	–	–	–	157.817.359	–	2.986.694	160.804.053
Total other comprehensive income (sum of lines from 221 to 229):	220	–	–	–	(36.795.504)	3.677.192	–	11.452	(33.106.860)
including:									
revaluation of debt financial instruments designated at fair value through other comprehensive income (net of tax effect)	221	–	–	–	–	–	–	–	–
revaluation of equity financial instruments designated at fair value through other comprehensive income (net of tax effect)	222	–	–	–	–	–	–	–	–
revaluation of property, plant and equipment and intangible assets (net of tax effect)	223	–	–	–	–	–	–	–	–
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	224	–	–	–	–	–	–	–	–
actuarial gain (loss) on pension obligations	225	–	–	–	–	3.677.192	–	11.452	3.688.644
effect of a change in income tax rate on deferred tax	226	–	–	–	–	–	–	–	–
cash flow hedging (net of tax effect)	227	–	–	–	(38.570.232)	–	–	–	(38.570.232)
hedging of net investments in foreign operations	228	–	–	–	–	–	–	–	–
foreign exchange difference on investments in foreign entities	229	–	–	–	1.774.728	–	–	–	1.774.728

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Form No.5-CE

In thousands of tenge

Description	Line	Equity attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Total operations with owners (sum of lines from 310 to 318)	300	13.272.667	-	-	-	71.516.339	-	(2.225.188)	82.563.818
Including:		-	-	-	-	-	-	-	-
Share-based remuneration to employees:	310	-	-	-	-	-	-	-	-
including:									
cost of employees services		-	-	-	-	-	-	-	-
issuance of shares under an employee share scheme		-	-	-	-	-	-	-	-
tax benefit in relation to the employee share scheme		-	-	-	-	-	-	-	-
Owners contributions	311	13.272.667	-	-	-	-	-	-	13.272.667
Issue of own equity instruments (shares)	312	-	-	-	-	-	-	-	-
Issuance of equity instruments related to a business combination	313	-	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	314	-	-	-	-	-	-	-	-
Dividends payment	315	-	-	-	-	-	-	(2.225.188)	(2.225.188)
Other distributions to owners	316	-	-	-	-	-	-	-	-
Other operations with owners	317	-	-	-	-	71.516.339	-	-	71.516.339
Changes in interest in subsidiaries that do not result in a loss of control	318	-	-	-	-	-	-	-	-
Other operations	319	-	-	-	-	-	-	-	-

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Form No.5-CE

In thousands of tenge

Description	Line	Equity attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Balance as at 1 January of the reporting year (line 100 + line 200 + line 300+ line 319)	400	1.123.906.535	-	-	(29.575.769)	856.708.911	97	18.276.936	1.969.316.710
Change in accounting policy	401	-	-	-	-	-	-	-	-
Restated balance (line 400 +/- line 401)	500	1.123.906.535	-	-	(29.575.769)	856.708.911	97	18.276.936	1.969.316.710
Total comprehensive income (line 610 + line 620)	600	-	-	-	(8.847.887)	340.197.366	-	3.725.415	335.074.894
Profit / (loss) for the year	610	-	-	-	-	339.919.419	-	3.727.356	343.646.775
Total other comprehensive income (sum of lines from 621 to 629)	620	-	-	-	(8.847.887)	277.947	-	(1.941)	(8.571.881)
including:									
revaluation of debt financial instruments designated as at fair value through other comprehensive income (net of tax effect)	621	-	-	-	-	-	-	-	-
revaluation of equity financial instruments designated as at fair value through other comprehensive income (net of tax effect)	622	-	-	-	-	-	-	-	-
revaluation of property, plant and equipment and intangible assets (net of tax effect)	623	-	-	-	-	-	-	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	624	-	-	-	-	-	-	-	-
actuarial gain (loss) on pension obligations	625	-	-	-	-	277.947	-	(1.941)	276.006
effect of a change in income tax rate on deferred tax	626	-	-	-	-	-	-	-	-
cash flow hedging (net of tax effect)	627	-	-	-	(13.442.048)	-	-	-	(13.442.048)
hedging of net investments in foreign operations	628	-	-	-	-	-	-	-	-
foreign exchange difference on investments in foreign entities	629	-	-	-	4.594.161	-	-	-	4.594.161

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Form No.5-CE

In thousands of tenge

Description	Line	Equity attributable to owners					Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings		
Total operations with owners (sum of lines from 710 to 718):	700	28.791.555	-	-	-	58.556.318	-	83.838.472
Including:		-	-	-	-	-	-	-
Share-based remuneration to employees:	710	-	-	-	-	-	-	-
including:								
cost of employee services		-	-	-	-	-	-	-
issuance of shares under an employee share scheme		-	-	-	-	-	-	-
tax benefit in relation to the employee share scheme		-	-	-	-	-	-	-
Owners contributions	711	28.791.555	-	-	-	-	-	28.791.555
Issue of own equity instruments (shares)	712	-	-	-	-	-	-	-
Issuance of equity instruments related to a business combination	713	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	714	-	-	-	-	-	-	-
Dividends payment	715	-	-	-	-	-	(3.509.401)	(3.509.401)
Other distributions to owners	716	-	-	-	-	-	-	-
Other operations with owners	717	-	-	-	-	58.556.318	-	58.556.318
Changes in interest in subsidiaries that do not result in a loss of control	718	-	-	-	-	-	-	-
Other operations	719	-	-	-	-	-	-	-
Balance as at 31 December of the reporting year (line 500 + line 600 + line 700 + line 719)	800	1.152.698.090	-	-	(38.423.656)	1.255.462.595	97	2.388.230.076

On behalf of the Group's management:

*Dair Kusherov*

Finance Director

Yelena Stankova

Chief Accountant

20 March 2026

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

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL 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 state railway industry assets management. The Company was registered on 15 May 2002. The forms of consolidated annual financial statements include the results of the operations of the Company and its wholly controlled subsidiaries (collectively – “the Group”). The address of the Company’s registered office is 6 D. Kunayev Street, Astana, 010000, Kazakhstan.

Samruk-Kazyna Sovereign Wealth Fund JSC (“the Shareholder”) is the Company’s sole shareholder.

The Group operates the nationwide mainline railway network services to freight and passenger transportation; and operates, maintains and upgrades main railway infrastructure in Kazakhstan. To regulate the Kazakhstan rail industry, the government sets the tariffs for main railway network services, as well as for railway freight transportation services (according to the Kazakhstan Entrepreneurial Code) and passenger transportation on socially important routes, partially subsidising the cost through government grants. 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 mainline 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% and from 1 January 2024 by 7% and from 1 October 2024 by 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 continue to 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 geopolitical situation exerts pressure on oil and gas prices across the world.

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

The military and political 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 by 6,5% per annum in 2025 (2024: grew by 4,4%). In 2025, inflation in the country 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL 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 FOR THE PREPARATION OF THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Statement of compliance

The Group's forms of consolidated annual financial statements have been prepared in accordance with the format of the forms of annual financial statements for publication by public interest entities (other than financial institutions) approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 No. 404 (with amendments from 2 March 2022 No. 241) (hereinafter - "Order No.404") based on the consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Going concern

The Group's forms of consolidated annual financial statements have been prepared on a going concern basis. This 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 Group liabilities exceeded its current assets by 963.015.052 thousand tenge (31 December 2024: 929.437.889 thousand tenge).

As at 31 December 2025, current liabilities include borrowings of 488.657.844 thousand tenge that are payable within twelve months after the reporting date. However, profit for the year ended 31 December 2025 amounted to 343.646.775 thousand tenge (for the year ended 31 December 2024: 160.804.053 thousand tenge), and cash inflows from operating activities amounted to 746.796.708 thousand tenge (for the year ended 31 December 2024: 336.597.174 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

2. BASIS FOR THE PREPARATION OF THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

Going concern (continued)

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 continuous ongoing financial and operating support in the foreseeable future. As at 31 December 2025, the Group has available credit lines with an undrawn balance in a total amount of 259.680.360 thousand tenge (*Note 36*). As at 31 December 2025, a portion of the Group's liabilities is represented by loans from the Shareholder amounting to 975.160.041 thousand tenge (*Note 35*), including a current portion of 37.629.711 thousand 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 forms of consolidated annual financial statements.

Basis for measurement

The forms of consolidated annual 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 forms of consolidated annual financial statements comprise the financial statements of the Company and entities controlled by it and by the subsidiaries listed in *Note 34*. 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 forms of consolidated annual 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. Upon disposal of an overseas enterprise, all accumulated exchange differences related to that specific overseas enterprise are recognised in profit or loss.

Tenge is not a fully convertible currency outside 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 Dollars ("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 items carried at fair value and denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not translated.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

2. BASIS FOR THE PREPARATION OF THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

Functional and presentation currency (continued)

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\$	505,53	525,11	521,59	469,44
Euro	593,44	546,74	590,15	507,86
Swiss Franc	637,33	580,68	630,43	533,96
Russian Rouble	6,34	4,88	6,28	5,08
Chinese Yuan	73,22	72,59	71,94	65,25

3. MATERIAL ACCOUNTING POLICIES

Adoption of new and revised standards

In the current year, the Group applied the Amendments to 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 forms of consolidated annual financial statements

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 have no material impact on the Group's forms of consolidated annual 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 forms of consolidated annual 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 forms of consolidated annual 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 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB
Amendments to IFRS 7 and IFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 7 and IFRS 9</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11: <i>IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7</i>	1 January 2026
Amendments to IAS 21 <i>Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures with amendments</i>	1 January 2027

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

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

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

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 qualify for recognition 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.

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 weighted average costs on the Group's borrowings aimed at financing construction and production of qualifying assets, except those borrowings that are directly related to acquisition of qualifying assets, are used as the capitalisation rate.

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

Group as a 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 expedient 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 2.000 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Lease contracts (continued)

Group as a lessee (continued)

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.

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 12 and 24).

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. When inventories are released into production, sold or otherwise disposed of, they are valued at the weighted-average cost basis.

Financial instruments

Financial assets and liabilities are recognised in the Group's consolidated balance sheet 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 expedient, 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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.

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 are designated into hedging relationships from October 2024 to August 2025 in the forms of consolidated annual 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 that are not part of designated hedging relationships, is reflected in finance income or finance costs (*Note 27 and 28*).

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. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Hedge accounting (continued)

At the inception of a hedge relationship, an entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable 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 hedges

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 36*.

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 components of other comprehensive income line item. 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, the amount is immediately reclassified to profit or loss.

The Group uses currency swaps and foreign currency financial liabilities (e.g. bonds and loans) as hedge of its exposure to foreign currency risk in forecast sales transactions (*Note 23*).

Equity

Charter (shareholder's) 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 charter (shareholder's) 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 other capital until they are registered, when any proceeds are transferred to charter (shareholder's) capital.

Other operations with owner

The Group enters into transactions with the Shareholder, such as receipt of assets, adjustments for below market interest loans and others that would not relate to the acquisition of additional charter (shareholder's) capital in the Group. The Group recognises such transactions through equity in retained earnings (*Note 23*).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised when there is reasonable assurance that the subsidy will be received, and all corresponding conditions will be met.

Government grants that compensate for expenses incurred

Government grants are recognised in profit or loss on a systematic basis as expenses due to be compensated by the subsidies are recognised simultaneously in profit or loss.

In particular, the government allows the Group to receive subsidies in the form of government grants to partially cover the cost of transporting passengers 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 recognised government grants compensating for expenses incurred within profit or loss as government grants in the amount of 46.141.665 thousand tenge (2024: 41.123.686 thousand tenge).

Government grants to subsidise part of interest rate on loans are recognised as deferred income and finance income during the periods in which the Group recognises the relevant finance costs. In 2024, the Group recognised income from interest rate subsidies on loans in the amount of 22.300.000 thousand tenge within finance income (*Note 15*).

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

When grants relate to long-term assets, their fair value is recognised 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 rail cars. Grants are recognised 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 recognised deferred income (government grants) under lease agreements in the amount of 82.088.501 thousand tenge and 60.913.940 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue (continued)

Revenue from freight transportation services (continued)

Pursuant to the CRNM Order on the Approval of a Temporary Decreasing Coefficient for Railway Freight Transportation Tariffs, certain contracts envisage discounts dependent on the volumes of services 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.

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*.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Climate-related matters

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

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 life of property, plant 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 33*);
- 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 forms of consolidated annual 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 forms of consolidated annual 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.

Critical judgements in applying accounting policies

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 forms of consolidated annual 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. The financial statements of subsidiaries are included in the forms of consolidated annual financial statements from the date control is obtained until the date such control ceases. 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 34*).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Critical judgements in applying accounting policies (continued)

Control assessment (continued)

Under the trust management agreement with the Shareholder, the Shareholder transferred 100% of its shares in Aktau Sea Commercial Port National Company JSC to the Company for trust management and granted the Company the extensive authority to run operations and manage this shareholding. The Company recognised Aktau International Sea Commercial Port National Company 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 including costs directly attributable to obtaining the borrowings. 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 operations with the ultimate Shareholder and accounts for the fair value adjustments of the loans received at a rate below market through equity, within retained earnings, as other operations with owners.

Cash-generating unit identification

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Critical assumptions used in applying accounting policies (continued)

Cash-generating unit identification (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 "Transportation Operations".

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 assets, 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 assets 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Critical assumptions used 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 and work-in-progress 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 following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period for which there is a significant risk they may cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year.

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 the carrying amounts of assets. If the carrying amount exceeds the recoverable amount, an impairment is recorded. 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 15.519.895 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL 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 its customers and, accordingly, can only recover these amounts 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 142.426.755 thousand 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 137.948.602 thousand tenge. As at 31 December 2025, the Group recognised a provision of 4.478.153 thousand 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 421.675.754 thousand tenge (31 December 2024: 315.184.119 thousand tenge), of which 48.788.564 thousand tenge (31 December 2024: 120.475.249 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL 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. But the existing levels of fines and penalties charged when tax authorities additionally assess taxes are substantial; the fine is set at 80% of the amount of additionally assessed tax, and the penalties are on average 20,75% p.a. of the additionally assessed or non-paid tax. As a result, fines and penalties may be higher than the amounts of additionally assessed 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 for disaggregation, 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.

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

	For the year ended 31 December 2025					
<i>In thousands of tenge</i>	Freight transportation	Passenger transportation	Reporting segments	Others	Eliminations	Total
Key operating indicators						
Revenue from sale of goods, operations and services						
Transportation revenue from third parties (<i>Note 24</i>)	2.463.196.845	129.249.886	2.592.446.731	-	-	2.592.446.731
Government grants	(2.580.573)	45.855.511	43.274.938	-	-	43.274.938
Other income from third parties	94.500.693	6.437.621	100.938.314	20.422.919	-	121.361.233
Inter-segment transactions	43.871.114	105.961.196	149.832.310	14.791.739	(164.624.049)	-
Revenue from sale of goods, operations and services	2.598.988.079	287.504.214	2.886.492.293	35.214.658	(164.624.049)	2.757.082.902
Cost of goods, operations and services sold	(1.807.009.503)	(252.171.328)	(2.059.180.831)	(28.626.880)	163.756.859	(1.924.050.852)
<i>including:</i>						
Staff costs, including taxes, contributions and provisions for unused vacations	(758.728.645)	(63.962.499)	(822.691.144)	(13.220.412)	4.821	(835.906.735)
Fuel and lubricants	(237.118.532)	(27.713.499)	(264.832.031)	(1.084.368)	-	(265.916.399)
Repairs and maintenance	(198.343.707)	(46.504.474)	(244.848.181)	(928.515)	2.935.049	(242.841.647)
Work and services of a production nature	(151.119.755)	(24.159.681)	(175.279.436)	(5.377.297)	104.116.693	(76.540.040)
Electricity	(126.507.906)	(12.120.027)	(138.627.933)	(496.509)	110.356	(139.014.086)
Materials and supplies	(68.426.364)	(7.930.152)	(76.356.516)	(1.881.451)	154.622	(78.083.345)
Gross profit/(loss)	791.978.576	35.332.886	827.311.462	6.587.778	(867.190)	833.032.050
Administrative expenses	(131.040.413)	(12.590.440)	(143.630.853)	(4.099.499)	1.458.128	(146.272.224)
<i>including:</i>						
Staff costs, including taxes, contributions and provisions for unused vacations	(84.210.529)	(7.453.425)	(91.663.954)	(2.858.872)	-	(94.522.826)
Total operating profit / (loss)	660.938.163	22.742.446	683.680.609	2.488.279	590.938	686.759.826
Finance income	107.312037	2.892.721	110.204.758	746.830	(22.333.434)	88.618.154
Finance costs	(214.224.514)	(45.778.119)	(260.002.633)	(337.340)	14.058.379	(246.281.594)
Share of the profit (loss) of associates and joint ventures accounted by equity method	1.633.928	-	1.633.928	-	-	1.633.928
Other income	7.751.402	320.615	8.072.017	84.514	(88.235)	8.068.296
Other expenses	(34.713.169)	(9.156.989)	(43.870.158)	(1.161.757)	5.255.539	(39.776.376)
Profit (loss) before tax	528.697.847	(28.979.326)	499.718.521	1.820.526	(2.516.813)	499.022.234
Income tax expenses (-) (income (+))	(138.522.516)	(8.046.775)	(146.569.291)	(31.492)	(8.774.676)	(155.375.459)
Profit/(loss) after tax from continuing operations	390.175.331	(37.026.101)	353.149.230	1.789.034	(11.291.489)	343.646.775
Other key segment information						
Capital expenditures on property, plant and equipment and construction in progress	1.239.972.684	37.323.434	1.277.296.118	2.355.446	-	1.279.651.564
Depreciation of property, plant and equipment	172.778.570	24.239.756	197.018.326	3.248.512	(2.665)	200.264.173

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

	For the year ended 31 December 2024					
<i>In thousands of tenge</i>	Freight transportation	Passenger transportation	Reporting segments	Others	Eliminations	Total
Key operating indicators						
Revenue from sale of goods, operations and services						
Transportation revenue from third parties (<i>Note 24</i>)	1.875.557.909	110.522.759	1.986.080.668	-	-	1.986.080.668
Government grants	-	41.123.686	41.123.686	-	-	41.123.686
Other income from third parties	114.078.082	5.454.175	119.532.257	17.205.421	-	136.737.678
Inter-segment transactions	40.644.700	91.489.962	132.134.662	13.639.943	(145.774.605)	-
Revenue from sale of goods, operations and services						
Cost of sales of goods, operations and services	2.030.280.691	248.590.582	2.278.871.273	30.845.364	(145.774.605)	2.163.942.032
<i>including:</i>	(1.512.468.218)	(226.167.721)	(1.738.635.939)	(26.175.594)	144.794.121	(1.620.017.412)
<i>Staff costs, including taxes, contributions and provisions for unused vacations</i>	(635.078.601)	(55.203.000)	(690.281.601)	(12.220.859)	2.502	(702.499.958)
<i>Fuel and lubricants</i>	(169.564.542)	(25.356.560)	(194.921.102)	(1.024.280)	-	(195.945.382)
<i>Repairs and maintenance</i>	(190.900.031)	(44.489.973)	(235.390.004)	(713.447)	1.142.717	(234.960.734)
<i>Electricity</i>	(81.783.568)	(8.641.534)	(90.425.102)	(543.414)	1.424	(90.967.092)
<i>Work and services of a production nature</i>	(135.761.910)	(21.785.447)	(157.547.357)	(4.552.078)	90.853.057	(71.246.378)
<i>Materials and supplies</i>	(52.877.218)	(8.339.350)	(61.216.568)	(1.084.198)	505	(62.300.261)
Gross profit/(loss)	517.812.473	22.422.861	540.235.334	4.669.770	(980.484)	543.924.620
Administrative expenses	(111.132.367)	(12.554.033)	(123.686.400)	(6.448.331)	1.251.210	(128.883.521)
<i>including:</i>						
<i>Staff costs, including taxes, contributions and provisions for unused vacations</i>	(68.369.085)	(7.479.659)	(75.848.744)	(2.624.546)	-	(78.473.290)
Total operating profit / (loss)	406.680.106	9.868.828	416.548.934	(1.778.561)	270.726	415.041.099
Finance income	57.554.742	3.872.880	61.427.622	959.166	(7.498.454)	54.888.334
Finance costs	(158.367.408)	(29.278.313)	(187.645.721)	(247.028)	2.908.849	(184.983.900)
Share of the profit (loss) of associates and joint ventures accounted by equity method	10.771.527	-	10.771.527	-	-	10.771.527
Other income	8.220.658	1.697.961	9.918.619	753.364	(904.667)	9.767.316
Other expenses	(67.925.062)	(14.367.298)	(82.292.360)	(337.242)	673.838	(81.955.764)
Profit (loss) before tax	256.934.563	(28.205.942)	228.728.621	(650.301)	(4.549.708)	223.528.612
Income tax expenses (-) (income (+))	(47.986.076)	(976.362)	(48.962.438)	(3.343.127)	(10.418.994)	(62.724.559)
Profit/(loss) after tax from continuing operations	208.948.487	(29.182.304)	179.766.183	(3.993.428)	(14.968.702)	160.804.053
Other key segment information						
Capital expenditures on property, plant and equipment and construction in progress	1.006.017.712	110.003.198	1.116.020.910	54.217.363	-	1.170.238.273
Depreciation of property, plant and equipment	150.379.202	20.489.165	170.868.367	2.054.898	(2.464)	172.920.801

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL 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:

Customer location	2025	2024
Kazakhstan	2.643.614.370	2.077.544.414
Russia	47.251.336	37.356.298
China	39.800.668	28.419.303
Germany	4.069.819	8.530.508
Other	22.346.709	12.091.509
Total	2.757.082.902	2.163.942.032

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

6. CASH AND CASH EQUIVALENTS (line 010 of Consolidated balance sheet and line 160 of Consolidated statement of cash flows)

	31 December 2025	31 December 2024
Short-term bank deposits in tenge	175.890.148	61.779.414
Short-term bank deposits in US\$	4.531.621	2.338.895
Short-term bank deposits in other currencies	34.270	–
Cash in digital accounts in tenge	22.882.409	116.635.055
Cash in tenge current accounts	16.462.192	7.325.845
Cash in US\$ current bank accounts	6.805.850	4.762.504
Cash in Russian Roubles current bank accounts	3.391.988	2.484.220
Cash in Chinese Yuan current bank accounts	2.714.282	2.070.375
Cash in current bank accounts in other currencies	276.656	1.181.767
Cash on hand	1.738	10.511
	232.991.154	198.588.586
Less: allowance for expected credit losses on cash and cash equivalents	(17.762)	(10.313)
Total	232.973.392	198.578.273

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 15*).

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 24.570.254 thousand tenge (31 December 2024: 1.151 thousand tenge) and 22.881.735 thousand tenge (31 December 2024: 116.631.095 thousand tenge), respectively (*Note 36*). 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

7. OTHER FINANCIAL ASSETS (lines 015 and 116 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Restricted cash	39.077.786	30.166.664
Other financial assets	1.773.650	1.937.734
Less: allowance for expected credit losses on restricted cash	(278)	(483)
Less: allowance for expected credit losses on other financial assets	(243.799)	(244.147)
Total	40.607.359	31.859.768
Other current financial assets	25.849.719	17.078.916
Other non-current financial assets	14.757.640	14.780.852
Total	40.607.359	31.859.768

Restricted cash is mostly comprised of: amounts in Euros used as security on non-current part of loans from HSBC Continental Europe; amounts in US\$ used as collateral for current part of loans received from Citibank. The restriction will be removed upon repayment of these loans.

8. TRADE AND OTHER ACCOUNTS RECEIVABLE (lines 016 and 117 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Trade receivables arising from contracts with customers	21.863.920	24.288.078
Other receivables	7.941.773	7.458.519
Less: allowance for expected credit losses on trade receivables from contracts with customers	(4.223.440)	(2.841.357)
Less: allowance for impairment of other receivables	(1.890.059)	(1.387.911)
Total	23.692.194	27.517.329
Current portion of trade and other receivables	21.326.498	24.328.167
Non-current portion of trade and other receivables	2.365.696	3.189.162
Total	23.692.194	27.517.329

9. INVENTORIES (line 020 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Fuel and lubricants (at cost)	30.826.910	13.552.548
Track structure materials (at cost)	26.862.005	15.648.318
Materials and supplies (at cost)	13.825.337	15.454.278
Spare parts (at cost)	11.014.752	8.742.800
Construction materials (at cost)	1.128.053	1.452.936
Other (at cost)	3.745.403	4.409.046
	87.402.460	59.259.926
Less: allowance for impairment of inventories	(980.407)	(1.440.068)
Total	86.422.053	57.819.858

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

10. OTHER CURRENT ASSETS (line 022 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
VAT recoverable	48.788.564	120.475.249
Corporate income tax withheld at the source of payment	36.391.825	5.169.335
Short-term advances paid	26.713.375	20.183.327
Other taxes prepaid	4.089.651	1.020.209
Prepaid expenses	1.036.737	2.690.485
Others	5.501.450	5.683.768
	122.521.602	155.222.373
Less: allowance for impairment of other current assets	(7.430.544)	(11.993.291)
Total	115.091.058	143.229.082

As at 31 December 2025, the Group reclassified from other non-current assets a portion of corporate income tax withheld at source in the amount of 34.388.341 thousand tenge, expected to be offset against corporate income tax payable for 2026 (*Note 14*).

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 4.229.451 thousand tenge against a previously recognised provision.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)**11. EQUITY METHOD INVESTMENTS (line 115 of Consolidated balance sheet and line 023 of Consolidated statement of profit or loss)**

Description	Primary activity	Main country of operation / country of registration	31 December 2025		31 December 2024	
			Carrying amount	Ownership interest	Carrying amount	Ownership interest
Associates						
United Transport and Logistics Company – Eurasian Rail Alliance JSC (UTLC ERA JSC)	Domestic and international rail transportation and freight forwarding	Russia	20.475.410	33.33%	16.962.953	33.33%
Transtelecom JSC	Telecommunication services	Kazakhstan	14.397.822	25%	15.607.115	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	7.667.737	49%	1.577.800	49%
Chinese-Kazakhstan International Logistics Company in Lianyungang	International multimodal transportation	China	7.456.721	49%	8.712.274	49%
China-Kazakhstan International Trade and Logistics Company LLC (Xi'an)	International multimodal transportation, terminal services, etc.	China	6.357.099	49%	5.817.899	49%
Other			108.922	40-49%	-	-
Total investments in associates			56.463.711		48.678.041	
Joint ventures						
Private Company Kazakh-Chinese trade and logistics company (Almaty) Ltd.	Organisation of domestic and international freight transportation, multimodal, transport, logistics and warehousing services	Kazakhstan	10.747.213	49,9%	-	-
Private Company KPMC Ltd.	Organisation of container block trains and freight forwarding activities for land-sea freight routes	China/Kazakhstan	464.238	49%	875.430	49%
KIF Warehouses LLP	Warehouse operations and supporting transport operations	Kazakhstan	299.964	50%	276.894	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	125.976	33.33%*	78.280	33.33%
	Organisation of domestic and international freight transportation, provision of multimodal and transport and logistics services, freight forwarding services, construction of terminal and warehouse infrastructure, reconstruction and renewal of fixed assets					
CRK-Terminal LLC		Russia	-	33.3%*	164.985	33.3%
Total investments in joint ventures			11.637.391		1.395.589	
Total equity method investments			68.101.102		50.073.630	

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

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

11. EQUITY METHOD INVESTMENTS (line 115 of Consolidated balance sheet and line 023 of Consolidated statement of profit or loss) (continued)

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

<i>In thousands of tenge</i>	2025		Total equity method investments
	Associates	Joint ventures	
As at 1 January	48.678.041	1.395.589	50.073.630
Acquisition	6.211.220	6.576.084	12.787.304
Foreign currency translation	5.313.905	869	5.314.774
Adjustment of unrealised gain	–	(2.698.235)	(2.698.235)
Share of profit/(loss)	2.413.906	(779.978)	1.633.928
Contributions to charter capital	–	7.143.062	7.143.062
Impairment	(1.507.774)	–	(1.507.774)
Dividends receivable	(4.645.587)	–	(4.645.587)
As at 31 December	56.463.711	11.637.391	68.101.102

<i>In thousands of tenge</i>	2024		Total equity method investments
	Associates	Joint ventures	
As at 1 January	38.988.974	1.578.700	40.567.674
Acquisition	1.577.800	16	1.577.816
Foreign currency translation	1.927.114	(5.096)	1.922.018
Share of profit/(loss)	10.961.770	(190.243)	10.771.527
Contributions to charter capital	–	242.832	242.832
Impairment	(298.124)	(230.620)	(528.744)
Dividends receivable	(4.479.493)	–	(4.479.493)
As at 31 December	48.678.041	1.395.589	50.073.630

During 2025, the Group, represented by its subsidiary KTZ Express JSC, made a cash contribution of 6.161.069 thousand tenge to the charter capital of an associate Aktau International Container Hub LLP, which is distributed between the Group, represented by subsidiaries KTZ Express JSC and Aktau International Sea Trade Port NC 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 2.418.203 thousand 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 6.576.084 thousand tenge and an additional contribution of cash, without changing the ownership interest, in the amount of 7.000.000 thousand 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%.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)**11. EQUITY METHOD INVESTMENTS (line 115 of Consolidated balance sheet and line 023 of Consolidated statement of profit or loss) (continued)**

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

	2025						
	China-Kazakhstan 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.
<i>In thousands of tenge</i>							
Current assets	11.727.142	10.199.800	612.748	4.975.872	37.901.931	49.805.651	1.982.724
Non-current assets	7.130.911	23.019.908	32.360.860	16.483.787	77.235.860	64.492.774	25.809.905
Total assets	18.858.053	33.219.708	32.973.608	21.459.659	115.137.791	114.298.425	27.792.629
Current liabilities	2.206.401	1.448.789	21.693.439	3.317.446	25.752.775	22.736.368	3.873.832
Non-current liabilities	3.677.981	272.478	35.782.392	-	40.688.720	30.135.827	-
Total liabilities	5.884.382	1.721.267	57.475.831	3.317.446	66.441.495	52.872.195	3.873.832
Total net assets / (liabilities)	12.973.671	31.498.441	(24.502.223)	18.142.213	48.696.296	61.426.230	23.918.797
Ownership interest	49%	49%	40%	42.26%	25%	33.33%	56.29%
Net assets/(liabilities) attributable to the Group	6.357.099	15.434.236	(9.800.889)	7.667.737	12.174.074	20.475.410	13.463.891
Accumulated impairment	-	(7.977.515)	-	-	-	-	-
Net assets/(liabilities) attributable to the Group, inclusive of impairment	6.357.099	7.456.721	(9.800.889)	7.667.737	12.174.074	20.475.410	13.463.891
Accumulated unrecognised loss	-	-	(9.800.889)	-	-	-	-
Adjustment to the carrying amount of investments in a change to investee net assets (fair value adjustment of the concessional loan from another shareholder)	-	-	-	-	2.223.748	-	(18.443)
Accumulated unrealized profit	-	-	-	-	-	-	(2.698.235)
Carrying amount of investment	6.357.099	7.456.721	-	7.667.737	14.397.822	20.475.410	10.747.213
Revenue	19.560.112	7.049.141	5.444.095	-	79.978.008	15.214.970	-
Profit/(loss) and total comprehensive income/(loss) for the year	1.039.960	348.024	(15.013.699)	(168.302)	1.162.832	4.366.340	(232.077)
Recognised share of the Group in profit	509.580	170.532	-	(71.132)	290.708	1.455.447	(130.636)

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)**11. EQUITY METHOD INVESTMENTS (line 115 of Consolidated balance sheet and line 023 of Consolidated statement of profit or loss) (continued)**

	2024				
	China-Kazakhstan Trade and Logistics Company LLC, Xi'an	China-Kazakhstan International Logistics Company, Lianyungang	Aktau Marine North Terminal LLP	Transtelecom JSC	UTLC ERA JSC
<i>In thousands of tenge</i>					
Current assets	8.780.716	8.704.785	1.025.315	51.979.406	53.561.416
Non-current assets	4.697.572	23.851.503	33.776.353	72.970.143	51.462.299
Total assets	13.478.288	32.556.288	34.801.668	124.949.549	105.023.715
Current liabilities	346.075	1.235.466	13.216.864	29.296.484	19.162.170
Non-current liabilities	1.258.950	337.118	31.073.327	42.119.598	34.972.686
Total liabilities	1.605.025	1.572.584	44.290.191	71.416.082	54.134.856
Total net assets / (liabilities)	11.873.263	30.983.704	(9.488.523)	53.533.467	50.888.859
Ownership interest	49%	49%	40%	25%	33.33%
Net assets/(liabilities) attributable to the Group	5.817.899	15.182.015	(3.795.409)	13.383.367	16.962.953
Accumulated impairment	-	(6.469.741)	-	-	-
Net assets/(liabilities) attributable to the Group, inclusive of impairment	5.817.899	8.712.274	(3.795.409)	13.383.367	16.962.953
Accumulated unrecognised loss	-	-	(3.795.409)	-	-
Adjustment to the carrying amount of investments in a change to investee net assets (fair value adjustment of the concessional loan from another shareholder)	-	-	-	2.223.748	-
Carrying amount of investment	5.817.899	8.712.274	-	15.607.115	16.962.953
Revenue	216.144	2.530.540	3.120.811	86.173.839	378.196.018
(Loss)/profit and total comprehensive (loss)/income for the year	71.764	265.849	(7.988.104)	19.357.557	17.870.852
Recognised share of the Group in (loss)/profit	35.164	130.266	-	4.839.389	5.956.951

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)**12. PROPERTY, PLANT AND EQUIPMENT (line 121 of Consolidated balance sheet)**

Movements in property, plant and equipment for the years ended 31 December 2025 and 2024 are as follows:

<i>In thousands of tenge</i>	Rail track infrastructure	Buildings and structures	Machinery & equipment	Vehicles	Land	Others	Total
Carrying value as at 1 January 2024	1.415.744.221	312.467.791	242.062.483	1.502.774.685	3.870.749	7.079.610	3.483.999.539
Additions	364.602	4.907.728	20.710.208	4.162.594	28.575	1.526.464	31.700.171
Disposals	(456.827)	(1.834.634)	(13.770.951)	(2.202.059)	(7.034)	(639.879)	(18.911.384)
Depreciation charge	(42.239.551)	(6.782.647)	(27.440.325)	(80.473.168)	-	(1.828.790)	(158.764.481)
Depreciation on disposal	296.250	697.204	11.381.684	2.167.938	-	601.343	15.144.419
(Impairment)/impairment reversal	(58.250)	(298.486)	(35.316)	(23.685)	-	103.413	(312.324)
Other movements and transfers*	162.457.948	40.403.057	20.106.352	453.662.908	-	1.106.107	677.736.372
Carrying value as at 31 December 2024	1.536.108.393	349.560.013	253.014.135	1.880.069.213	3.892.290	7.948.268	4.030.592.312
Cost	1.933.490.868	431.986.251	560.548.732	2.601.468.114	3.892.290	25.704.750	5.557.091.005
Accumulated depreciation and impairment	(397.382.475)	(82.426.238)	(307.534.597)	(721.398.901)	-	(17.756.482)	(1.526.498.693)
Property, plant, and equipment that are subject to operating lease (Group as the lessor)	2.249.884	4.283.999	13.658	94.199.776	105.874	-	100.853.191
Carrying value as at 1 January 2025	1.536.108.393	349.560.013	253.014.135	1.880.069.213	3.892.290	7.948.268	4.030.592.312
Additions	20.435	4.832.254	13.071.415	12.241.119	3.120	297.492	30.465.835
Contribution to the charter capital	8.055.555	1.275.000	7.345.146	223.548	-	11.892.306	28.791.555
Disposals	(2.880.768)	(2.368.155)	(4.940.192)	(5.626.177)	(1.088.642)	(531.781)	(17.435.715)
Depreciation charge	(49.191.550)	(8.054.385)	(28.800.018)	(91.220.208)	-	(1.889.401)	(179.155.562)
Depreciation on disposal	1.476.249	1.051.150	3.962.696	5.022.078	-	530.494	12.042.667
Impairment reversal/(impairment)	10.137	(61.507)	(243.247)	(141.389)	-	2.570	(433.436)
Other movements and transfers*	553.793.935	30.900.834	172.567.957	411.434.617	-	241.634	1.168.938.977
Carrying value as at 31 December 2025	2.047.392.386	377.135.204	415.977.892	2.212.002.801	2.806.768	18.491.582	5.073.806.633
Cost	2.485.112.167	466.524.184	748.730.159	3.004.503.998	2.806.768	37.669.924	6.745.347.200
Accumulated depreciation and impairment	(437.719.781)	(89.388.980)	(332.752.267)	(792.501.197)	-	(19.178.342)	(1.671.540.567)
Property, plant, and equipment that are subject to operating lease (Group as the lessor)	537.081	7.129.866	5.250	60.281.879	38.076	1.887	67.994.039

* Other movements and transfers also include transfers to/from inventories, transfers of completed assets under construction from other non-current assets.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

12. PROPERTY, PLANT AND EQUIPMENT (Line 121 of Consolidated balance sheet) (continued)

As at 31 December 2025 and 2024, the Group's property, plant and equipment with a carrying amount of 82.274.899 thousand tenge and 95.257.800 thousand tenge, respectively, was used 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").

As at 31 December 2025 and 2024, the cost of the Group's fully depreciated property, plant and equipment in use is 396.684.230 thousand tenge and 375.511.363 thousand tenge, respectively.

13. RIGHT-OF-USE ASSETS (line 122 of Consolidated balance sheet)

<i>In thousands of tenge</i>	Buildings and construc- tions	Machinery and equipment	Vehicles	Other	Intangible assets (software)	Total
Carrying value as at 1 January 2024	997.565	5.911.752	104.775.766	3.419.946	7.414	115.112.443
Lease additions	6.184	27.261.487	144.259.613	–	–	171.527.284
Lease modifications	116.955	(381.996)	(41.466)	–	–	(306.507)
Disposals	(77.453)	(24.859.455)	–	–	–	(24.936.908)
Depreciation charge	(346.162)	(8.423.092)	(4.934.697)	(452.369)	(4.239)	(14.160.559)
Depreciation on disposal	26.818	24.859.455	–	–	–	24.886.273
Other movements and transfers	–	–	–	171.657	–	171.657
Carrying value as at 31 December 2024	723.907	24.368.151	244.059.216	3.139.234	3.175	272.293.683
Cost	1.889.283	44.754.425	255.796.505	7.954.527	24.018	310.418.758
Accumulated depreciation and impairment	(1.165.376)	(20.386.274)	(11.737.289)	(4.815.293)	(20.843)	(38.125.075)
Carrying value as at 1 January 2025	723.907	24.368.151	244.059.216	3.139.234	3.175	272.293.683
Lease additions	21.606	106.818	186.081.728	–	247.388	186.457.540
Lease modifications	1.054.574	(8.772)	(503.935)	(623.838)	1.600	(80.371)
Disposals	(283.892)	(4.765.548)	–	–	(30.108)	(5.079.548)
Depreciation charge	(281.539)	(8.408.070)	(10.759.561)	(1.659.441)	(40.116)	(21.148.727)
Depreciation on disposal	282.069	4.765.548	–	–	30.108	5.077.725
Impairment	–	–	–	(620.768)	–	(620.768)
Other movements and transfers	–	–	(34.189)	14.098	–	(20.091)
Carrying value as at 31 December 2025	1.516.725	16.058.127	418.843.259	249.285	212.047	436.879.443
Cost	2.681.571	40.086.923	441.332.638	7.373.812	242.898	491.717.842
Accumulated depreciation and impairment	(1.164.846)	(24.028.796)	(22.489.379)	(7.124.527)	(30.851)	(54.838.399)

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

14. OTHER NON-CURRENT ASSETS (line 127 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Advances paid for property, plant and equipment	731.025.545	384.164.931
VAT recoverable	390.050.722	207.245.818
Construction-in-progress	378.987.245	490.174.738
Intangible assets in development	9.125.171	9.330.468
Corporate income tax withheld at the source of payment	3.407.844	36.441.171
Other	4.350.232	6.006.214
Total	1.516.946.759	1.133.363.340
Less: allowance for impairment of VAT recoverable	(17.163.532)	(12.536.948)
Less: allowance for impairment of construction-in-progress	(14.014.293)	(10.830.651)
Less: allowance for impairment of intangible assets under development	(1.880.504)	(1.858.004)
Less: allowance for impairment of corporate income tax withheld at the source of payment	(1.167.011)	(1.028.330)
Less: allowance for impairment of advances paid for property, plant and equipment	(470.365)	(521.799)
Less: allowance for impairment of other non-current assets	(72.313)	(72.313)
Total	1.482.178.741	1.106.515.295

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, Moiyny–Kyzylzhar and Bakhty–Ayagoz railway lines, a bypass railway line bypassing the Almaty station and other railway reconstruction infrastructure.

For the years ended 31 December 2025 and 2024, capitalised borrowing costs amounted to 68.452.825 thousand tenge and 52.176.602 thousand tenge, respectively. The Group's average capitalisation rate is 8,8% (2024: 9,11%).

As at 31 December 2025, the Group reclassified a portion of the corporate income tax withheld at the source of payment to other current assets in the amount of 34.388.341 thousand tenge (*Note 10*).

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

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Construction of the railway	289.071.600	128.983.625
Passenger carriages supply	206.143.760	163.047.221
Electric locomotive supplies	113.958.937	82.510.007
Railroad switch construction	68.597.663	–
Modernization of railway station infrastructure	26.469.128	–
Construction of rolling stock accounting and control system	6.427.191	–
Acquisition of rails	5.341.103	–
Other	15.016.163	9.624.078
Total	731.025.545	384.164.931

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet)

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

<i>In thousands of tenge</i>	31 December 2025		31 December 2024	
	Amount	Weighted average effective interest rate (%)	Amount	Weighted average effective interest rate (%)
Fixed interest rate loans	378.915.752		475.243.201	
- in tenge	245.853.982	11,58	285.231.313	10,88
- in Russian Roubles	92.152.464	8,04	79.275.930	9,02
- in Euro	40.909.306	6,75	51.253.034	5,85
- in Swiss Francs	-	-	59.482.924	3,40
Floating interest rate loans	1.530.868.952		886.252.701	
- in tenge	-	-	40.231.912	19,24
- in Swiss Francs	1.126.779.240	2,37	628.338.948	3,04
- in Euro	371.351.236	5,90	217.681.841	7,34
- in Chinese Yuans	32.738.476	5,61	-	-
Fixed interest rate debt securities issued	1.192.345.839		1.207.802.385	
- in tenge	783.333.592	12,16	759.017.615	11,78
- in US dollars	409.012.247	6,52	448.784.770	6,42
Floating interest rate debt securities issued	83.885.966		84.090.134	
- in tenge	83.885.966	13,63	84.090.134	14,78
Total	3.186.016.509		2.653.388.421	
Current portion of borrowings and debt securities issued	488.657.844		812.965.422	
Non-current portion of borrowings and debt securities issued	2.697.358.665		1.840.422.999	
Total	3.186.016.509		2.653.388.421	

The following borrowings, presented at discounted base, excluding debt securities, should be repaid as follows:

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
During the year	389.543.050	341.413.106
1-2 years	164.515.432	134.519.141
2-3 years	470.345.480	129.196.773
3-4 years	152.879.412	127.409.265
4-5 years	138.166.278	115.432.528
Over 5 years	594.335.052	513.525.089
Total	1.909.784.704	1.361.495.902

Loans received

The Shareholder

In 2025, the Group, represented by the Company, received borrowings amounting to 65.480.002 thousand 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 Company recognised an adjustment to fair value of borrowings in the amount of 56.989.573 thousand tenge, net of deferred tax in the amount of 11.397.914 thousand tenge through equity in retained earnings as other contributions (Note 23).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Loans received (continued)

The Shareholder (continued)

In January 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 "Khorghos-Zhetygen" and "Uzen-Turkmenistan Border" for a total amount of 30.000.000 thousand 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 6.003.488 thousand tenge, net of deferred tax in the amount of 1.200.697 thousand tenge through equity in retained earnings as other operations with owners (*Note 23*). During 2025, the Group has made early repayment of the loan.

Societe Generale and Natixis

In 2025, the Group, represented by KTZ – Freight Transportation LLP and KTZ – 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, received borrowed funds in the total amount of 56.854.843 Euros (33.441.340 thousand 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 KTZ – 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, received borrowed funds in the total amount of 280.445.323 Euros (159.028.163 thousand tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 0,8%. Principal is repaid semi-annually until full repayment in 2035.

In 2024, the Group, represented by KTZ – Freight Transportation LLP and KTZ – 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, received borrowed funds in the total amount of 134.375.973 Euros (67.738.003 thousand 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 2035.

Citibank

In 2025, the Group, represented by a subsidiary 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, received borrowed funds in the total amount of 86.498.042 Swiss Francs (49.328.253 thousand tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0,75% margin. The 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 (159.513.500 thousand 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 (41.417.860 thousand tenge).

In 2024, the Group, represented by the Company, under the credit line agreement with Citibank, dated 4 April 2024, borrowed funds in the total amount of 150.000.000 Swiss Francs (77.828.000 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Loans received (continued)

Citibank (continued)

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, received borrowed funds in the total amount of 443.076.513 Swiss Francs (234.669.609 thousand 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 (324.953.706 thousand tenge). Loan interest is repaid semi-annually at SARON 6m + 1,6%. The 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 KTZ – 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, received borrowed funds in the total amount of 571.716.269 Chinese yuan (43.321.642 thousand tenge). Loan interest is repaid 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 KTZ – 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, received borrowed funds in the total amount of 146.246.583 Swiss Francs (94.956.444 thousand tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON O/N + 0,48%. The 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 borrowed funds in the total amount of 14.000.000 thousand tenge with an interest rate of 18% and maturity of up to one year. The Group has made early repayment of the loan.

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, received borrowed funds in the total amount of 14.000.000 thousand 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, received borrowed funds in the total amount of 80.000.000 thousand 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 total amount of 102.000.000 thousand tenge.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Loans received (continued)

ForteBank JSC (continued)

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, received borrowed funds in the total amount of 97.000.000 thousand 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 55.000.000 thousand tenge.

Halyk Bank JSC

In 2025, 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, received borrowed funds in the total amount of 160.000.000 thousand 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 158.000.000 thousand 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, received borrowed funds in the total amount of 97.000.000 thousand tenge with an interest rate of 15,75% to 17,25% and a maturity of up to one year. The Group has made partial early repayment of loans received in the total amount of 78.000.000 thousand 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 10.000.000 thousand 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 received borrowed funds in the total amount of 7.640.071.200 Russian Roubles (37.956.298 thousand 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 (107.986.000 thousand 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 60.540.068 thousand tenge.

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 9.197.855 thousand tenge.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Debt securities issued

As at 31 December, debt securities issued included:

	Repayment date	Exchanges	2025	2024
Debt securities, by price*				
3% Eurobonds (100%) in US\$	28 October 2028	KASE	409.012.247	448.784.770
11,5% Bonds (100%) in tenge	3 October 2034	KASE	308.433.333	308.433.333
8,74% Bonds (100%) in tenge	12 June 2043	KASE	137.355.827	136.716.822
9,25% Bonds (100%) in tenge	24 June 2044	KASE	115.315.572	114.750.452
7,37% Bonds (100%) in tenge	30 December 2042	KASE	96.697.976	101.716.682
Inflation rate + 2,52% (11,42%) Bonds (100%) in tenge	25 April 2026	KASE	53.885.966	54.090.134
11,5% Bonds (100%) in tenge	12 September 2034	KASE	41.379.998	41.379.992
NBRK Base rate+0,75% (18,75%) Bonds (100%) in tenge	30 January 2026	AIX	30.000.000	30.000.000
9,37% Bonds (100%) in tenge	11 December 2045	KASE	26.329.393	–
11% Bonds (100%) in tenge	23 July 2027	KASE	26.184.028	26.184.034
2% Bonds (100%) in tenge	20 August 2034	KASE	20.270.714	18.947.368
1,8% Bonds (100%) in tenge	10 July 2044	AIX	11.366.751	10.888.932
Total debt securities issued			1.276.231.805	1.291.892.519
Current portion of debt securities issued			99.114.794	471.552.316
Long-term portion of debt securities issued			1.177.117.011	820.340.203
			1.276.231.805	1.291.892.519

* The percentage in brackets represents the cost of placing bonds/Eurobonds from par value (with a premium/discount or at par value).

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 recognised an adjustment to the carrying amount of the bonds issued within finance income in the amount of 80.296.949 US\$ (43.226.257 thousand tenge) (Note 27).

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 42.325.904 thousand tenge with a coupon rate of 9,37% per annum and a maturity date in 2045. Coupon rate - 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 16.205.824 thousand tenge, net of deferred tax in the amount of 3.241.165 thousand tenge through equity in retained earnings as other contributions (Note 23).

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 20.315.849 thousand tenge and 143.652.758 thousand 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 (Note 6). 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 49.498.753 thousand tenge, net of deferred tax in the amount of 9.899.750 thousand tenge through equity in retained earnings as other operations with owners (Note 23).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Debt securities issued (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 44.200.000 thousand 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 33.893.182 thousand tenge, net of deferred tax in the amount of 6.778.637 thousand tenge through equity in retained earnings as other operations with owners (*Note 23*).

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 30.000.000 thousand 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 307.194.406 thousand 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 Dollars, 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 22.300.000 thousand tenge as part of finance income.

The fair value of borrowings and debt securities issued is presented in *Note 36*.

Credit agreements and breaches of credit agreements

The long-term loan agreements with the carrying amount of 1.543.242.700 thousand 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 conditions were met. As at 31 December 2025, the carrying value of this loan is 40.909.306 thousand tenge (31 December 2024: 51.253.034 thousand 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 condition was met. As at 31 December 2025, the carrying value of this loan is 371.351.236 thousand tenge (31 December 2024: 217.681.841 thousand tenge).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)

Credit agreements and breaches of credit agreements (continued)

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 2024, these covenants were met. As at 31 December 2025, these conditions were met. As at 31 December 2025, the carrying value of this loan is 92.152.464 thousand tenge (31 December 2024: 79.275.930 thousand tenge).

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 semi-annual consolidated results of the Group. As at 31 December 2025, these conditions were met. As at 31 December 2025, the carrying value of this loan is 264.739.650 thousand tenge (31 December 2024: 274.189.900 thousand 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 condition was met. As at 31 December 2025, the carrying value of this loan is 88.640.945 thousand tenge (31 December 2024: 103.881.331 thousand 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 conditions were met. The carrying amount of the loan as at 31 December 2025 is 261.819.489 thousand tenge (31 December 2024: 220.910.412 thousand 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 results. As at 31 December 2025, these conditions were met. As at 31 December 2025, the carrying value of this loan is 32.738.476 thousand 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 results. As at 31 December 2025, these conditions were met. As at 31 December 2025, the carrying value of this loan is 308.080.826 thousand 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 conditions were met. As at 31 December 2025, the carrying value of this loan is 82.810.308 thousand 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)**15. FINANCIAL LIABILITIES AT AMORTISED COST (lines 210 and 310 of Consolidated balance sheet) (continued)****Reconciliation of changes in liabilities and cash flows from financing activity:**

	2025			2024		
	Borrowings and debt securities issued	Lease liabilities (Note 19)	Total	Borrowings and debt securities issued	Lease liabilities (Note 19)	Total
<i>In thousands of tenge</i>						
As at 1 January	2.653.388.421	174.982.492	2.828.370.913	2.117.546.510	71.505.722	2.189.052.232
Changes due to cash flows from financing activities						
Loan principal payments	(648.673.787)	–	(648.673.787)	(480.531.540)	–	(480.531.540)
Proceeds from borrowings	908.235.220	–	908.235.220	879.762.337	–	879.762.337
Repayment of lease liabilities	–	(18.071.732)	(18.071.732)	–	(11.357.789)	(11.357.789)
Total changes due to cash flows from financing activities	259.561.433	(18.071.732)	241.489.701	399.230.797	(11.357.789)	387.873.008
Other changes						
Effect of changes in foreign exchange rates	16.531.232	(54.094)	16.477.138	68.605.428	34.011	68.639.439
Cash flow hedging	77.847.662	–	77.847.662	62.214.527	–	62.214.527
Acquisition of property, plant and equipment through borrowings directly transferred to the supplier	272.755.401	–	272.755.401	67.738.003	–	67.738.003
New lease agreements	–	104.369.039	104.369.039	–	107.742.344	107.742.344
Adjustment to the fair value of loans received from the Shareholder at rates lower than market (Note 23)	(73.195.397)	–	(73.195.397)	(89.395.423)	–	(89.395.423)
Effect of the modification of debt liabilities that does not result in derecognition (Note 27)	(43.226.257)	–	(43.226.257)	–	–	–
Interest costs and discount amortisation, including capitalised	221.886.726	36.307.436	258.194.162	204.960.350	19.501.905	224.462.255
Interest paid	(184.142.418)	(23.975.509)	(208.117.927)	(171.648.002)	(12.049.790)	(183.697.792)
Other changes	(15.390.294)	(3.475.656)	(18.865.950)	(5.863.769)	(393.911)	(6.257.680)
Total other changes attributable to liabilities	273.066.655	113.171.216	386.237.871	136.611.114	114.834.559	251.445.673
As at 31 December	3.186.016.509	270.081.976	3.456.098.485	2.653.388.421	174.982.492	2.828.370.913

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

16. OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (lines 213 and 313 of Consolidated balance sheet)

As at 31 December 2025, liabilities under financial guarantee contracts include other current financial liabilities in the amount of 24.545.167 thousand tenge (31 December 2024: 1.123.525 thousand tenge include other current financial liabilities and 23.148.246 thousand tenge include other non-current financial liabilities).

As disclosed in *Note 33*, 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 13.520.627 thousand tenge for Nursultan Nazarbayev International Airport JSC and 11,024,540 thousand tenge for Aktobe Rail and Section Mill Plant LLP (31 December 2024: 14.896.620 thousand tenge for Nursultan Nazarbayev International Airport JSC, 12.552.694 thousand tenge for Aktobe Rail and Section Mill Plant LLP).

As at 31 December other financial liabilities were primarily denominated in tenge.

17. CURRENT TRADE AND OTHER ACCOUNTS PAYABLE (line 214 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Trade accounts payable	524.412.186	230.152.543
Other accounts payable	16.025.317	17.832.911
Total	540.437.503	247.985.454

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

	31 December 2025	31 December 2024
Tenge	456.362.972	201.822.363
Yuan	32.131.957	48.165
Euros	20.042.434	13.414.325
US\$	14.344.150	12.999.574
In other currencies	1.530.673	1.868.116
Total	524.412.186	230.152.543

Other accounts payable were mainly denominated in tenge.

18. EMPLOYEE BENEFITS (lines 217 and 317 of Consolidated balance sheet)

As at 31 December employee benefits included the following:

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Allowances for unused vacation and other employee benefits	49.670.737	40.068.883
Post-employment defined employee benefits and other long-term employee benefits	49.193.766	48.702.453
Salary payable	15.187.883	18.966.105
Total	114.052.386	107.737.441
Current portion of employee benefits	73.025.881	66.632.709
Non-current portion of employee benefits	41.026.505	41.104.732
Total	114.052.386	107.737.441

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (lines 217 and 317 of Consolidated balance sheet (continued))

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

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.

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

Post-employment defined employee benefits:

- 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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (lines 217 and 317 of Consolidated balance sheet (continued))

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

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.

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Non-current portion of post-employment defined employee benefits and other long-term employee benefits	41.026.505	41.104.732
Current portion of post-employment defined employee benefits and other long-term employee benefits	8.167.261	7.597.721
Total liabilities as at the end of the year	49.193.766	48.702.453

Movement in the present value of post-employment defined employee benefits and other long-term employee benefits for the years ended 31 December are as follows:

<i>In thousands of tenge</i>	2025	2024
Total liabilities at the beginning of the year	48.702.453	45.003.572
Current service cost	2.266.767	2.254.484
Past service cost	1.472.504	9.693.683
Interest costs	6.039.103	5.107.906
Actuarial profit on other long-term employee benefits	(458.622)	(2.393.966)
Total expenses recognised in profit or loss	9.319.752	14.662.107
Actuarial revaluation recognised in other comprehensive income:		
- <i>experience-based adjustments</i>	8.581.216	(1.850.465)
- <i>change in demographic assumptions</i>	1.503.024	(2.693.847)
- <i>change in financial assumptions</i>	(10.360.246)	855.668
Payments made for the year	(8.552.433)	(7.274.582)
Total liabilities as at the end of the year	49.193.766	48.702.453

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:

<i>In thousands of tenge</i>	2025	2024
Finance costs (Note 28)	6.039.103	-
Cost of goods, operations and services sold (Note 25)	3.069.029	14.149.753
Administrative expenses (Note 26)	211.620	512.354
Total recognised in profit or loss for the year	9.319.752	14.662.107

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 balance sheet 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)

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (lines 217 and 317 of Consolidated balance sheet (continued))

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

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

<i>In thousands of tenge</i>	2025	2024
Within the next 12 months	8.167.261	7.597.721
From 2 to 5 years	16.868.582	16.900.746
From 5 to 10 years	11.594.150	11.616.257
Beyond 10 years	12.563.773	12.587.729
Total expected payments	49.193.766	48.702.453

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 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).

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 balance sheet.

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

19. LEASE LIABILITIES (lines 218 and 318 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Short-term leases	1.358.122	1.198.514
Lease liabilities	270.081.976	174.982.492
Total	271.440.098	176.181.006
Current lease liabilities	46.504.173	36.715.572
Non-current lease liabilities	224.935.925	139.465.434
Total	271.440.098	176.181.006

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

<i>In thousands of tenge</i>	2025		2024	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within one year	49.803.758	45.146.051	38.423.304	35.517.058
2-5 years inclusive	225.578.806	132.096.532	141.989.256	83.386.859
Over 5 years	392.427.110	92.839.393	232.330.450	56.078.575
Total	667.809.674	270.081.976	412.743.010	174.982.492
Less unearned interest	(397.727.698)	-	(237.760.518)	-
Present value of lease liabilities	270.081.976	270.081.976	174.982.492	174.982.492
Less amounts due within 12 months		(45.146.051)		(35.517.058)
Amounts due after 12 months		224.935.925		139.465.434

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\$.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

19. LEASE LIABILITIES (lines 218 and 318 of Consolidated balance sheet) (continued)

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 63.355.988 thousand 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 40.063.888 thousand tenge for 32 years and a lease liability of 24.714.631 thousand 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 103.432.232 thousand 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 payment of the principal debt 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 70.382.223 thousand tenge for 40 years and a lease liability in the amount of 33.324.735 thousand 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 11.802.474 thousand 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 payment of the principal debt 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 7.847.788 thousand tenge for 40 years and a lease liability of 3.734.432 thousand 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 92.094.539 thousand tenge and an interest rate of 16% per annum, of which 10% per annum is subsidised by the State. The grace period for the payment of the principal debt 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 in the amount of 36.385.954 thousand tenge for 40 years and a lease liability in the amount of 19.745.988 thousand tenge for 15 years.

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 88.125.000 thousand 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 31.401.875 thousand tenge for 22 years and a lease liability of 22.473.441 thousand 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 condition was met.

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 lease items.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

19. LEASE LIABILITIES (lines 218 and 318 of Consolidated balance sheet) (continued)

The terms and conditions of lease agreements (continued)

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.

20. CURRENT CONTRACT LIABILITIES (line 219 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Advances received on contracts with customers	138.658.450	117.972.804
Deferred income	10.537.894	15.196.726
Total	149.196.344	133.169.530

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 122.072.328 thousand tenge (2024: 95.810.978 thousand tenge).

Contract liabilities as at 31 December 2024 will be recognised as revenue within 12 months after the reporting date.

21. OTHER CURRENT LIABILITIES (line 222 of Consolidated balance sheet)

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Taxes and other obligatory payments to the budget		
VAT	5.643.326	5.796.169
Personal income tax	5.626.889	5.719.744
Social tax	3.569.320	3.202.375
Property tax	597.174	95.190
Others	615.491	808.842
Obligatory pension contributions, social insurance and obligatory medical insurance contributions	15.816.454	14.302.401
Advances received	2.210.672	9.700.113
Others	340.601	2.330.308
Total	34.419.927	41.955.142

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

22. DEFERRED TAX ASSETS AND LIABILITIES (lines 126 and 316 of Consolidated balance sheet)

Deferred tax balances calculated by applying the statutory tax rate in effect at the dates of the respective consolidated balance sheets to temporary differences between the tax basis for assets and liabilities and amounts reported in the forms of consolidated annual financial statements as at 31 December are as follows:

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Deferred tax assets:		
Tax losses carried forward	162.891.165	128.414.408
Deferred income	21.675.192	–
Derivative financial instruments	18.299.104	6.432.037
Accrued employee liabilities	9.846.760	7.912.376
Liabilities under financial guarantee contracts	4.909.034	5.489.864
Lease liabilities	4.831.028	7.009.825
Difference in accounts receivable	3.487.003	3.889.185
Other	2.272.692	2.690.758
	228.211.978	161.838.453
Less: deferred tax assets offset against deferred tax liabilities	(227.899.532)	(161.817.664)
Deferred tax assets	312.446	20.789
Deferred tax liabilities		
Property, plant and equipment and other non-current assets	(679.715.884)	(507.804.810)
Fair value adjustment to borrowings received from the Shareholder at the rates below market	(137.268.460)	(122.065.675)
Lease liabilities	(26.010.999)	–
Other	(84.835)	(4.524)
	(843.080.178)	(629.875.009)
Less: deferred tax liabilities offset against deferred tax assets	227.899.532	161.817.664
Deferred tax liabilities	(615.180.646)	(468.057.345)
Total net deferred tax liabilities	(614.868.200)	(468.036.556)

<i>In thousands of tenge</i>	2025 г.	2024 г.
Net deferred tax liabilities as at the beginning of the year	(468.036.556)	(411.828.431)
Recognised in statement of profit or loss (Note 31)	(135.553.076)	(47.971.599)
Recognised in consolidated statement of changes in equity (Note 23)	(14.639.079)	(17.879.084)
Recognised in other comprehensive income (Note 23)	3.360.511	9.642.558
Net deferred tax liabilities as at the end of the year	(614.868.200)	(468.036.556)

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 18.753.276 thousand tenge (31 December 2024: 9.470.064 thousand tenge). These tax losses carried forward expire in 10 years from the date they were incurred.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

23. CHARTER (SHAREHOLDER'S) CAPITAL (line 410 of Consolidated balance sheet), COMPONENTS OF OTHER COMPREHENSIVE INCOME (line 413 of Consolidated balance sheet), RETAINED EARNINGS (ACCUMULATED DEFICIT) (line 414 of Consolidated balance sheet) AND OTHER CAPITAL (line 415 of Consolidated balance sheet)

Owners contributions (lines 311 and 711 of Consolidated statement of changes in equity), reflected in the charter (shareholder's) capital:

<i>In thousands of tenge</i>	No. of shares authorised for issue	No. of shares issued	Charter (shareholder's) capital, thousand tenge	Other capital, thousand tenge
As at 1 January 2024	502.040.458	496.693.666	1.110.633.868	97
Shares issued	–	1.000	13.272.667	–
As at 31 December 2024	502.040.458	496.694.666	1.123.906.535	97
Shares issued	–	1.010	28.791.555	–
As at 31 December 2025	502.040.458	496.695.676	1.152.698.090	97

The Company's charter (shareholder's) capital was established through a series of share issuances in exchange for either cash or property, plant and equipment, intangible assets or shares. 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.

During 2025, the Group issued 1.010 shares that were paid by the Shareholder through the contribution of non-current assets with a total fair value of 28.791.555 thousand tenge.

During 2024, the Group issued 1.000 shares that was paid in cash of 13.272.667 thousand tenge by the Shareholder.

Other operations with owners (lines 317 and 717 of Consolidated statement of changes in equity)

In 2025, the Group recognised an adjustment to loans received from Shareholder at rates lower than market to fair value of 73.195.397 thousand tenge (2024: 89.395.423 thousand tenge) less the deferred tax effect of 14.639.079 thousand tenge (2024: 17.879.084 thousand tenge) (*Notes 15 and 22*).

Components of other comprehensive income (line 413 of Consolidated balance sheet)

Cash flow hedging (net of tax effect) (lines 227 and 627 of Consolidated statement of changes in equity)

In 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 15*), 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 72.259.623 thousand tenge attributable to the hedging instrument was reclassified from other comprehensive income to freight transportation revenue (*Note 24*). The deferred income tax effect amounted to 14.451.925 thousand tenge (*Note 22*).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

23. CHARTER (SHAREHOLDER'S) CAPITAL (line 410 of Consolidated balance sheet), COMPONENTS OF OTHER COMPREHENSIVE INCOME (line 413 of Consolidated balance sheet), RETAINED EARNINGS (ACCUMULATED DEFICIT) (line 414 of Consolidated balance sheet) AND OTHER CAPITAL (line 415 of Consolidated balance sheet) (continued)

Components of other comprehensive income (line 413 of Consolidated balance sheet) (continued)

Strategy 1 (effective from 1 October 2024) (continued)

In 2025, the effective portion, including the effective portion of changes in the fair value of the derivative instrument, totalling of 44.033.714 thousand tenge, was allocated to the hedge reserve in other comprehensive income as loss arising on cash flow hedging instruments (2024: 28.225.909 thousand tenge). The deferred income tax effect amounted to 8.806.743 thousand tenge (2024: 5.645.182 thousand tenge (Note 22)). The ineffective portion in the amount of 44.857.232 thousand tenge was reclassified to finance costs (2024: 3.608.843 thousand tenge) (Note 28).

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 534.250.165 thousand tenge (31 December 2024: 567.213.140 thousand 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.

At the commencement date of the hedging relationship, the hedge effectiveness has been confirmed at 100%, reflecting full compliance with the terms of the instruments and the hedged items.

In 2025, the effective portion of 53.549.806 thousand tenge was allocated to the components of other comprehensive income as fair value loss arising on cash flow hedging instruments (2024: 20.399.081 thousand tenge). The deferred income tax effect amounted to 1.709.961 thousand tenge (2024: 4.079.816 thousand tenge (Note 22)).

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 8.521.338 thousand tenge attributable to the hedging instrument was reclassified from components of other comprehensive income to revenue from sale of goods, operations and services (2024: 412.200 thousand tenge) (Note 24). The deferred income tax effect amounted to 1.704.268 thousand tenge (2024: 82.440 thousand tenge) (Note 22).

Foreign exchange difference on investments in foreign entities (lines 229 and 629 of Consolidated statement of changes in equity)

The foreign currency translation reserve is used to account for exchange rate differences resulting from the translation of the financial statements of the Company's business units, subsidiaries, joint ventures and associates whose functional currency is not tenge and whose financial statements are included in the Group's forms of consolidated annual financial statements.

24. REVENUE FROM SALE OF GOODS, OPERATIONS AND SERVICES ((line 010 of Consolidated statement of profit or loss)

Revenue for the years ended 31 December included the following:

<i>In thousands of tenge</i>	2025	2024
Revenue from freight transportation	2.463.196.845	1.875.557.909
Revenue from passenger transportation	129.249.886	110.522.759
Government grants	43.274.938	41.123.686
Other revenue	121.361.233	136.737.678
Total	2.757.082.902	2.163.942.032

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

24. REVENUE FROM SALE OF GOODS, OPERATIONS AND SERVICES (line 010 of Consolidated statement of profit or loss) (continued)

In 2025 and 2024, revenue from freight transportation included:

<i>In thousands of tenge</i>	2025	2024
Revenue from contracts with customers:		
International (transit) routes	827.177.566	698.796.877
Domestic routes	687.324.859	507.500.898
International (export) routes	489.374.816	322.631.389
International (import) routes	276.243.475	194.278.923
Additional charges related to the transportation process	65.194.477	67.769.200
Other revenue from freight transportation	117.881.652	84.580.622
Total	2.463.196.845	1.875.557.909

In December 2024, the Group received international (transit) freight transportation revenue, which is the cash flow hedged item, therefore, the accumulated loss in the amount of 80.780.961 thousand tenge attributable to the hedging instrument was reclassified from components of other comprehensive income to revenue from sale of goods, operations and services (2024: 412.200 thousand tenge) (*Note 23*).

Revenue from freight transportation is recognised over time.

In 2025 and 2024, revenue from passenger transportation included:

<i>In thousands of tenge</i>	2025	2024
Revenue from contracts with customers:		
Passenger transportation	110.746.292	94.002.415
Other revenue from passenger transportation	18.503.594	16.520.344
Total	129.249.886	110.522.759

Revenue from passenger transportation of 2.753.260 thousand tenge, attributable to portion of other revenue from passenger transportation, was recognised at a point in time (for the year ended 31 December 2024: 1.763.066 thousand tenge), and 126.496.626 thousand tenge was recognised over time (for the year ended 31 December 2024: 108.759.693 thousand tenge).

Total revenue from contracts with customers for the year ended 31 December 2025 amounted to 2.592.446.731 thousand tenge (for the year ended 31 December 2024: 1.986.080.668 thousand tenge).

In 2025 and 2024 other revenue included:

<i>In thousands of tenge</i>	2025	2024
Revenue from the sale of goods and provision of other services	69.284.766	61.172.010
Revenue from the lease of carriages	39.007.171	63.367.705
Revenue from fines	7.940.105	6.382.475
Revenue from the lease of other property, plant and equipment	5.129.191	5.815.488
Total	121.361.233	136.737.678

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

24. REVENUE FROM SALE OF GOODS, OPERATIONS AND SERVICES (line 010 of Consolidated statement of profit or loss) (continued)

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

Other revenue from the sale of goods, and provision of other services, and from fines amounting to 21.626.963 thousand tenge is recognised at a point in time (for the year ended 31 December 2024: 18.544.400 thousand tenge), and 55.597.908 thousand tenge – over time (for the year ended 31 December 2024: 49.010.085 thousand tenge).

25. COST OF GOODS, OPERATIONS AND SERVICES SOLD ((line 011 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Staff costs, including taxes, contributions and provisions for unused vacations	835.906.735	702.499.958
Fuel and lubricants	265.916.399	195.945.382
Repairs and maintenance	242.841.647	234.960.734
Depreciation and amortisation	192.897.244	165.925.267
Electricity	139.014.086	90.967.092
Materials and supplies	78.083.345	62.300.261
Work and services of a production nature	76.540.040	71.246.378
Property tax and other taxes, excluding social tax and social contributions	31.979.127	29.815.621
Utilities and building maintenance	9.423.179	7.730.076
Telecommunication services	3.126.772	3.125.142
Employee benefit expenses and other long-term employee benefits (Note 18)	3.069.029	14.149.753
Other costs	45.253.249	41.351.748
Total	1.924.050.852	1.620.017.412

26. ADMINISTRATIVE EXPENSES (line 014 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Staff costs, including taxes, contributions and provisions for unused vacations	94.522.826	78.473.290
Property tax and other taxes, excluding social tax and social contributions	15.457.833	17.942.470
Other third-party services	5.649.092	3.808.900
Consulting, audit and legal services	5.626.464	2.873.293
Expenses to hold celebrations and cultural and mass events	4.711.577	3.273.321
Depreciation and amortisation	3.188.875	4.446.408
Business trip expenses	2.502.034	2.590.174
Membership fees	1.641.468	1.298.985
Utilities and building maintenance	1.586.521	1.170.261
Short-term lease expenses	1.548.191	1.132.919
Insurance	744.670	636.390
Telecommunication services	698.165	652.503
Expenses to maintain social sphere facilities	538.510	431.429
Banking services	452.788	441.744
Repairs and maintenance	430.536	1.215.606
Employee benefit expenses and other long-term employee benefits (Note 18)	211.620	512.354
Charity	–	2.000.000
Other expenses	6.761.054	5.983.474
Total	146.272.224	128.883.521

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

27. FINANCE INCOME (line 021 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Effect of the modification of debt liabilities that does not result in derecognition (Note 15)	43.226.257	–
Interest income on cash and cash equivalents	21.770.028	11.517.126
Interest income on derivative financial instruments recognised at fair value through profit or loss	10.744.726	10.010.007
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	7.196.425	–
Income from guarantees issued	2.850.480	1.322.019
Income from interest rate state subsidies on financial liabilities	–	28.018.731
Income from recovery of allowance for expected credit losses on financial instruments	–	1.933.337
Other finance income	2.830.238	2.087.114
Total	88.618.154	54.888.334

28. FINANCE COSTS (line 022 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Interest expense and discount amortisation on loans	153.443.342	152.776.629
Interest expenses on lease	36.307.436	19.501.905
Interest expense on employee benefit obligations (Note 18)	6.039.103	–
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	–	6.363.180
Expenses on accrual of allowance for expected credit losses on financial instruments	437.488	–
Other finance costs	5.196.993	2.733.343
	201.424.362	181.375.057
Loss from the ineffective part of hedging instruments (Note 23)	44.857.232	3.608.843
Total	246.281.594	184.983.900

29. OTHER INCOME (line 024 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Income from disposal of property, plant and equipment, intangible assets and other non-current assets	3.237.227	241.299
Income from investment property	2.128.799	1.920.817
Recovery of expenses on recognition of provisions	34.563	2.483.833
Other	2.667.707	5.121.367
Total	8.068.296	9.767.316

30. OTHER EXPENSES (line 025 of Consolidated statement of profit or loss)

<i>In thousands of tenge</i>	2025	2024
Foreign exchange loss, net (Note 36)	19.989.759	69.619.844
Expenses on accrual of allowance for impairment of non-financial assets	11.479.695	7.335.702
Expenses on disposal of property, plant and equipment, intangible assets and other non-current assets	4.456.214	4.095.337
Expenses on accrual of allowance for expected credit losses on receivables and allowance for impairment of other current assets	3.455.432	331.931
Other	395.276	572.950
Total	39.776.376	81.955.764

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

31. INCOME TAX EXPENSE (line 101 of Consolidated statement of profit or loss)

Income tax expense for the years ended 31 December included the following:

<i>In thousands of tenge</i>	2025	2024
Current corporate income tax expenses	19.345.530	14.969.801
Adjustment of corporate income tax for prior years	476.853	(216.841)
Deferred income tax expense	123.182.246	37.810.604
Change in unrecognised deferred tax assets, including for tax losses carried forward	12.370.830	10.160.995
Total	155.375.459	62.724.559

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:

<i>In thousands of tenge</i>	2025	2024
Profit before tax from continuing operations	499.022.234	223.528.612
Official tax rate	20%	20%
Calculated income tax expense at the official rate	99.804.447	44.705.722
Tax effect of non-deductible expenses/(non-taxable income) for tax calculation purposes, and other effect:		
Adjustment of income tax for prior years	476.853	(216.841)
Non-deductible expenses and non-taxable income	42.723.329	8.074.683
Change in unrecognised deferred tax assets, including for tax losses carried forward	12.370.830	10.160.995
Income tax expenses (-) (income (+) reflected in profit or loss from continuing operations)	155.375.459	62.724.559

32. EARNINGS PER SHARE (line 600 of Consolidated statement of profit or loss) AND CARRYING AMOUNT 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, thousand tenge	2.343.194.941	1.924.269.435
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 of common shares	496.695.065	496.693.715
Profit for the year attributable to the Shareholder, thousand tenge	339.919.419	157.817.359
Basic and diluted earnings per common share (tenge)	684,36	317,74

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

33. FINANCIAL AND CONTINGENT LIABILITIES

Investment liabilities

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, Moiynkyzylzhar 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 4.681.921.061 thousand tenge excluding VAT (31 December 2024: 2.427.217.418 thousand tenge, excluding VAT).

Other contractual liabilities

As at 31 December 2025, the Group, represented by KTZ Express JSC, its subsidiary, 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.

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 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 forms of consolidated annual 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 holds obligatory insurance policies purchased from commercial insurance companies in the Republic of Kazakhstan.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

33. FINANCIAL AND CONTINGENT LIABILITIES (continued)

Contingent liabilities (continued)

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 belongs to rail track infrastructure into the second category. The sea port assets in Aktau city were also classified to 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 forms of consolidated annual 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.

Guarantees

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

Creditor	Purpose of the guarantee	Guarantee issue date	Guarantee period	Guarantee amount
Development Bank of Kazakhstan JSC	Execution of 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	14.497.698
Development Bank of Kazakhstan JSC	Execution of the obligations of Nursultan Nazarbayev International Airport JSC in Astana to finance its modernisation	28 March 2018	until 2033	20.252.250

Note 16 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 terms were met.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

34. SUBSIDIARIES

Information on the composition of the Group is provided below:

No.	Subsidiary*	Activities	Country	Ownership interest/controlled interest, %	
				31 December 2025	31 December 2024
1	Kaztemirtrans JSC Passenger	Freight carriage operation	Kazakhstan	100	100
2	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, handling rolling stock, terminal services	Kazakhstan	100	100
6	Temirzholsu JSC	Utilities	Kazakhstan	100	100
7	Militarised Railway Security LLP	Security	Kazakhstan	100	100
8	Aktau International Sea Commercial Port National Company JSC**	Vessel loading and unloading work, vessel servicing	Kazakhstan	100	100
9	Port Kuryk LLP	Freight transshipment and vessel servicing	Kazakhstan	100	100
10	KTZ - Passenger Locomotives LLP	Locomotive 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 Aktau International Sea Commercial Port National Company JSC to the Group's trust management. Aktau International Sea Commercial Port National Company JSC is recognised as a Group subsidiary although the Group does not legally hold shares in it.

35. RELATED PARTY TRANSACTIONS

For the purpose of these forms of consolidated annual financial statements, parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party when making financial or operational decisions. In addition, parties under common control within the Group are considered to be related. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties may enter into transactions that might not be necessarily available to unrelated parties, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

35. RELATED PARTY TRANSACTIONS (continued)

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.

<i>In thousands of tenge</i>		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	-	4.409.689	393.778	9.423.207
	2024	-	2.162.372	211.193	5.202.238
including allowances for expected credit losses and impairment of advances paid	2025	-	(72.882)	(3.081)	(172.926)
	2024	-	(30.447)	(3.744)	(150.267)
Amounts due to related parties for goods, services and non-current assets, including advances received	2025	-	15.684.021	149.510.206	12.215.409
	2024	-	14.856.560	29.487.075	14.621.852
	2025	-	-	24.570.254	-
Current accounts	2024	-	-	1.151	-
Cash on digital accounts (Note 36)	2025	-	-	-	22.881.735
	2024	-	-	-	116.631.095
	2025	-	-	-	3.855
Restricted cash	2024	-	-	-	196.543
	2025	975.160.041	-	-	164.263.810
Loans received	2024	1.002.574.915	-	-	154.299.103
	2025	67.829	20.600.783	-	245.862.554
Lease liabilities	2024	-	31.296.093	-	140.393.122
Financial guarantee contract liabilities	2025	-	-	-	13.520.627
	2024	-	-	-	14.896.620

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

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

35. RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties for the years ended 31 December are presented as follows:

<i>In thousands of tenge</i>		Shareholder	Associates	Joined ventures	Companies making up the Shareholder Group	Other related parties*
Sale of goods, services and non-current assets	2025	-	101.423.686	-	35.936.358	127.508.070
(Accrued) / recovered	2024	-	110.475.821	-	29.434.477	103.418.128
allowances for expected credit losses and impairment of advances paid	2025	-	(42.435)	-	548	(67.451)
	2024	-	394.183	-	96.007	(69.828)
Purchase of goods, services and non-current assets	2025	-	24.523.073	-	221.052.456	119.948.172
	2024	-	26.623.473	-	93.220.703	75.277.855
	2025	107.805.906	-	-	-	-
Receipt of loans	2024	238.168.607	-	-	-	37.956.298
Repayment of loans received	2025	31.174.923	-	-	-	18.032.450
	2024	1.174.923	-	-	-	11.159.983
New lease agreements (Group as lessee)	2025	247.388	21.606	-	-	103.993.227
	2024	-	27.261.487	-	-	80.474.673
	2025	203.491	15.125.926	-	-	27.807.766
Lease payments	2024	-	11.187.698	-	-	16.904.291
	2025	43.226.257	-	-	-	1.375.993
Finance income	2024	-	19.015	-	-	417.839
	2025	40.421.060	4.413.897	-	-	45.944.538
Finance costs	2024	36.853.246	5.754.886	-	-	26.047.239
	2025	-	4.645.587	-	-	-
Dividends due	2024	-	4.479.493	-	-	-
Charter (shareholder's) capital contribution	2025	28.791.555	6.211.220	13.719.146	-	-
	2024	13.272.667	1.577.800	242.848	-	-

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

In 2025, the Group received a loan from the Shareholder in the amount of 65.480.002 thousand tenge (Note 15) (2024: nil).

In 2025, the Group issued bonds in favour of the Shareholder in the amount of 42.325.904 thousand tenge (Note 15) (2024: 238.168.607 thousand 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 164.263.810 thousand tenge (31 December 2024: 154.299.103 thousand tenge).

As at 31 December 2025, The Group 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%).

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

35. 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 to 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 comprised 1.036.255 thousand tenge for the year ended 31 December 2025 (2024: 815.971 thousand 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.

36. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES. 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 the Group can continue as a going concern while maximizing return for shareholders by optimizing the debt and equity balance. The Group's overall strategy remains unchanged from 2024.

There are no mandatory minimum capital 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 charter (share) capital, components of other comprehensive income, retained earnings, other equity 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 will 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.

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Interest rate risk (continued)

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)	(1.190.400)/1.190.400
	2024	406/(231)	(3.876.546)/2.205.621
EURIBOR	2025	27/(27)	(1.004.857)/1.004.857
	2024	354/(127)	(6.060.784)/2.174.349
SARON	2025	35/(35)	(3.144.067)/3.144.067
	2024	126/(77)	(6.303.848)/3.852.352
LRP	2025	350/(350)	(907.199)/907.199
	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.

Financial 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.

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Currency risk (continued)

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 15*).

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 23*).

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 17.565.607 US\$ (9.219.700 thousand tenge) and 4.512.532 Swiss Francs (2.926.401 thousand tenge) (during 2024: 17.674.778 US\$ (8.221.321 thousand tenge) and 4.540.916 Swiss Francs (2.384.914 thousand tenge)).

As at 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 180.989.291 US\$ (91.495.518 thousand tenge) (as at 31 December 2024: 62.267.864 US\$ (32.697.478 thousand tenge)), was recognized within Current derivative financial instruments 212 line item.

Hedge effectiveness assessment

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss francs, as part of two strategies (*Note 23*). In August 2025, due to the signing of a memorandum extending the maturity of the Eurobonds from 2025 to 2028 (*Note 15*), 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.

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Currency risk (continued)

Hedge effectiveness assessment (continued)

As at 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*:

As at 31 December 2024	Maturity dates				Total
	Up to 3 months	3-9 months	9-12 months	Over 12 months	
Eurobonds					
Nominal value in US\$	-	-	882.978.000	-	882.978.000
Nominal value in thousand tenge	-	-	463.660.578	-	463.660.578
Average US\$ / Swiss Franc exchange rate	-	-	-	-	0,9986
Currency SWAP					
Nominal value in Swiss Francs	-	-	(881.881.000)	-	(881.881.000)
Nominal value in thousand tenge	-	-	(512.090.659)	-	(512.090.659)

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

As at 31 December 2025	Maturity dates				Total
	Up to 3 months	3-9 months	9-12 months	Over 12 months	
Nominal value in Swiss Francs	39.246.547	69.108.135	30.084.195	772.604.381	911.043.258
As at 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:

	Nominal value (in original currency)	Carrying amount (thousand tenge)	Line items in the consolidated balance sheet	Change in fair value / foreign-currency remeasurement used for assessing ineffectiveness for the period (thousand tenge)
As at 31 December 2025				
Borrowings in Swiss Francs	911.043.258	534.250.165	Financial liabilities at amortised cost	(53.549.806)
As at 31 December 2024				
Borrowings in Swiss Francs	1.050.208.399	567.213.140	Financial liabilities at amortised cost	(20.399.081)
Eurobonds in US dollars	882.978.000	448.784.770	Financial liabilities at amortised cost	(37.036.901)
Currency swaps in Swiss Francs	881.881.000	32.697.478	Current derivative financial instruments	8.810.992

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

36. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES. 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:

<i>In thousands of tenge</i>	Cash flow hedge reserve (Strategy 1)	Cash flow hedge reserve (Strategy 2)	Total:
As at 1 January 2024	–	–	–
Effective portion of changes in fair value	28.225.909	20.399.081	48.624.990
Amount reclassified to profit or loss – effective portion as a reduction of revenue	–	(412.200)	(412.200)
Tax effect	(5.645.182)	(3.997.376)	(9.642.558)
As at 31 December 2024	22.580.727	15.989.505	38.570.232
Effective portion of changes in fair value	44.033.714	53.549.806	97.583.520
Amount reclassified to profit or loss – effective portion as a reduction of revenue	(72.259.623)	(8.521.338)	(80.780.961)
Tax effect	5.645.182	(9.005.693)	(3.360.511)
As at 31 December 2025	–	52.012.280	52.012.280

During 2025, the Group incurred a foreign exchange loss of 19.989.759 thousand tenge, of which a major portion is attributable to borrowings (2024: 69.619.844 thousand tenge). *Note 30* presents foreign exchange gains and losses on a net basis.

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		
	Exchange rate increase/ (decrease)	Effect on profit	Direct effect on equity	Exchange rate increase/ (decrease)	Effect on profit	Direct effect on equity
US dollars	8.84% (8.84%)	(27.275.317)/ 27.275.317	–	9.09% (7.34%)	1.371.620/ (1.108.151)	(32.620.659)/ 26.354.703
Euros	11.12% (11.12%)/	(37.181.496)/ 37.181.496	–	9.00% (5.95%)	(19.263.035)/ 12.735.930	–
Russian Roubles	15.22% (15.22%)	(10.895.940/ 10.895.940	–	2.00% (22.95%)	(1.236.131)/ 14.185.668	–
Swiss Francs	11.76% (11.76%)	(55.553.322)/ 55.553.322	(50.266.782)/ 50.266.782	12.22% (3.99%)	(8.580.536)/ 2.804.315	(58.552.583)/ 19.136.321
In other currencies	8.89% (8.89%)	(4.438.327)/ 4.438.327	–	8.55% (13.22%)	138.256/ (213.906)	–

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Credit risk (continued)

As at 31 December 2025, the Group's cash with a carrying amount of 24,570,254 thousand 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 22,881,735 thousand 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 35*). 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 a policy stipulating continuous monitoring to ensure that transactions are executed with the customers having an adequate credit history and do not exceed the established crediting limits. 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 33*.

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 259,680,360 thousand tenge (31 December 2024: Halyk Bank JSC, Fortebank JSC and Citibank for the total amount of 128,068,000 thousand tenge).

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

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Liquidity risk (continued)

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.

<i>In thousands of tenge</i>	On demand	Up to 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
2025							
<i>Non-interest bearing:</i>							
Trade and other payables	-	537.503.299	50.013.178	17.779.646	-	-	605.296.123
Lease liabilities	-	1.357.119	1.003	-	-	-	1.358.122
<i>Interest-bearing:</i>							
Borrowings and securities issued	-	35.795.268	63.465.047	530.764.681	1.990.428.695	2.749.359.988	5.369.813.679
Lease liabilities	-	7.620.331	1.717.503	40.465.924	225.578.806	392.427.110	667.809.674
Derivative financial instruments	-	-	-	94.454.923	-	-	94.454.923
Financial guarantees	61.538.717	-	-	-	-	-	61.538.717
	61.538.717	582.276.017	115.196.731	683.465.174	2.216.007.501	3.141.787.098	6.800.271.238
2024							
<i>Non-interest bearing:</i>							
Trade and other payables	-	241.046.815	47.751.372	18.222.255	-	-	307.020.442
Lease liabilities	-	1.156.384	42.130	-	-	-	1.198.514
<i>Interest-bearing:</i>							
Borrowings and securities issued	-	5.266.700	53.609.381	891.822.947	1.132.752.734	2.608.152.971	4.691.604.733
Lease liabilities	-	7.370.708	3.898.733	27.153.863	141.989.256	232.330.450	412.743.010
Derivative financial instruments	-	-	-	34.311.722	-	-	34.311.722
Financial guarantees	72.414.559	-	-	-	-	-	72.414.559
	72.414.559	254.840.607	105.301.616	971.510.787	1.274.741.990	2.840.483.421	5.519.292.980

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Fair value of financial instruments (continued)

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:

<i>In thousands of tenge</i>	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans issued	–	–	2.691.612	2.515.900
Other financial assets	40.215.642	38.597.151	31.217.292	30.068.606
Borrowings	1.909.784.704	1.886.265.053	1.361.495.902	1.337.390.585
Debt securities	1.276.231.805	1.119.851.710	1.291.892.519	1.208.325.768

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

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

Fair value of financial instruments (continued)

Fair value hierarchy (continued)

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

<i>In thousands of tenge</i>	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- other financial assets	-	37.450.071	515.434	37.965.505
Financial assets recognised at fair value through profit or loss:				
- other financial assets	-	-	631.646	631.646
Total	-	37.450.071	1.147.080	38.597.151
Financial liabilities carried at amortised cost				
- debt securities	-	318.155.405	-	318.155.405
- debt securities from the Shareholder	-	801.696.305	-	801.696.305
- bank loans	-	1.841.776.819	-	1.841.776.819
- loans from the Shareholder	-	44.488.234	-	44.488.234
Financial liabilities recognised at fair value through profit or loss:				
- derivative financial instruments	-	91.495.518	-	91.495.518
Total	-	3.097.612.281	-	3.097.612.281

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

<i>In thousands of tenge</i>	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- loans issued	-	2.515.900	-	2.515.900
- other financial assets	-	29.436.960	-	29.436.960
Financial assets recognised at fair value through profit or loss:				
- other financial assets	-	-	631.646	631.646
Total	-	31.952.860	631.646	32.584.506
Financial liabilities carried at amortised cost				
- debt securities	-	347.514.501	-	347.514.501
- debt securities from the Shareholder	-	860.811.267	-	860.811.267
- bank loans	-	1.268.630.902	-	1.268.630.902
- loans from the Shareholder	-	68.759.683	-	68.759.683
Financial liabilities recognised at fair value through profit or loss:				
- derivative financial instruments	-	32.697.478	-	32.697.478
Total	-	2.578.413.831	-	2.578.413.831

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.

EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

37. EVENTS AFTER THE REPORTING DATE

Loans obtained

Societe Generale and Natixis

In January 2026, the Group, represented by its subsidiary KTZ – 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 (1.268.572 thousand 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 13 December 2024 to finance the acquisition of freight locomotives for a total amount of 770.000.000 Euros, borrowed 30.858.301 Euros (18.009.195 thousand tenge) (including the BPIfrance premium). Loan interest 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 KTZ – 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 (21.616.116 thousand 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.

Citibank Kazakhstan JSC

In February 2026, the Group, represented by its subsidiary KTZ – Freight Transportation LLP, as part of its Master Agreement with Citibank Kazakhstan JSC on short-term loans dated 30 November 2009, borrowed 1 4.000.000 thousand 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 (46.732.084 thousand 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 (15.577.361 thousand tenge). Interest is repaid semi-annually at SARON 6m + 1,3% margin. The principal amount 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 (33.335.114 thousand tenge). Loan interest is repaid 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 the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 2.220.000.000 Chinese Yuan (158.730.156 thousand 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.

**EXPLANATORY NOTE TO THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL
STATEMENTS (continued)**

37. EVENTS AFTER THE REPORTING DATE (continued)

Loans obtained (continued)

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

In March 2026, the Group, represented by KTZ – 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 (12.171.884 thousand 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.