ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

INTEGRATED ANNUAL REPORT

2025

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

INTEGRATED ANNUAL REPORT 2025

KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY
JOINT STOCK COMPANY

COMPANY PERFORMANCE IN FIGURES

KEY INDICATORS

Financial indicators

Revenue from core operations, KZT billion

2025	2024	Change	Change, %
2,757.1	2,163.9	593.1	27.4%

Revenue from passenger transportation, KZT billion

2025	2024	Change	Change, %
129.3	110.5	18.8	16.9%

Revenue from freight transportation, KZT billion

2025	2024	Change	Change, %
2,463.2	1,875.6	587.6	31.3%

EBITDA, KZT billion

2025	2024	Change	Change, %
872.5	595.7	276.8	46.5%

Operational indicators

PASSENGER TRANSPORTATION

Passenger turnover, billion passenger-kilometres

2025	2024	Change	Change, %
11.4	11.7	-0.3	-2.6%

Passengers transported, thousand passengers

2025	2024	Change	Change, %
13,269	13,796	-527	-4.0%

FREIGHT TRANSPORTATION

Freight turnover, billion tonne-kilometres

2025	2024	Change	Change, %
288.8	261.7	27.1	10.4%

Freight transported, million tonnes

2025	2024	Change	Change, %
319.9	303.2	16.7	5.5%

CONTAINER TRANSPORTATION

Transit in containers, thousand TEUs

2025	2024	Change	Change, %
1,380.0	1,395.0	-15.0	-1.1%

ESG indicators

ESG rating (CSA S&P Global)

2025	2024	Change	Change, %
75	60	15	25%

Headcount, persons

2025	2024	Change	Change, %
118,506	117,681	825	0.7%

Number of recorded occupational injuries

2025	2024	Change	Change, %
18	21	-3	-14.3%

Proportion of women, %

2025	2024	Change	Change, %
22	22	0	0%

Number of fatalities from recorded incidents

2025	2024	Change	Change, %
5	9	-4	-44.4%

Training hours per employee

2025	2024	Change	Change, %
18.6	17	1.6	9.4%

Number of traffic safety violations

2025	2024	Change	Change, %
121	131	-10	-7.6%

GHG emissions, (Scopes 1 and 2), thousand tonnes of CO_2-eq

2025	2024	Change	Change, %
5,236	5,058	178	3.5%

Waste generated, thousand tonnes

2025	2024	Change	Change, %
57.0	57.9	-0.9	-1.6%

Environmental protection expenditures, KZT million

2025	2024	Change	Change, %
1,389	945.5	443.5	46.9%

Fuel and energy consumption, thousand GJ

2025	2024	Change	Change, %
43,661	41,928	1,733	4.1%

ABOUT THE REPORT

The purpose of this Integrated Annual Report is to provide our stakeholders with comprehensive and reliable information about the Company and its activities across the three pillars of sustainable development – economic, social, and environmental. The Report also presents information on the KTZ NC JSC Development Strategy through to 2032.

REPORT LEGEND

GRI **GRI Standards Disclosure Index**
The GRI Index references disclosures made in accordance with the Global Reporting Initiative (GRI) Standards.

TCFD **TCFD Disclosure Index**
The TCFD Index reflects information disclosed in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

SASB **SASB Disclosure Index**
The SASB Index presents information disclosed in line with the Sustainability Accounting Standards Board (SASB) recommendations.

ECONOMIC INDICATORS
Data highlighted in this colour represent the Company's economic performance indicators.

SOCIAL INDICATORS
Data highlighted in this colour represent the Company's social performance indicators.

ENVIRONMENTAL INDICATORS
Data highlighted in this colour represent the Company's environmental performance indicators.

Development Strategy
Information on the implementation of KTZ NC JSC's Development Strategy is disclosed.

Web Links
More detailed information is disclosed on the specified website.

Additional Information
More detailed information is provided in the specified section of the Report.

ESG Tables
More detailed tabular information is disclosed in the section "Key ESG Performance Indicators".

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PwC has provided limited assurance of selected non-financial information disclosed in accordance with the GRI Standards.
The auditor's opinion is presented on page 341.

All reports are available on the Company's official website

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ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-22

AIDAR RYSKULOV

Chairman of the Board of Directors
NC KTZ JSC

Dear shareholders, partners, investors and readers of the Annual Report!

On behalf of the Board of Directors of NC KTZ JSC, I would like to express my gratitude for the interest shown in the Company and the support provided during 2025.

The reporting year was a period for the Company to further strengthen its financial stability, implement major infrastructure projects, and enhance KTZ's role in developing Kazakhstan's transport and logistics potential. The company achieved growth in key financial and production indicators: core business income increased by 27.4% to KZT 2,757.1 billion, EBITDA increased by 46.5% to KZT 872.5 billion.

The positive dynamics was achieved against the background of an increase in transportation work. Cargo turnover increased by 10.4% and amounted to 288.8 billion t-km, the volume of transported goods reached 319.9 million tons. These results confirm the systemic role of KTZ in meeting the needs of the economy, supporting exports, transit and sustainable connectivity of the country's regions.

In 2025, the implementation of projects to develop the mainline railway network and eliminate infrastructure constraints was of particular importance. The company continued to modernize key areas, develop terminal infrastructure, upgrade rolling stock, and implement digital solutions. The completion and promotion of such projects forms the basis for long-term capacity growth, increasing the reliability of the transportation process and strengthening Kazakhstan's transit position.

The Board of Directors paid special attention to issues of sustainable development, corporate governance, traffic safety and occupational safety. By the end of 2025, the Company's ESG rating according to S&P Global increased from 60 to 75 points. This is a confirmation of the consistent work on the integration of ESG principles into management, increasing transparency and developing responsible business practices.

Train safety and occupational safety remain absolute priorities. In the reporting year, the number of traffic safety violations decreased by 7.6%, and the number of registered occupational injuries decreased by 14.3%. At the same time, the Company will continue to strengthen preventive work, the development of a safety culture and control over production risks.

The Board of Directors will continue to focus on the Company's strategic priorities: improving rail transportation efficiency, developing transit potential, digitalization, strengthening corporate governance, ensuring safety and increasing long-term shareholder value.

I would like to thank the Company's employees, shareholders, partners, investors and customers for their joint work, trust and contribution to the development of the national railway industry.

With respect,
Chairman of the Board of Directors
NC KTZ JSC
AIDAR RYSKULOV

ADDRESS BY THE CHAIRMAN OF THE MANAGEMENT BOARD

GRI 2-22

TALGAT ALDYBERGENOV

Chairman of the Management Board
NC KTZ JSC

Dear readers of the Annual Report!

I am pleased to present the 2025 Integrated Annual Report of NC KTZ JSC to you.

In 2025, the Company ensured the growth of key production indicators. The tariff cargo turnover increased by 10.4% and reached 288.8 billion t-km, the volume of cargo transportation increased by 5.5% to 319.9 million tons. I would like to mention transit shipments separately: their volume increased by 20% and amounted to 33.0 million tons.

The financial results also showed significant growth. Revenues from core activities increased by 27.4% and amounted to KZT 2,757.1 billion, net profit reached KZT 343.6 billion. This dynamic strengthens the financial stability of the Company and creates an additional basis for the implementation of investment projects and the renewal of assets.

In 2025, the Company continued to implement large-scale projects for the development of railway infrastructure: the construction of about 900 km of new lines and the modernization of about 3,000 km of the existing network. The key infrastructural event of the year was the completion of the construction of the second tracks on the Dostyk – Moynty section with a length of 836 km. The main volume of completion and commissioning of infrastructure projects is planned for 2026.

The implementation of the Repair Program for 11 thousand km of railway tracks planned for 2023–2029 is also continuing. By the end of the 2025, 4.4 thousand km of track were repaired, which is 234 km higher than the planned figure.

Our employees are the Company's most valuable asset. In 2025, we continued our efforts to improve working conditions, develop human capital, and ensure social stability. The social stability index rose by 4 percentage points to 73%. For the Company, this is an important indicator of employee trust.

NC KTZ JSC attaches great importance to environmental responsibility and undertakes to take all necessary measures to reduce emissions of harmful substances, efficient use of resources, minimize negative impacts on biodiversity and achieve carbon neutrality.

The issues of traffic safety and occupational safety remain a priority for us. In 2025, the number of traffic safety violations decreased by 8.3%, and the number of registered occupational injuries decreased by 14.3%. Work on improving the safety culture, preventing industrial risks and improving working conditions will continue.

Overall, the key objectives set for the Company for 2025 have been achieved. In 2026, we will continue our efforts to develop infrastructure, expand transit capacity, modernize our rolling stock, advance digital transformation, and improve service quality.

I would like to thank the KTZ team for their professionalism and dedication, our Sole Shareholder for their support, and our partners and customers for their trust and collaboration.

With respect,
Chairman of the Management Board
NC KTZ JSC
TALGAT ALDYBERGENOV

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ABOUT THE COMPANY

ABOUT THE COMPANY

GRI 2-1

Kazakhstan Temir Zholy National Company Joint Stock Company (KTZ NC JSC or the Company) is a transport and logistics holding, the operator of the main railway network of the Republic of Kazakhstan, and the national rail freight and passenger carrier.

GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN › SAMRUK-KAZYNA SOVEREIGN WEALTH FUND JSC › KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

The sole shareholder of KTZ NC JSC is Samruk-Kazyna Sovereign Wealth Fund JSC (the Fund), which was established and is fully owned by the Government of the Republic of Kazakhstan.

The KTZ NC JSC Group is the largest owner of locomotives, freight cars and passenger car in the country and is among the largest employers in Kazakhstan.

LENGTH OF KAZAKHSTAN'S RAILWAY NETWORK

SASB TR-RA-000.C (1)

TOTAL LENGTH OF MAIN TRACKS	OPERATIONAL TRACK LENGTH
21,1 THOUSAND KM	16 THOUSAND KM

GEOGRAPHICAL PRESENCE OF KTZ NC JSC

GRI 2-1

KTZ NC JSC ensures economic connectivity across all **17 regions** of the Republic of Kazakhstan and 3 cities of national significance. The Company maintains cross-border operations via 16 junction points **with five neighbouring countries: China, Russia, Uzbekistan, Kyrgyzstan, and Turkmenistan**.

Kazakhstan ranks third among the CIS and Baltic countries in terms of railway network length using the 1,520 mm gauge.

COUNTRY	ORGANISATION	COUNTRY	ORGANISATION	COUNTRY	ORGANISATION
People's Republic of China	China-Kazakhstan Lianyungang International Logistics Company LLC (KTZ Express JSC – 49%)	Russian Federation	United Transport and Logistics Company – Eurasian Rail Alliance JSC (KTZ NC JSC - 33.33%)	Republic of Turkey	KTZ Express Hong Kong branch (KTZ Express JSC – 100%)
	Xinjiang KTZ International Logistics Co. Ltd (KTZ Express JSC – 100%)				
	KTZ Express Hong Kong LLC (KTZ Express JSC – 100%)				
	YuXinOu (Chongqing) Logistics Co. Ltd (KTZ Express JSC – 16.3%)				
	China-Kazakhstan Trade and Logistics Company (Xi'an) LLC (Kedentransservice JSC – 49%)			Hungary	Hungary –Xinjiang KTZ International Logistics Co.LTD branch (KTZ Express JSC – 100%)
	Xinjiang KTZ International Logistics Co. Ltd branch in Xi'an (KTZ Express JSC – 100%)		CRK TERMINAL LLC (Moscow) (KTZ Express JSC - 33.3%)		
	KTZ Express Hong Kong Representative Office in Shenzhen		KTZ Express JSC branch in Moscow	Federal Republic of Germany	KTZ Express JSC branch in Germany (KTZ Express JSC – 100%)

Representative Offices and International Operations of KTZ: People's Republic of China – KTZ Representative Office in Urumqi; Russian Federation – Regional Foreign Office in Moscow; Moscow), the Islamic Republic of Iran (Tehran), the Central Asian and the Caucasus region (Tashkent, Baku), the Republic of Turkey (Istanbul).

KTZ NC JSC TODAY

A system-forming transport company of Kazakhstan

A foundation for sustainable business growth and a key driver of the national economy

Responsible for transporting strategic and socially significant cargoes (coal, iron ore, petroleum products, grain, etc.) essential for meeting fundamental societal needs

Accounts for 62% of the country's freight turnover and 18% of passenger turnover

COMPANY HISTORY

GRI 2-6

1997

By Resolution of the Government of the Republic of Kazakhstan (No. 129 dated 31 January 1997), Kazakhstan Temir Zholy Republican State Enterprise was established through the merger of the following republican state enterprises:

- Almaty Railway Administration,
- Tselinny Railway Administration,
- West Kazakhstan Railway Administration

2002

By Resolution of the Government of the Republic of Kazakhstan (No. 310 dated 15 March 2002), Kazakhstan Temir Zholy National Company Closed Joint Stock Company was formed through the merger of Kazakhstan Temir Zholy Republican State Enterprise and its state-owned subsidiaries.

2004

KTZ NC CJSC was reorganised into KTZ NC JSC. The Republic of Kazakhstan Railway Transport Restructuring Programme 2004–2006 was adopted, aimed at fostering competition within the industry and attracting private investment. As part of this Programme, Locomotive JSC was established on the basis of locomotive facilities, and the entire inventory of freight cars was allocated to an independent enterprise – Kaztemirtrans JSC.

2005

Subsidies from the republican budget were introduced to cover losses incurred by passenger transport operators.

2016

To separate transport operations from infrastructure management, the freight operator KTZ-Freight Transportation JSC was established (reorganised into KTZ-Freight Transportation LLP in 2020).

BUSINESS ACTIVITIES OF THE COMPANY

Main railway network services

Rail freight transportation

Rail passenger transportation

Transport and logistics services

BUSINESS MODEL

Partners
Suppliers of goods and services
Railway administrations
Transport and logistics companies

Key Activities
Main railway network services
networks
Freight transportation
Passenger transportation

Key Stakeholders
Customers
Shareholder
Board of Directors
Employees
Trade Unions
Government Authorities
Investors and Lenders
Mass Media
General public
Partners

Value Propositions
Provision of safe, reliable freight and passenger transportation services in accordance with established standards

Key Resources
Main railway network
Locomotives
Freight cars
Passenger cars
Qualified personnel

Customer Segments
Private passenger rail operators
Individual passengers
Private companies owning their own freight car fleets
Freight consignors
Key Activities
Main railway network services
networks
Freight transportation
Passenger transportation

Cost Structure
Maintenance and servicing of the main railway network
Repair and maintenance of locomotives
Repair and maintenance of freight and passenger cars
Energy and fuel expenses
Labour costs

Revenue Streams
Revenue from passenger transportation
Revenue from freight transportation
Revenue from freight forwarding and freight car operation

KEY EVENTS OF THE YEAR

JANUARY

On 2 January, the tourist train Jibek Joly 2.0 was launched, operating along the international route Almaty – Turkestan – Tashkent – Samarkand – Shymkent – Almaty. The project is aimed at developing cultural and educational tourism and strengthening humanitarian cooperation between Kazakhstan and Uzbekistan.

On 6 January, the Head of State, Kassym-Jomart Tokayev, visited the electric locomotive manufacturing plant, where he familiarised himself with the enterprise's production processes. During the visit, the President was presented with modern examples of the products manufactured and prospective plans for the modernisation of the railway industry. Particular attention was paid to the localisation of production and the introduction of innovative solutions in the field of transport engineering.

On 10 January, the Head of State, Kassym-Jomart Tokayev, held a meeting with Nurlan Sauranbayev, Chairman of the Management Board of KTZ NC JSC, who presented the Company's performance report for 2024. During the meeting, record freight transportation volumes through the Kazakhstan-China border crossings, growth in operational freight turnover and the implementation of major infrastructure projects were highlighted. Following the report, instructions were issued regarding the further development of transit potential and the digitalisation of transport logistics.

On 10 January, a working meeting was held in Astana between the management of

Passenger Transportation JSC and Uzbekiston Temir Yullari JSC. The parties discussed the expansion of cooperation in the field of passenger transportation between the two countries. During the negotiations, an Agreement on the operation of tourist trains between Kazakhstan and Uzbekistan was signed, and the composition of the working group for the implementation of joint projects was approved.

On 29 January, as part of the construction of second tracks on the Dostyk – Moiynty section, two-track freight train traffic was opened ahead of schedule on the Moiynty- Balkhash segment. On the 127 km section, the installation and commissioning of signalling, centralisation and blocking systems were completed. The new infrastructure underwent inspection using a mobile diagnostic system.

On 30 January, a two-day meeting was held in Almaty involving representatives of the railways of the Islamic Republic of Iran, KTZ NC JSC, Russian Railways OJSC and the Turkmendemiryollary Agency.

The participants reviewed freight transportation results through the Bolashak border station: in 2024, transit volume along this route amounted to 1.6 million tonnes.

Particular attention was paid to measures aimed at increasing the attractiveness of the North-South international transport corridor. Through tariff conditions for transportation across the territories of Russia, Kazakhstan and Turkmenistan with access to the Iranian port of Bandar Abbas were reviewed. Following the meeting, a protocol on the agreements reached was signed.

FEBRUARY

On 6 February, Passenger Transportation JSC announced the launch of festive tours on the Keruen Express and Jibek Joly trains dedicated to the Nauryz holiday. The international routes connect key cultural centres of Kazakhstan and Uzbekistan – Almaty, Turkestan, Tashkent and Samarkand. The initiative is aimed at promoting the heritage of the Great Silk Road and strengthening tourism cooperation between the two states.

On 6 February, as part of the official visit, the Prime Ministers of Kazakhstan and Georgia visited an innovation centre, where they familiarised themselves with the implementation of advanced digital solutions in the railway industry. The Heads of Government were shown the operation of automated train traffic control systems and modern platforms for real-time monitoring of logistics chains.

On 11 February, the opening of the City of Working Professions career guidance festival took place in Astana, with the active participation of KTZ NC JSC. At the Company's thematic stand, schoolchildren and students familiarised themselves with the specifics of railway professions and advanced technologies in the industry. Representatives of the national company presented opportunities for education and career development in the transport and logistics sector. The project is aimed at promoting technical education and attracting qualified personnel to key railway divisions.

On 12 February, Damir Kozhakhmetov, General Director of KTZ Express JSC, visited the Islamic Republic of Pakistan, where he held meetings with the management of the country's largest transport and logistics companies, as well as representatives of the Ministry of Commerce.

The key focus of the negotiations was the development of the Trans-Afghan Corridor, which opens up new opportunities for exporting goods to the markets of South Asia and the Middle East. As part of the visit, the infrastructure of the port zone, including the terminal capacities of the Port of Karachi, was reviewed, and negotiations were held on expanding the presence of KTZ Express JSC in the region within the framework of establishing a terminal network along the North-South route.

On 12 February, KTZ Express JSC, in cooperation with the leading Chinese container railway operator China Railway Container Transport Co., Ltd. (CRCT), organised a new railway freight route between the People's Republic of China and the Islamic Republic of Afghanistan.

MARCH

On 14 March, train traffic on the second tracks along another segment of the Dostyk – Moiynty section was officially opened. The commissioning of this segment forms part of a large-scale project aimed at expanding the capacity of one of the country's key transit corridors.

APRIL

On 17 April, KTZ NC JSC announced the launch of a large-scale railway station modernisation programme across the country. The project provides for the comprehensive refurbishment of utility networks, the modernisation of security systems and the creation of a barrier-free environment for passengers with reduced mobility.

MAY

On 21 May, the first batch of modern shunting diesel locomotives manufactured by the Chinese corporation CRRC arrived. The new rolling stock features high energy efficiency, environmental sustainability and is equipped with digital control systems designed to optimise shunting operations. The delivery is being carried out as part of the locomotive fleet renewal programme of KTZ NC JSC and is aimed at increasing the reliability of transportation operations and reducing operating costs in order to ensure the uninterrupted transportation process.

On 29 May, the first international tourist train departed from Xi'an to Almaty, marking a new stage of cooperation within the framework of the Belt and Road Initiative. The ten-day route includes visits to key tourist attractions in Kazakhstan and China, offering a high level of service in specially equipped cars. The implementation of the project contributes to increased tourist flows and the promotion of the historical heritage of the Great Silk Road.

JUNE

On 9 June, the official opening of the largest container hub took place at the seaport of Aktau, designed to become a key logistics hub on the Caspian Sea. The project is aimed at developing the Trans-Caspian International Transport Route and increasing transit transportation volumes. The terminal's handling capacity makes it possible to significantly accelerate cargo processing and expand opportunities for container transshipment towards Europe and the Gulf countries.

On 10 June, the official opening of the modern ZHETYSU container terminal took place in Almaty, becoming an important link in the distribution of cargo flows within the country. The new logistics facility is equipped with high-tech equipment, enabling a significant acceleration of container loading, unloading and storage processes. The terminal is integrated into key transport corridors, ensuring efficient connectivity between the regions of Kazakhstan and international markets.

On 19 June, the first passenger car manufactured at the capital-based Stadler Kazakhstan plant was presented to the Head of State, Kassym-Jomart Tokayev. The prototype was produced under an agreement with the Swiss concern Stadler Rail and fully complies with international standards of comfort and safety. The Head of State was informed about plans for deep localisation of production and the large-scale renewal of the fleet of Passenger Transportation JSC with modern next-generation cars. This project represents a key stage in the technological modernisation of the railway industry and the development of domestic engineering.

JULY

On 11 July, the national carrier launched the new modern Burabay Express electric train operating along the popular tourist route Astana – Borovoye. The launch of this train is aimed at developing domestic tourism and providing holidaymakers with comfortable and rapid access to the resort area during the summer season. The electric train is equipped with a climate control system and ergonomic seating, significantly improving the quality of passenger service.

On 31 July, the Head of State, Kassym-Jomart Tokayev, received Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC. During the meeting, the current operational indicators and development plans for the railway industry were reviewed. Particular attention was paid to the implementation of major infrastructure projects, including the construction of second tracks on the Dostyk – Moiynty section and the bypass railway line around Almaty. The Company's Head also presented information on measures to renew the locomotive and rolling stock fleet, as well as the introduction of digital solutions aimed at improving the efficiency of freight transportation. Following the meeting, the President outlined priority tasks for strengthening the country's transit potential and further improving the quality of passenger services.

AUGUST

On 28 August, during a working visit to the People's Republic of China, Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC, held negotiations with the management of Sichuan Port and Shipping Investment Group Co., Ltd. (SPSI) and Chengdu International Railway Port Investment & Development Co., Ltd. (CIPI). Discussions with the management of SPSI focused on the prospects for establishing the Kazakhstan – Xinjiang international cooperation hub (Chengdu, PRC), as well as projects for the development of warehouse infrastructure and the construction of grain terminals and agro-hubs in Kazakhstan. The Chinese side presented digital solutions based on artificial intelligence technologies for transport route planning.

On 31 August, a meeting took place in Beijing between Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC, and Mr Zhang Bingnan, President of China Communications Construction Company. During the negotiations, the parties discussed the progress of the Bakhkty – Ayagoz railway line construction project.

SEPTEMBER

On 4 September, the international agency S&P Global Ratings upgraded the credit rating of KTZ NC JSC on the national Kazakhstan scale from "kzA+" to "kzAA-". The decision was driven by the Company's stable financial performance and its strategic role in the development of the country's transport and logistics potential. The rating upgrade confirms the high creditworthiness of the national operator and strengthens the confidence of international investors.

On 10 September, the 11th Regular Reporting and Election Congress of the Kazakhstan Sectoral Trade Union of Transport Workers was held in Astana, where the results of activities over the past five years were reviewed and current issues relating to social protection, improvement of working conditions and salary increases for employees of the transport industry were discussed.

On 17 September, Passenger Transportation JSC held a briefing dedicated to the key areas of railway transport development and improvement of service quality. During the meeting, plans were announced for the further renewal of the car fleet and the expansion of the route network, including the launch of new socially significant and tourist destinations. Particular attention was paid to digitalisation issues, the introduction of satellite internet on trains and the improvement of the ticket sales system.

On 22 September, during the visit of the Head of State, Kassym-Jomart Tokayev, to the United States, KTZ NC JSC and the American corporation Wabtec signed an agreement for the supply of new-generation TE33AT locomotives, the production of which has been localised in Kazakhstan at the Lokomotiv Kurastyru Zauyty plant in Astana.

On 25 September, Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC, held a meeting in New York with Jane Fraser, Chief Executive Officer of Citigroup. Negotiations were also held with Saule Zhakayeva, Chair of the Management Board of Citibank Kazakhstan JSC, and representatives of Citi regarding the financing of the investment programme of KTZ NC JSC and prospects for expanding cooperation, including within the framework of the agreement with Wabtec.

On 29 September, the 34th meeting of the Joint Commissions of the Border Railways of the Republic of Kazakhstan and the People's Republic of China took place in Almaty. During the meeting, the results of freight and container transportation between Kazakhstan and China were reviewed. Particular attention was paid to issues relating to increasing exports of Kazakhstani products, and measures aimed at expanding the transportation of grain cargo and vegetable oil were agreed.

The participants confirmed their intention to develop paperless technologies in the processing of transportation documents, data exchange at junction stations and the acceleration of customs procedures.

On 30 September, the Head of State, Kassym-Jomart Tokayev, officially launched traffic via a teleconference on the second tracks of the strategic 836 km Dostyk – Moiynty section. The President emphasised that the completion of this construction project represents a key contribution to the development of Kazakhstan's transit potential and Eurasian logistics as a whole.

OCTOBER

On 1 October, the railway administrations of Kazakhstan, Azerbaijan and Georgia signed an Action Plan for the elimination of bottlenecks on the Trans-Caspian International Transport Route (TITR). The document is aimed at the synchronised development of infrastructure and the implementation of unified digital solutions to accelerate freight traffic between Asia and Europe, which will significantly increase the corridor's throughput capacity and reduce cargo delivery times through the optimisation of logistics processes in ports and at border crossings.

On 2 October, a meeting took place between KTZ NC JSC and AD Ports Group, during which the parties discussed current cooperation and further areas of collaboration in the field of transport logistics.

On 31 October, KTZ NC JSC, the Company for Construction of Facilities Corporate Foundation and Otbasy Bank JSC signed a memorandum on the implementation of the Affordable Housing pilot project for employees of the railway industry. The programme is aimed at improving social conditions and providing qualified industry specialists with affordable housing in the regions of Kazakhstan.

NOVEMBER

On 5 November, during a working visit to the United States, Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC, met with the management of Norfolk Southern Corporation and visited the company's key infrastructure facilities. During the meeting, the parties exchanged experience in the field of transport management digitalisation, the implementation of intelligent train traffic planning systems, increasing the efficiency of logistics chains and the development of railway infrastructure.

The delegation of KTZ NC JSC also visited the office of Wabtec Corporation. During the meeting, issues relating to cooperation in the renewal of the locomotive fleet, the implementation of innovative safety systems and digital traffic management platforms were discussed.

On 7 November, a Mandate Agreement was signed between KTZ NC JSC and Citibank for raising financing to renew the Company's locomotive fleet. The supply of locomotives is envisaged for the long-term period up to 2038. Production will be localised in Kazakhstan at the facilities of Lokomotiv Kurastyru Zauyty JSC in Astana.

On 7 November, KTZ NC JSC and Wabtec Corporation corporation signed an agreement on cooperation in the field of personnel training and advanced professional qualification development, according to which employees of KTZ NC JSC will undergo training at the company's production sites in the United States, followed by certification and continuation of the programme in Kazakhstan.

On 12 November, during the official visit of President Kassym-Jomart Tokayev to the Russian Federation, an Agreement was signed between KTZ NC JSC and Russian Railways OJSC, providing for the large-scale development and modernisation of interstate junction points for the period up to 2030.

On 17 November, a meeting with a delegation of the Republic of Estonia headed by Minister of Infrastructure Kuldar Leis took place at the office of KTZ NC JSC. The parties discussed prospects for the development of transport and logistics cooperation and opportunities for diversifying freight routes between the countries. Particular attention during the negotiations was paid to the exchange of experience in the digitalisation of railway transport and the implementation of environmentally friendly technologies.

On 18 November, within the framework of the 2nd International Cooperation Forum of the China – Europe Railway Route, an agreement was signed on the entry of China Railways into the joint venture Middle Corridor Multimodal Ltd. The participation of the Chinese side through its subsidiary CRCT is aimed at the comprehensive development of the Trans-Caspian International Transport Route (TITR). The parties agreed to synchronise digital logistics platforms, implement a unified tariff policy and reduce cargo delivery times between Asia and Europe.

On 19 November, within the framework of the 2nd International Cooperation Forum on the China – Europe project held in Xi'an, the management of KTZ NC JSC participated in the signing ceremony of a number of strategically important documents aimed at developing and strengthening international partnership. The agreements cover key areas of transport and logistics cooperation, including the development of the China – Europe route, the promotion of the Trans-Caspian International Transport Corridor (TITR), as well as the implementation of joint projects with leading Chinese logistics operators.

On 28 November, the 5th Kazakhstan-Switzerland Business Council meeting was held in Astana, organised by Kazakhstan Temir Zholy National Company JSC jointly with Stadler Kazakhstan LLP. Representatives of more than 25 leading Swiss companies participated in the Council's work, including ABB, Kühne + Nagel and Constellium, as well as sectoral organisations Swissmem, JCC and Economiesuisse. The Kazakhstan side was represented by key national companies and industry associations.

During the meeting, six agreements aimed at expanding bilateral cooperation in the fields of engineering, nuclear energy, logistics, trade and industry were signed. Among them was the signing of a Memorandum on the continuation of the strategic partnership between KTZ NC JSC and Stadler Rail Group.

DECEMBER

On 9 December, measures for the development and digitalisation of the transport and transit sector were reviewed at a Government meeting chaired by Prime Minister Olzhas Bektenov. During the meeting, the Industry Digital Transformation Roadmap was approved, providing for the implementation of intelligent traffic management systems and online cargo monitoring.

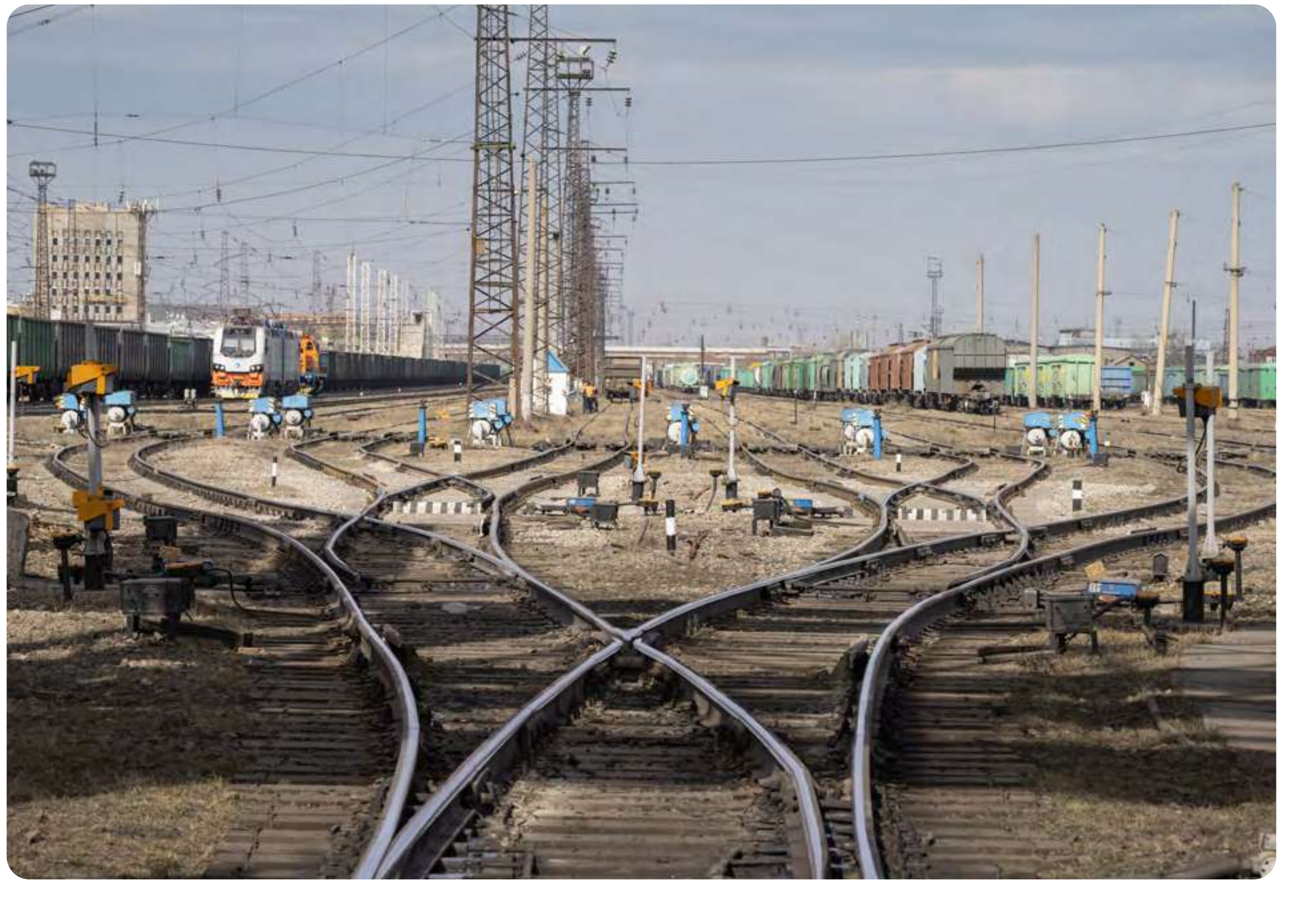
On 13 December, a large-scale Youth Talent Pool programme was launched at KTZ NC JSC, aimed at identifying talented young people and forming the future management personnel reserve of the Company. The initiative is intended to develop the professional and leadership competencies of young employees and create conditions for their career advancement.

On 20 December, during the official visit of President of the Republic of Kazakhstan Kassym-Jomart Tokayev to Japan, representatives of KTZ NC JSC headed by Saken Rakhmetov, Managing Director for Infrastructure and Director of the Main Railway Network Directorate branch, held a working meeting with the Japanese company RIKEN KOGYO Inc. Following the meeting, a Memorandum of Cooperation was signed.

The document provides for a survey of the Koktuma-Razyezd 16 section. Specialists from RIKEN KOGYO Inc. will study the natural and climatic conditions and subsequently propose technical solutions for the installation of protective barriers. These measures are aimed at reducing the impact of wind and snow drifts on train operations.

The cooperation will make it possible to utilise the experience of Japanese specialists in the development of railway infrastructure and the enhancement of transportation safety.

On 25 December, the international rating agency S&P Global published the ESG assessment results of KTZ NC JSC within the Corporate Sustainability Assessment (CSA). Based on the results of 2025, the Company was assigned a score of 75 points, which is 15 points higher than the previous year's figure.



MEMBERSHIP IN INTERNATIONAL ORGANISATIONS, ASSOCIATIONS AND ADHERENCE TO INTERNATIONAL PRINCIPLES

GRI 2-23, 2-28

Since 1992 Council for Rail Transport of the Commonwealth Member States (CRT)	**Moscow,** **Russian Federation** www.sovetgt.org
Since 1993 Organisation for Cooperation of Railways (OSJD) (Republic of Kazakhstan as a member)	**Warsaw,** **Republic of Poland** www.osjd.org
Since 1993 Intergovernmental Commission of the Europe-Caucasus-Asia Transport Corridor (TRACECA) (Republic of Kazakhstan as a member)	**Baku,** **Republic of Azerbaijan** www.traceca-org.org
Since 1994 United Nations Economic Commission for Europe (UNECE) (Republic of Kazakhstan as a member)	**Geneva,** **Swiss Confederation** www.unece.org
Since 1998 International Coordinating Council on Trans-Eurasian Transportation (CCTT)	**Bern,** **Swiss Confederation** www.icctt.com
Since 2001 Shanghai Cooperation Organisation (SCO) (Republic of Kazakhstan as a member)	**Beijing,** **People's Republic of China** www.sectsco.org
Since 2001 Association of National Freight Forwarders of Kazakhstan (ANEK)	**Almaty,** **Republic of Kazakhstan** www.kffanek.kz
Since 2004 International Union of Railways (UIC)	**Paris,** **French Republic** www.uic.org
Since 2006 United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (Republic of Kazakhstan as a member)	**Bangkok,** **Kingdom of Thailand** www.unescap.org
Since 2008 Economic Cooperation Organisation (ECO) (Republic of Kazakhstan as a member)	**Tehran,** **Islamic Republic of Iran** www.eco.int
Since 2009 Organisation of Turkic States (OTS) (Republic of Kazakhstan as a member)	**Istanbul,** **Republic of Turkey** turkicstates.org
Since 2009 Association of Legal Entities "Association of Taxpayers of Kazakhstan"	**Almaty,** **Republic of Kazakhstan** www.ank.kz
Since 2010 Association of Legal Entities "Union of Mechanical Engineers of Kazakhstan"	**Astana,** **Republic of Kazakhstan** www.smkz.kz
Since 2010 International Railway Sports Union (USIC)	**Prague,** **Czech Republic** www.usic-sports.org
Since 2012 United Nations Global Compact	**New York,** **United States of America** www.unglobalcompact.org
Since 2013 Association of Legal Entities "KAZLOGISTICS Union of Transport and Logistics Organisations and Associations"	**Astana,** **Republic of Kazakhstan** www.kazlogistics.kz
Since 2015 KAZLOGISTICS Corporate Foundation	**Astana,** **Republic of Kazakhstan** www.kazlogistics.kz
Since 2014 Non-commercial Partnership "Association of Railway Equipment Manufacturers"	**Moscow,** **Russian Federation** www.opzt.ru
Since 2014 Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan	**Astana,** **Republic of Kazakhstan** www.atameken.kz
Since 2015 Eurasian Economic Union (EAEU) (Republic of Kazakhstan as a member)	**Moscow,** **Russian Federation** www.eaeunion.org
Since 2017 Association of Legal Entities "Trans-Caspian International Transport Route (TITR) International Association"	**Astana,** **Republic of Kazakhstan** www.middlecorridor.com
Since 2019 Vision Zero International Movement of the International Social Security Association (ISSA) for the promotion of zero accident concept	visionzero.global
Since 2022 National ESG Club	**Astana,** **Republic of Kazakhstan**

GRI 2-23, 2-24

KTZ NC JSC actively participates in the work of international organisations and associations to promote integration into the global transport system, create and develop favourable conditions for the functioning of railway transport, improve the international legal framework for freight and passenger transportation in international traffic, and facilitate dialogue with customers of railway transport services, etc.

To ensure high-quality service and the safety of railway transport, KTZ NC JSC adheres to international standards and regulations governing freight and passenger transportation, including commitments arising from the following international agreements:

- Agreement on International Passenger Traffic, which regulates the procedures for the carriage of passengers, luggage, and accompanied cargo in international railway traffic.
- Agreement on International Freight Traffic, which establishes unified legal norms for the contract of carriage of goods in direct international railway and railway-ferry traffic.
- Treaty on the Eurasian Economic Union (EAEU), which ensures the free movement of goods, services, capital, and labour, and the implementation of a coordinated transport policy within the EAEU;
- and, the regulatory framework of the Council for Rail Transport of the CIS Member States.

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

02

STRATEGIC REPORT

STRATEGIC REPORT

The KTZ NC JSC Development Strategy through to 2032[1] defines the Company's mission, vision, and strategic goals, as well as the strategic development areas aimed at achieving these objectives over a ten-year period.

MISSION

As Kazakhstan's backbone transport company, we meet the needs of the national economy and society in the transportation of freight and passengers, and contribute to the development of the country's transit potential by providing competitive transport and logistics services

VISION

We are a leading transport service provider guided by the principles of economic efficiency, safety, and social and environmental responsibility. We apply advanced management practices, innovative technologies, and digital solutions to deliver high-quality service to our customers.

THE COMPANY'S MISSION AND VISION ARE TO BE ACHIEVED BY 2032 THROUGH THE IMPLEMENTATION OF SIX STRATEGIC GOALS:

1 Enhancing the Efficiency of Railway Transportation

2 Expanding Transit Transportation

3 Improving Customer Satisfaction

4 Accelerating Digitalisation

5 Integrating ESG Principles

6 Ensuring Railway Safety

[1] Approved by the decision of the Board of Directors of KTZ NC JSC dated 29 March 2023 (Minutes No. 3).

GOAL 1

ENHANCING THE EFFICIENCY OF RAILWAY TRANSPORTATION

The Company aims to improve operational performance through a number of initiatives, including enhancing the efficiency of infrastructure and rolling stock operations, refining tariff regulation, and developing a dedicated project and analytics centre.

For more information, see the section "Goal 1: Enhancing the Efficiency of Railway Transportation".

GOAL 2

EXPANDING TRANSIT TRANSPORTATION

The stable trade volumes between Europe and Asia, coupled with growing demand for rail transport, underscore the importance of expanding transit traffic through Kazakhstan.

This goal will be achieved through infrastructure development, the creation of operators along key transit routes in cooperation with neighbouring rail administrations, the involvement of international logistics companies, and the digitalisation of transport corridors.

For more information, see the section "Goal 2: Transit Transportation".

GOAL 3

IMPROVING CUSTOMER SATISFACTION

KTZ NC JSC is committed to consistently improving customer satisfaction through active engagement, systematic feedback collection, and prompt response to enhance service quality.

In the passenger segment, the Company will renew its rolling stock fleet, improve station and onboard services, train personnel, optimise schedules and routes, and implement digital technologies. The online ticketing system will also be enhanced to increase the share of digital sales.

In the freight segment, the Company will focus on reducing and streamlining service delivery procedures and increasing transparency in operations.

For more information, see the section "Goal 3: Improving Customer Satisfaction".

GOAL 4

ACCELERATING DIGITALISATION

To boost operational efficiency, the Company will develop and adopt digital technologies by upgrading its IT systems, establishing a Shared Services Centre (SSC), and introducing platforms to optimise transport process management.

For more information, see the section "Goal 4: Accelerating Digitalisation."

GOAL 5

INTEGRATING ESG PRINCIPLES

The intergation of ESG principles provides for the implementation of three strategic initiatives:

- Promoting social stability and developing human capital
- Environmental sustainability
- Enhancing corporate governance.

To meet these objectives, the Company plans to create a favourable working environment, develop its workforce, implement a comprehensive motivation system, and promote gender equality.

Acknowledging its environmental impact, the Company has prioritised the fight against climate change. It plans to transition to low-carbon technologies and energy, improve energy and resource efficiency, and introduce emissions management measures.

In terms of corporate governance, the Company will continue improving its approaches and practices, aligning them with international standards and external expert recommendations.

Special attention will also be paid to increasing transparency across all areas of activity.

For more information, see the section "Goal 5: Integrating ESG Principles".

GOAL 6

ENSURING RAILWAY SAFETY

Railway traffic safety and occupational health and safety are integral to the Company's operations.

KTZ NC JSC will take all necessary measures to ensure a high level of transportation safety and achieve zero workplace injuries.

For more information, see the section "Goal 6: Ensuring Rail Traffic Safety".

KEY ACHIEVEMENTS IN THE IMPLEMENTATION OF STRATEGIC GOALS BASED ON THE RESULTS OF 2025

NET PROFIT

343.6 billion — +113.7 compared to 2024

TRANSIT TRANSPORTATION VOLUME

33.04 million tonnes — +20% compared to 2024

RAILWAY TRAFFIC SAFETY LEVEL

0.60 — Improvement by 11.8% compared to 2024 (reduction in violations)

EXPORT TRANSPORTATION VOLUME OF DOMESTIC PRODUCERS

89,231 thousand tonnes — +7%

ESG RATING (S&P GLOBAL)

75 out of 100 points — +15 points compared to the 2024 assessment

COMPARED TO THE 2024 ASSESSMENT

The achievement of the goals set out in the Development Strategy is measured through the fulfilment of strategic Key Performance Indicators (KPIs).

The purpose of the Company's performance measurement system is to break down the Development Strategy and Business Plan into specific performance indicators and to cascade them across all levels of Company management.

KPIs, both corporate and functional, play a critical role in motivating the Company's senior management, supporting the consistent attainment of strategic goals. The degree to which KPIs are achieved, reflecting the effectiveness of the executive, directly influences the level of their remuneration.

Corporate KPIs are unified for the Chairman and members of the Management Board, while functional KPIs are set individually for each executive.

The key corporate KPIs for 2025, with established target values, include:

- EBITDA margin;
- Implementation of investment projects;
- Occupational safety level;
- Railway traffic safety level;
- Average section speed in freight transportation;
- Implementation of the Comprehensive Action Plan for the Prevention and Mitigation of Corruption Offences in the activities of KTZ NC JSC;
- Approval of the Roadmap for the implementation of projects using artificial intelligence technologies (not fewer than 6 projects);
- Share of in-country value in the procurement of goods, works and services.

For more information, see the section "Remuneration of the Company's Officers"

STRATEGIC GOALS UP TO 2032[2]

ROACE

>8.31 %

EBITDA MARGIN

>32.1 %

CARBON FOOTPRINT

>-3.5 %

RAILWAY TRAFFIC SAFETY LEVEL

0.7 rate

SOCIAL STABILITY INDEX

75 index

CUSTOMER SATISFACTION LEVEL

75 %

TRANSIT CONTAINER TRANSPORTATION VOLUME

>2,000 thousand TEUs

ESG RATING

68 score

LOST TIME INJURY RATE (LTIR) (REGISTRED)

0.12 rate

[2] In accordance with the KTZ NC JSC Development Strategy through to 2032

STRATEGIC KPIS

Table 1. Strategic KPIs

KPI Name	UOM	Actual 2024[3]	Target 2025[4]	Actual 2025[5]	Change Actual vs. Target 2025, %	Change Actual 2025 vs. Actual 2024, %
Goal 1. Enhancing the Efficiency of Railway Transportation						
Goal 4. Accelerating Digitalisation						
ROACE	%	6.20	7.45	8.60	15.4	38.7
Ebitda margin	%	27.5	27.3	31.6	15.8	14.9
Goal 2. Expanding Transit Transportation						
Transit container transportation volume	thousand TEUs	1,395	1,464	1,380	–5.7	–1.1
	million tonnes	27.5	27.9	33.0	18.3	20.0
Goal 3. Improving Customer Satisfaction						
Customer satisfaction level	%	73.75	71	87.83	23.7	19.1
Goal 5. Integrating ESG Principles						
ESG rating	score	60	61	75	23.0	25.0
Social stability index	index	69	68	73	7.4	5.8
Carbon footprint[6]	%	–6	–2.5	–2.7	8.0	–55.0
Goal 6. Ensuring Railway Safety						
Railway traffic safety level	rate	0.68	1.02	0.60	–41.2	–11.8
Lost Time Injury Rate (LTIR) (registered)	rate	0.13	0.16	0.13	–18.8	0

The Company's management system proved to be suitable, adequate, and effective in 2025. This was also confirmed by an external audit of the Company's management system for compliance with the requirements of international management system standards: ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and ISO 50001:2018.

As part of the functioning of the management system, activities were carried out to allocate the necessary resources to achieve the set goals, and information on opportunities for improvement and enhancement of the Company's activities was analysed.

For more detailed information on the implementation of the KTZ NC JSC Development Strategy through to 2032, please refer to the relevant sections of the Report, indicated by the symbol.

[3] Approved by the decision of the Board of Directors of JSC NC KTZ, Minutes No. 5 dated 23 April 2025.
[4] In accordance with the KTZ NC JSC Development Strategy through to 2032.
[5] Approved by the decision of the Board of Directors of KTZ NC JSC, Minutes No. 10 dated 15.05.2026.
[6] The organisation's carbon footprint is defined as the aggregate of direct and indirect greenhouse gas emissions under Scope 1 and Scope 2 categories. This indicator is used to assess the dynamics of CO_2 emissions reduction and reflects the level of emissions per unit of services provided. The "Carbon Footprint" KPI is established in accordance with the Company's Development Strategy through to 2032 and is expressed as a relative change (%) compared to the previous year's level. A decrease in the indicator (negative value) indicates a reduction in greenhouse gas emissions and is regarded as a result of the Company's reduced carbon burden.

GOALS AND OBJECTIVES OF THE COMPANY FOR 2026

In 2026, the Company plans to:

01 INFRASTRUCTURE

Complete the construction of new railway lines and modernise existing tracks, which will ensure improved traffic safety and increased capacity of the main railway network

02 INTERNATIONAL INTEGRATION

Strengthen coordination in the development of cross-border infrastructure with neighbouring countries, thereby reinforcing Kazakhstan's role as a key link in Eurasian logistics.

03 TRANSIT AND TITR

Intensify the development of the Trans-Caspian International Transport Route and strengthen the country's transit potential, which will make it possible to increase transportation volumes and reduce cargo delivery times

04 DIGITALISATION

Implement AI-based solutions and automate key processes in order to ensure operational transparency and improve transportation management efficiency, thereby strengthening the country's transit potential, increasing transportation volumes and reducing cargo delivery times.

GOAL 1. ENHANCING THE EFFICIENCY OF RAILWAY TRANSPORTATION

TARIFF REGULATION

As part of its long-term initiatives to reform tariff policy and reduce debt burden, KTZ NC JSC has been working with the Government of the Republic of Kazakhstan since 2023 to increase regulated freight transportation tariffs to reach cost recovery levels.

In 2023–2024, the President of Kazakhstan, in his addresses to the nation, emphasised the need to establish an adequate regulatory policy for the railway sector. This policy should take into account ongoing efforts to reduce the debt burden of KTZ NC JSC and promote active private investment in the transport and logistics sector. He also stressed the importance of ensuring a phased increase in regulated railway transportation tariffs during 2024–2026 to levels that ensure the financial sustainability of KTZ NC JSC, particularly in the context of implementing major projects aimed at maintaining the railway network and expanding its capacity.

Together with the Ministry of National Economy and the Ministry of Transport, KTZ NC JSC has developed and agreed with the Government of the Republic of Kazakhstan a set of tariff measures. These include: a 24% tariff increase for regulated main railway network services and traction services over three years; the introduction of price caps on tariffs for main railway network services; the development of a new tariff methodology for main railway network services. These tariff measures, including the 24% increase in tariffs for main railway network services and traction services, as well as the application of price caps, were approved by the State Commission for the Modernisation of the Economy of the Republic of Kazakhstan (Minutes No. 21-05/07-1413 dated 18 November 2024).

Amendments and Supplements to Certain Legislative Acts of the Republic of Kazakhstan Concerning Railway Transport

In 2025, the following regulatory legal acts were adopted:

1) Law of the Republic of Kazakhstan No. 115-VIII dated 10 January 2025 "On Amendments and Supplements to the Code of the Republic of Kazakhstan on Administrative Offences".

The Law abolished the provision on the confiscation of vehicles as a type of administrative penalty for the failure to remove temporarily imported international transportation vehicles from the customs territory of the Eurasian Economic Union.

2) Law of the Republic of Kazakhstan No. 196-VIII dated 24 June 2025 "On Amendments and Supplements to Certain Legislative Acts of the Republic of Kazakhstan Concerning Civil Protection, Electric Power Industry and State Property Management".

The Law introduced amendments to the Laws of the Republic of Kazakhstan "On Railway Transport" and "On Civil Protection" in terms of establishing legal provisions for reimbursement from the reserve of the Government of the Republic of Kazakhstan of expenses incurred through the use of railway transport during the elimination of emergency situations and their consequences.

3) Order No. 88 dated 17 March 2025 of the Acting Minister of Transport of the Republic of Kazakhstan "On Amendments to Order No. 612 dated 2 August 2019 of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan 'On Approval of the Rules for Freight Transportation by Rail'".

The Order regulates the actions of state authorities, local executive bodies, consignors, the National Railway Company and the National Freight Carrier during emergency situations and the elimination of their consequences.

4) Order No. 306 dated 22 September 2025 of the Acting Minister of Transport of the Republic of Kazakhstan "On Amendments and Supplements to Order No. 545 dated 30 April 2015 of the Minister for Investment and Development of the Republic of Kazakhstan 'On Approval of the Rules for the Transportation of Passengers, Baggage, Cargo Baggage and Postal Items by Rail'".

The Order introduced fees for organising the sale (in the amount of 0.06 MCI) and refund (in the amount of 0.1 MCI) of travel documents (tickets).

DEBT BURDEN

The consolidated debt of the Company as of December 31, 2025 amounted to KZT 3,480.6 billion at book value.

The Debt/EBITDA ratio was reduced from 4.46 in 2024 to 3.72 by the end of 2025 due to an increase in EBITDA.

In 2025, the Company extended Eurobonds in the amount of 882,978 thousand US dollars, held by Samruk-Kazyna JSC, and also carried out planned repayment of borrowings on time and in full.

At the same time, in 2025, the Company Group attracted financial liabilities for the renewal of freight and passenger locomotives and rolling stock, as well as for the implementation of major infrastructure projects.

GRI 201-4

Based on the results of 2025, the KTZ NC JSC Group received subsidies in the amount of KZT 52.1 billion from the Republican Budget, including:

- KZT 32 billion for subsidising passenger transportation expenses of Passenger Transportation JSC;
- KZT 2.4 billion for subsidising the interest rate on a loan for the acquisition of cars by Passenger Transportation JSC;
- KZT 11.5 billion for subsidising expenses related to passenger locomotive traction of KTZ-Passenger Locomotives LLP;
- KZT 1.1 billion for subsidising the interest rate under financial leasing agreements for the purchase of freight cars by Kaztemirtrans JSC;
- KZT 5.1 billion for subsidising the interest rate under a financial leasing agreement for the purchase of fitting platforms by KTZ Express JSC.

The amount of other financial assistance received by the KTZ NC JSC Group in 2025 from state funds of the Republic of Kazakhstan amounted:

- a loan from Samruk-Kazyna National Welfare Fund JSC in the amount of KZT 65,480 million (from the Republican Budget of the Republic of Kazakhstan) for the purchase of 51 Stadler passenger cars;
- a bond loan from Samruk-Kazyna National Welfare Fund JSC (4th issue) in the amount of KZT 42,326 million (from the National Fund of the Republic of Kazakhstan) for the construction of the Dostyk – Moiynty railway line.

According to financial reporting data, by the end of 2025, 43.3 billion tenge was allocated from the national and local budgets to subsidize passenger transportation costs.

MARKET OVERVIEW

Kazakhstan's Economy in 2025

Based on the results of 2025, Kazakhstan's GDP grew by 6.5% compared to the level of 2024, positive dynamics were observed in the following sectors of the economy:

TRANSPORTATION AND WAREHOUSING
20.4 %

CONSTRUCTION
15.9 %

WHOLESALE AND RETAIL TRADE
8.9 %

MANUFACTURING INDUSTRY
6.4 %

AGRICULTURE, FORESTRY AND FISHERIES
5.9 %

INDUSTRY
7.4 %

Kazakhstan's foreign trade turnover in 2025 compared to 2024 increased by 1.3%, including a 3.2% decrease in exports and a 7.4% increase in imports.

Inflation in the Republic of Kazakhstan in 2025 amounted to 12.3% (in 2024 – 8.6%).

FREIGHT TRANSPORTATION MARKET OVERVIEW

In 2025, according to statistical data from the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, a total of 1,163.6 million tonnes of freight was transported, representing a 7.9% increase compared to 2024.

The total freight turnover across all modes of transport amounted to 584.3 billion tonne-kilometres in 2025, exceeding the 2024 level by 13.6%.

Railway transport remains the key mode of transportation, accounting for 61.8% of the country's total freight turnover. Freight turnover of railway transport increased by 10.2% in 2025 and amounted to 361,265.2 million tonne-kilometres.

The highest growth of 32.8% was demonstrated by road and urban electric transport, the freight turnover of which amounted to 47,441.8 million tonne-kilometres in 2025.

Freight turnover of pipeline transport amounted to 173,599.2 million tonne-kilometres, which is 16.5% higher than the 2024 level. Its share in total freight turnover increased to 29.7%.

Freight turnover of maritime transport amounted to 1,860.2 million tonne-kilometres, increasing by 17.6% compared to 2024, while air transport increased by 11.4% (73.2 million tonne-kilometres).

Freight turnover of water transport demonstrated a decrease in volume compared to the 2024 level by 9.1% and amounted to 72.7 million tonne-kilometres.

Table 2. **Kazakhstan Freight Turnover by Mode of Transport for 2022–2025, million tonne-kilometres**[7]

	Freight Turnover, million tonne-kilometres					Share in Total Freight Turnover, %	
Mode of Transport	2022	2023	2024	2025	Change 2025/2024, %	2024	2025
All modes of transport	486,072.7	501,340.9	514,455.5	584,312.3	13.6	100	100
Pipeline transport	143,969.6	143,715.9	149,054.9	173,599.2	16.5	29.0	29.7
Air transport	54.4	53.7	65.7	73.2	11.4	0.0	0.0
Water transport	102.6	59.5	80.0	72.7	–9.1	0.0	0.0
Railway transport	311,927.0	326,811.7	327,943.6	361,265.2	10.2	63.7	61.8
Road and urban electric transport	29,337.4	29,841.2	35,729.9	47,441.8	32.8	6.9	8.1
Maritime transport	681.9	859.0	1,581.4	1,860.2	17.6	0.3	0.3

PASSENGER TRANSPORTATION MARKET OVERVIEW

In 2025, according to information provided by the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, passenger turnover amounted to 88.9 billion passenger-kilometres and increased by 7.4% compared to 2024.

The share of road and urban electric transport in total passenger turnover continued to prevail and, based on the results of 2025, increased from 46.3% to 48.5%.

Passenger turnover of air transport reached 29,960.3 million passenger-kilometres, increasing by 6% compared to 2024. Despite the overall growth in transportation volumes, the share of air transport decreased from 34.2% to 33.7%.

Passenger turnover of railway transport decreased by 2.5% compared to the 2024 level, while its share in total passenger turnover also decreased to 17.8% (in 2024 – 19.6%).

Passenger turnover of water transport amounted to 4.7 million passenger-kilometres, increasing by 6.8% compared to 2024, while passenger turnover of maritime transport decreased by 83.3% and amounted to 0.1 million passenger-kilometres.

[7] Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

Table 3. **Kazakhstan Passenger Turnover by Mode of Transport for 2022–2025,** million passenger-kilometres[8]

	Passenger Turnover, million passenger-kilometres					Share in Total Passenger Turnover 2024, %	
	2022	2023	2024	2025	Change 2025/2024, %	2024	2025
All modes of transport	65,970.0	72,753.7	82,785.7	88,916.8	7.4	100	100
Road and urban electric transport	29,494.7	30.739.8	38,306.8	43,158.9	12.7	46.3	48.5
Air transport	20,109.3	25,898.5	28,275.7	29,960.3	6.0	34.2	33.7
Railway transport	16,363.0	16,113.0	16,198.2	15,792.9	–2.5	19.6	17.8
Water transport	2.4	2.2	4.4	4.7	6.8	0.0	0.0
Maritime transport	0.7	0.2	0.6	0.1	–83.3	0.0	0.0

OPERATIONAL PERFORMANCE

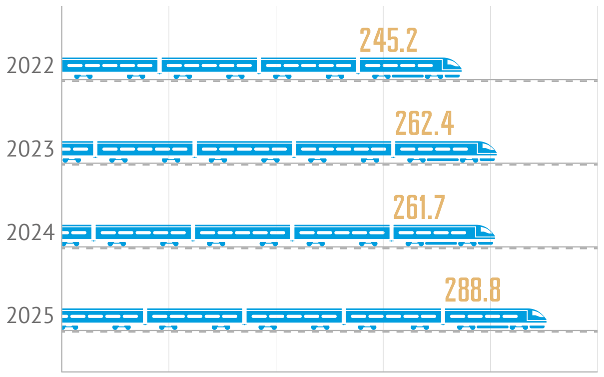
FREIGHT TRANSPORTATION

GRI 2-6

SASB TR-RA-000.D (1)

In 2025, the Company's tariff freight turnover amounted to 288.8 billion tonne-kilometres which is 10.4% higher than the 2024 level (2024 – 261.7 billion tonne-kilometres). The increase was driven by growth in freight turnover across all types of traffic.

Freight Turnover, 2022-2025, billion tonne-kilometres



The structure of freight turnover by types of traffic developed as follows.

In domestic traffic, freight turnover increased by 3.1% compared to 2024, driven by a 2.7% increase in cargo transportation volumes. Growth in transportation volumes was recorded across the entire range of cargoes, with the exception of ferrous metals and non-ferrous ore.

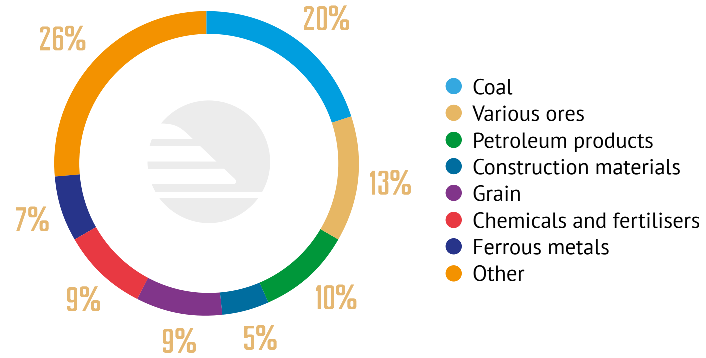
In export traffic, freight turnover increased by 13.2% compared to the 2024 level due to a 7.2% increase in cargo transportation volumes. Growth was driven by increased transportation of coal, grain, fertilisers, as well as other cargoes (compound feed, vegetable oil and feed flour).

In import traffic, freight turnover increased by 5.9% compared to 2024 due to a 2.7% increase in cargo transportation volumes. An increase was recorded in the transportation of chemicals, construction cargoes, petroleum products, ferrous metals, as well as other cargoes (machinery and equipment, automobiles and spare parts).

In transit traffic, freight turnover increased by 19.6%, associated with a 20.3% increase in transportation volumes. Transit growth was driven by increased transportation of iron ore from the Russian Federation to Uzbekistan, petroleum products from Russia to Central Asian countries and China, construction cargoes from China to Central Asian countries and Russia, grain from Russia to China, chemicals and soda ash from China to Central Asian countries, Russia and Belarus, as well as from Russia to China and Uzbekistan. In addition, transportation volumes increased for non-ferrous ore from Tajikistan, Russia and Uzbekistan to China, non-ferrous metals from Russia to China, ferrous metals from China and Russia to Central Asian countries, as well as other cargoes, including timber from Russia and Belarus to Central Asian countries, paper and cardboard from Russia to China and Uzbekistan, from China to Uzbekistan, and pulp from Russia and Belarus to China.

In 2025, the structure and share of key cargoes transported by railway developed as follows:

Share of Key Cargoes in the Company's Total Freight Turnover in 2025, %



IN 2025, COMPARED TO 2024, FREIGHT TURNOVER INCREASED FOR THE FOLLOWING CARGOES:

COAL +3.5%

IRON ORE +1.3%

CONSTRUCTION MATERIALS +4.8%

GRAIN +25.1%

PETROLEUM PRODUCTS +13.9%

CHEMICALS +13.6%

FERTILISERS +2.6%

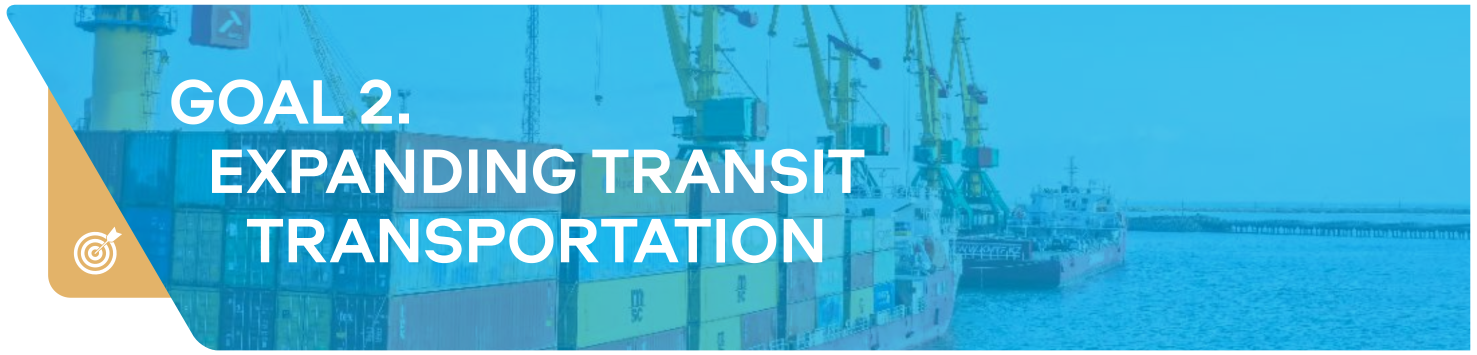
NON-FERROUS METALS +5.4%

FERROUS METALS +14.1%

NON-FERROUS ORE +4.7%

OTHER CARGOES +17.9%

[8] Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.



GOAL 2. EXPANDING TRANSIT TRANSPORTATION

TRANSIT TRANSPORTATION

GRI 2-6

In 2025, transit transportation through the territory of Kazakhstan reached a record volume of 33.04 million tonnes (+20% compared to 2024), including container transportation of 1,380.0 thousand TEUs (-1% compared to 2024).

The key areas contributing to the growth of transit transportation included:

- resumption of iron ore supplies from Russia to Uzbekistan;
- petroleum products from Russia to Central Asian countries;
- non-ferrous ore and concentrates from Tajikistan and Russia to China;
- chemicals from China to Russia and Central Asian countries, and from Russia to China;
- ferrous metals from Russia and China to Central Asia, etc.

In the container transportation segment, growth was recorded in the transportation of food cargoes, fertilisers, non-ferrous metals, construction materials and petroleum products along the China-Russia route.

The increase in transportation volumes was driven by sustained demand for overland transport routes, as well as enhanced cooperation between railway administrations.

To further increase cargo flows, systematic work is being carried out to improve logistics service quality both within the territory of the Republic of Kazakhstan and beyond its borders.

To increase the capacity of railway infrastructure, traffic was launched on the second tracks of the Dostyk – Moiynty section in 2025, while work is also underway on the construction of the Moiynty – Kyzylzhar railway line.

The first stage of the container hub in the Port of Aktau was launched, making it possible to increase port container handling capacity.

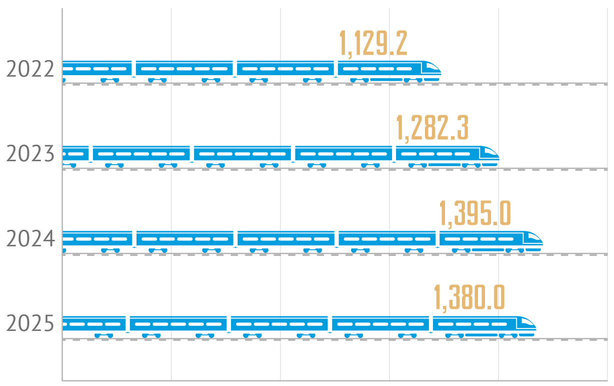
As part of the development of the Trans-Caspian International Transport Route (TITR), a set of measures aimed at ensuring sustainable growth in transportation volumes and maintaining the route's competitiveness was implemented.

Together with partners, a set of measures was implemented to reduce delivery times. As a result, TITR provides a competitive delivery period averaging from 12 to 15 days to the ports of Georgia, which is twice as fast as in 2021–2022.

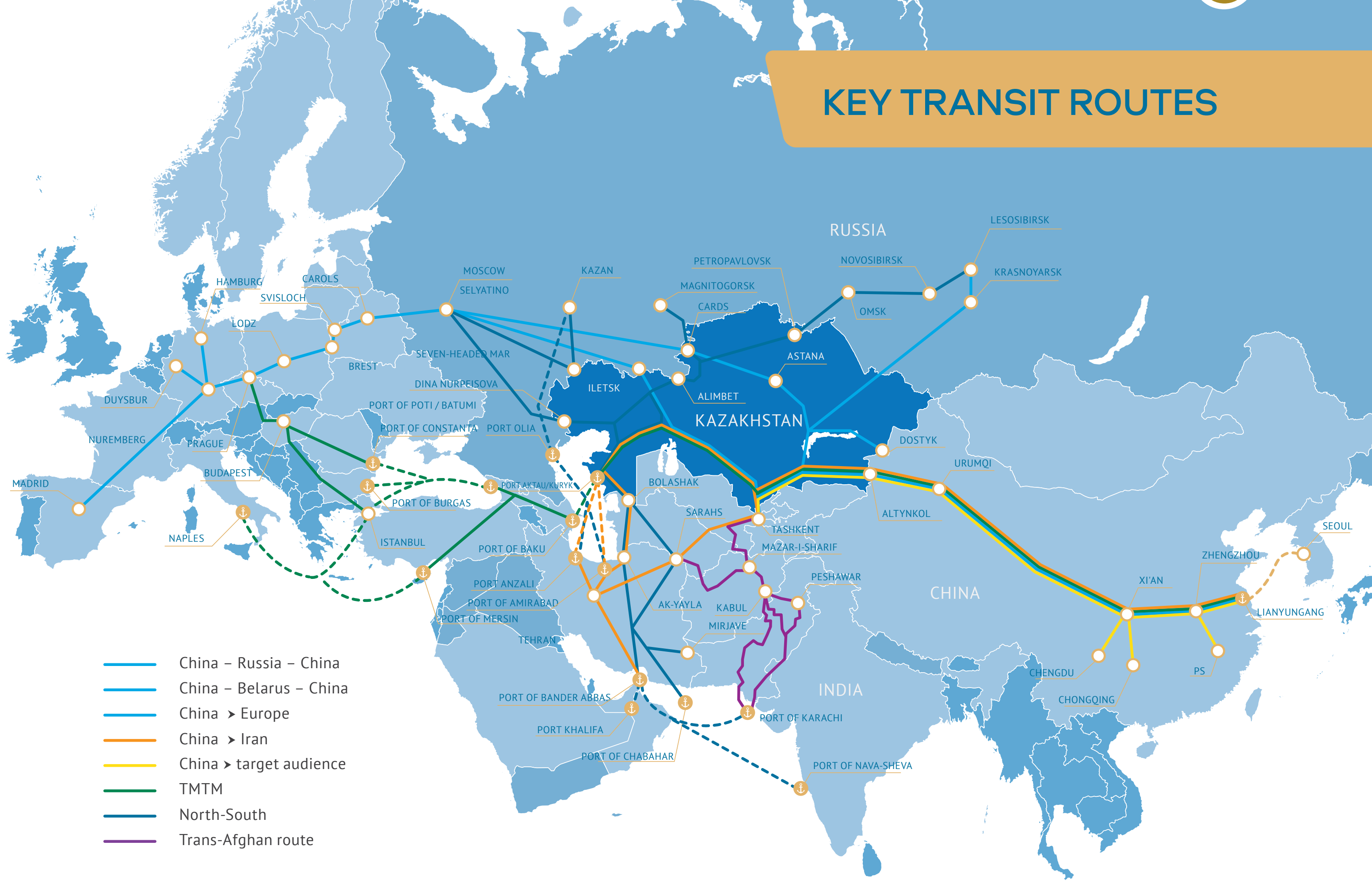
In 2025, a large-scale audit of bottlenecks along the TITR route was carried out. Following the audit, an action plan for the elimination of bottlenecks was signed with partners from Azerbaijan and Georgia, providing for the introduction of unified long-term tariffs, acquisition of vessels, development of railway and port infrastructure, digitalisation of processes and elimination of administrative barriers.

A landmark event was the joining of China Railway Container Transport (a subsidiary of Chinese Railways) to the structure of the TITR joint venture, which took place on November 18, 2025 in Xi'an (China).

Container Transit, 2022-2025, thousand TEUs



KEY TRANSIT ROUTES



PASSENGER TRANSPORTATION

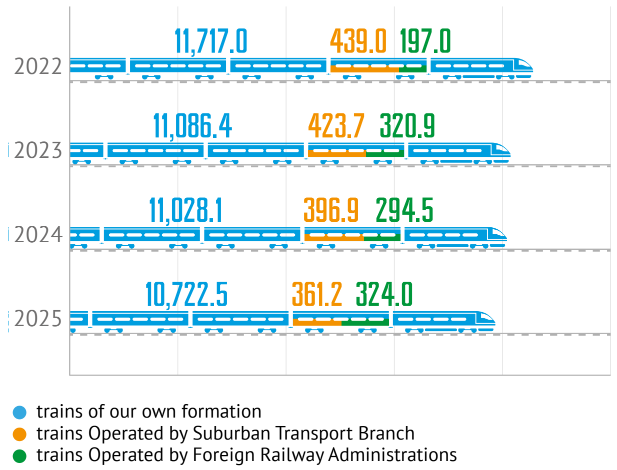
GRI 2-6

In 2025, the Company's passenger turnover within the boundaries of Kazakhstan Railways amounted to 11,408 million passenger-kilometres, which is 2.7% lower than the 2024 level (in 2024 – 11,719 million passenger-kilometres).

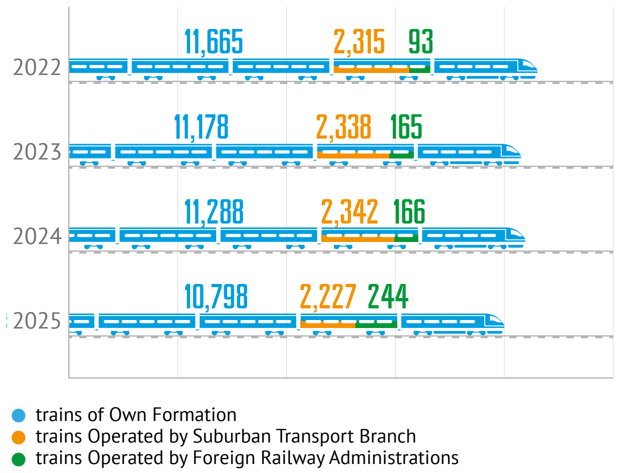
The number of passengers transported by Passenger Transportation JSC in 2025 within Kazakhstan amounted to 13,269 thousand people, which is lower than the 2024 indicator (in 2024 – 13,796 thousand people), including:

- on trains operated by Passenger Transportation JSC – 10,798 thousand passengers;
- on trains operated by the Suburban Transportation branch – 2,227 thousand passengers;
- on trains operated by foreign railway administrations – 244 thousand passengers.

Passenger Turnover, million passenger-kilometres



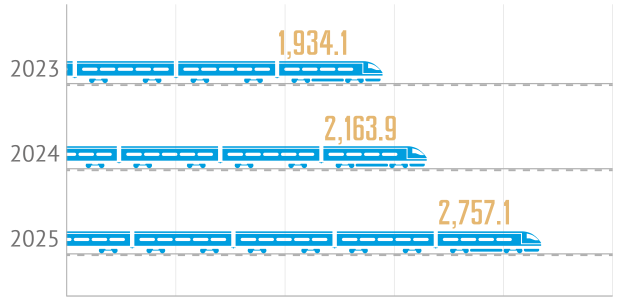
Number of Passengers Transported, thousand people



FINANCIAL PERFORMANCE

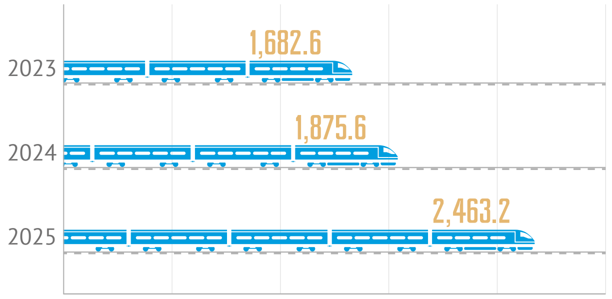
Revenue from core operations for 2025 amounted to KZT 2,757.1 billion, which is 27.4% higher than the 2024 actual. The increase was driven by growth in freight and passenger transportation revenues by 31.3% and 16.9%, respectively.

Revenue from Core Operations, KZT billion



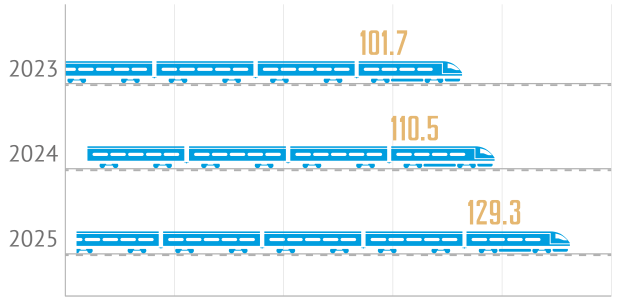
Revenue from freight transportation increased by 31.3% compared to the actual figure for 2024, mainly due to increased revenue arising from exchange rate fluctuations (Swiss franc) in the settlement of transit transportation revenues, changes in the average tariff increase level, transportation volumes (freight turnover), revenue from freight car fleet operating activities, freight forwarding services and cargo transshipment services, among others.

Revenue from Freight Transportation, KZT billion



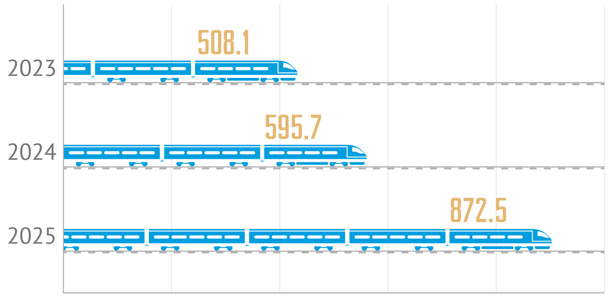
Revenue from passenger transportation for 2025 amounted to KZT 129.3 billion, which is 16.9% higher than the 2024 actual due to tariff increases.

Revenue from Passenger Transportation, KZT billion



EBITDA for 2025 amounted to KZT 872.5 billion, which is 46.5% higher than the 2024 actual.

EBITDA, KZT billion



Net profit for 2025 amounted to 343,646 million tenge, which is 182,841 million tenge higher than in 2024 (2024 – 160,805 million tenge) or 113.7%.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Analytical KPIs (Based on Management Reporting)

The **Profit for the year attributable to the Shareholder** indicator for 2025 reflects a profit in the amount of KZT 339,919 million, which is KZT 201,599 million higher than the approved plan (profit of KZT 138,320 million), mainly due to the following factors:

- growth in freight transportation revenue by KZT 329,971 million[9], due to a 28% increase in tariffs in 2025 in freight traffic, an increase in the exchange rate, an increase in cargo turnover by 5.3% (including in transit traffic by 19.9%), as well as an increase in revenue from additional fees, from the provision of freight forwarding and transshipment services, etc.;
  - an increase in profit from non-core activities (net) of KZT 75,607 million[9], primarily due to a rise in financial income of KZT 73,377 million[9], resulting mainly from the recognition of the effect of modifications to loans received (bonds issued by Samruk-Kazyna JSC);
  - a decrease in financing expenses by KZT 26,710 million[9] due to changes in the loan portfolio associated with changes in the timing of attracting new loans, which serve as sources of financing for investment project implementation in 2025, as well as the capitalisation of interest expenses paid to banks into the cost of fixed assets under infrastructure projects in accordance with accounting standards;
  - an increase in revenue from auxiliary services provided to third-party companies by KZT 9,376 million[9] due to growth in the volume of services provided;
  - an increase in income from fines received by KZT 7,940 million;
  - an increase in revenue from passenger transportation by KZT 5,947 million[9], due to a 7% increase in tariffs in 2025 for passenger transportation on socially significant domestic routes.

At the same time, the following factors had a negative impact on the indicator:

- an increase in corporate income tax expenses by KZT 117,313 million[9] due to changes in the taxable base and the actual recognition of deferred tax;
- an increase in cost of goods sold of KZT 87,415 million[9], primarily due to higher labor costs (wage increases for employees effective January 1, 2025, as well as compensation payments to employees for unused vacation days upon termination of employment contracts in accordance with the Labor Code of the Republic of Kazakhstan during the reorganization of structural units within KTZ NC JSC), fuel and electricity costs (due to increased freight traffic volumes and higher prices for fuel and electricity used to power trains) and depreciation expenses (commissioning of new fixed assets as part of the implementation of the 2025 capital investment plan);
- actual recognition of a foreign exchange loss (net) in the amount of KZT 19,990 million due to fluctuations in foreign currency exchange rates;
- an increase in impairment expenses of KZT 14,677 million[9] due to the establishment of provisions for the impairment of value added tax receivables, fixed assets, and construction in progress;
- a decrease in the share of profit of entities accounted for using the equity method by KZT 6,557 million[9] due to a decline in the financial performance of jointly controlled enterprises;
- a decrease in subsidies for covering passenger transportation losses by KZT 6,130 million[9] due to the actual allocation of subsidies by the Ministry of Transport of the Republic of Kazakhstan;
- an increase in non-controlling interest (minority interest) by KZT 1,413 million[9] due to improved financial performance of subsidiaries with minority shareholders;
- an increase in general and administrative expenses of KZT 457 million[9], primarily due to a rise in tax expenses of KZT 9,360 million[9] resulting from the recognition of VAT not eligible for offset and VAT on liabilities (while savings were achieved in administrative expenses and general and administrative expenses of a production nature).

[9] The indicator is calculated based on management reporting data.

The **ROACE** ratio for 2025 is 8.6%, which is 1.94 percentage points higher than the target (6.66%) due to an increase in NOPAT of KZT 134,376 million resulting from a growth in net income before non-controlling interests of KZT 203,012 million. At the same time, expenses in the form of interest payments to banks (including KPN) decrease by KZT 68,636 million, which is due to changes in the loan portfolio and the capitalization of interest expenses on loans into the cost of fixed assets for infrastructure projects.

The main reasons for the increase in net income before non-controlling interests are:

- an increase in revenue from freight transportation by KZT 329,971 million[9], due to an increase in tariffs by 28% in freight traffic, an increase in the exchange rate, an increase in cargo turnover by 5.3% (including in transit traffic by 19.9%), as well as an increase in income from additional fees, from the provision of freight forwarding and transshipment services, etc.;
- an increase in profit from non-core activities (net) by KZT 75,607 million[9], mainly due to growth in financial income by KZT 73,377 million[9] resulting from the actual recognition of the effect of modification of received loans (issued bonds from Samruk-Kazyna JSC);
- a decrease in financing expenses by KZT 26,711 million[9] due to changes in the loan portfolio associated with changes in the timing of attracting new loans, which serve as sources of financing for investment project implementation in 2025, as well as the capitalisation of interest expenses paid to banks into the cost of fixed assets under infrastructure projects;
- an increase in revenue from auxiliary services provided to third-party companies by KZT 9,376 million[9] due to growth in service volumes;
- an increase in income from penalties received by KZT 7,940 million[9];
- an increase in passenger transportation revenue by KZT 5,947 million[9], resulting from the 7% increase in 2025 tariffs for passenger transportation on socially significant domestic routes.

At the same time, a negative impact on the ROACE indicator was exerted by the increase in the average value of capital employed by KZT 447,951 million[9], which was associated with:

- an increase in the average value of equity by KZT 214,924 million[9], mainly due to the recognition in 2025 of net profit (including non-controlling interest) in the amount of KZT 339,919 million[9] and a contribution to the authorised capital of KTZ NC JSC from Samruk-Kazyna JSC in the amount of KZT 28,791 million (railway sections and railway infrastructure facilities);
- an increase in the value of borrowed capital by KZT 170,931 million[9] due to the attraction by KTZ NC JSC in 2025 of borrowed funds for financing investment projects related to the development of the country's transit potential, infrastructure modernisation and renewal of rolling stock (locomotives and cars);
- recognition of derivative financial instruments (CHF/USD swap) with an average value of KZT 62,096 million[9].

In addition, the average value of capital employed was affected by the actual value of equity and borrowed capital based on the results of operations for 2024.

[9] The indicator is calculated based on management reporting data.

ASSET STRUCTURE

GRI 2-6

The development of an optimal business model and target asset structure has been defined in the Company's Development Strategy as a strategic initiative aimed at enhancing operational efficiency.

In total, from 2019 to 2025, 30 entities were divested from the perimeter of KTZ NC JSC.

The KTZ NC JSC Group comprises 46 entities.

In October 2025, the cargo airline KTZ Air Cargo JSC[10] was established (KTZ Express JSC – 100%).

The Company's corporate portfolio is structured into five business segments:

Segment	Subsidiaries (Level 2)	Ownership Share[11]
Main Railway Network	Branch of KTZ NC JSC – Main Railway Network Directorate	–
Freight transportation	KTZ-Freight Transportation LLP	100%
	Kaztemirtrans JSC	100%
Passenger transportation	Passenger Transportation JSC	100%
	KTZ-Passenger Locomotives LLP	100%
Transport and Logistics Segment	KTZ Express JSC	100%
	Kedentransservice JSC	100%
	United Transport and Logistics Company – Eurasian Rail Alliance JSC (UTLC ERA)	33.33%
	Port Kuryk LLP	100%
	Middle Corridor Multimodal Ltd Private Company	33.33%
	Aktau International Sea Commercial Port NC JSC	under trust management
Profile and Support Segment	Transtelecom JSC	25%+ 1 share
	Military Railway Security Service LLP	100%
	Temirzholsu JSC	100%
	Dosjan Temir Zholy JSC	46.016%
	Mukhamedzhan Tynyshbayev ALT University JSC	4.03%

More detailed information about the Company's key business units is provided in the section "Key Business Units of the Company".

[10] On June 10, 2026, JSC KTZ Air Cargo was renamed to JSC Alatau Air Cargo.
[11] Structure of the KTZ NC JSC Group as of 31.12.2025 (Levels 1 and 2).

KEY BUSINESS UNITS OF THE COMPANY

GRI 2-6

KTZ-FREIGHT TRANSPORTATION LLP

KTZ-Freight Transportation LLP is the largest freight carrier and locomotive traction operator in the Republic of Kazakhstan.

By Resolution of the Government of the Republic of Kazakhstan dated 29 September 2017, KTZ-Freight Transportation LLP[12] was granted the status of National Freight Carrier.

BUSINESS UNIT OVERVIEW

YEAR OF ESTABLISHMENT

2016

OWNERSHIP BY KTZ NC JSC

100 %

RESOURCES

HEADCOUNT

27.3 thousand employees

ROLLING STOCK

1.7 thousand locomotives

REGIONAL BRANCHES

15 regional branches

INFRASTRUCTURE

17 locomotive depots

30 locomotive depots

831 stations

[12] It was reorganised into is KTZ-Freight Transportation LLP in 2020.

BUSINESS OPERATIONS

CONSUMER SEGMENTS:

- Consignors;
- Consignees;
- Freight forwarders;
- Branch owners;
- Participants of the freight transportation process.

VALUE PROPOSITION:

- Ensuring uninterrupted and high-quality freight rail transport services to meet the needs of the economy and population, while maintaining railway traffic safety and the integrity of cargo and baggage;
- Establishing a unified operator function, including the integration of multimodal transport, cooperation with rolling stock operators and owners, and provision of access to the main railway network;
- Development of mainline and terminal infrastructure within ransport corridors.

CORE ACTIVITIES:

- Rail freight transportation;
- Rail transportation of socially significant goods;
- Provision of locomotive traction services;
- Provision of locomotive crew services;
- Preparation of traction and multiple-unit rolling stock for access to the main railway network;
- Provision of services by traction assemblers, freight cashiers, and consignment clerks;
- Preparation of freight cars for loading.

Table 4. **Key Performance Indicators**

Indicator	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Revenue, KZT billion	1,655.8	1,849.8	2,450.2	11.7	32.5
Operating profit, KZT billion	–1.8	44.8	124.0	26-fold increase	2.8-fold increase
EBITDA, KZT billion	22.5	75.3	167.6	234.7	122.6
Tariff freight turnover, billion tonne-km	248.8	247.2	274.8	–0.6	11.2
Freight transported, million tonnes	270.6	275.1	293.3	1.7	6.6
Number of employees, persons, including:	43,315	46,825	27,284	8.1	–41.7
Proportion of women, %	26	25	17	–3.8	–32.0
Administrative and managerial staff, persons	1,356	1,515	1,089	11.7	–13.7
Operational staff, persons	41,959	45,310	26,195	8.0	–42.2
Social stability index, %	65	68	73	4.6	7.4
Waste generated, thousand tonnes	8.3	8.2	8.2	–1.2	0

In 2025, the tariff freight turnover of KTZ-Freight Transportation LLP amounted to 274.853 billion tonne-kilometres, which is 11.2% higher compared to 2024 (247.2 billion tonne-kilometres). The positive trend was driven by growth in transportation volumes in export and import directions.

Revenue of KTZ-Freight Transportation LLP based on the results of 2025 increased by 32.5% compared to 2024, which was associated with growth in freight turnover by 11.2%, changes in exchange rates in the settlement of revenues from transit transportation and mutual settlements between railway administrations, as well as increases in tariffs for main railway network services and locomotive traction services.

EBITDA and operating profit indicators for 2025 improved compared to 2024 due to revenue growth of 32.5%, which exceeded the growth rate of operating expenses (27.7%).

PASSENGER TRANSPORTATION JSC

Passenger Transportation JSC carries out railway transportation of passengers, postal items, baggage and cargo baggage in inter-district, interregional and international traffic.

By Resolution of the Government of the Republic of Kazakhstan dated 25 December 2004, Passenger Transportation JSC was granted the status of National Carrier for the transportation of passengers, baggage, cargo baggage and postal items.

BUSINESS UNIT OVERVIEW

YEAR OF ESTABLISHMENT

1998

OWNERSHIP BY KTZ NC JSC

100 %

RESOURCES

HEADCOUNT

10.4 thousand employees

ROLLING STOCK

2.2 thousand passenger cars

REGIONAL BRANCHES

Western, Northern, Southern, Express, and Suburban Transportation branch of Passenger Transportation JSC, Sunkar

BUSINESS OPERATIONS

CONSUMER SEGMENTS:

- Passengers;
- Baggage and cargo-baggage consignors;
- Entities receiving transport services.

VALUE PROPOSITION:

Provision of high-quality and safe railway transportation services for passengers, baggage, cargo-baggage, and postal items on international, interregional, interdistrict, domestic, and suburban routes.

CORE ACTIVITIES:

- Passenger railway transportation;
- Transportation of baggage, cargo baggage and postal items.

Table 5. **Key Performance Indicators**

Indicator	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Revenue, KZT billion	137.5	150.4	174.8	9.4	16.2
Operating profit, KZT billion	–4.8	–11.5	0.2	–139.6	
EBITDA, KZT billion	6.5	3.7	15.4	–43.1	4.2-fold increase
Passenger turnover, billion passenger-kilometres	11.8	11.7	11.4	–0.8	–2.7
Passengers transported, million passengers	13.7	13.8	13.3	0.7	–3.6
Number of employees, persons, including:	10,504	10,358	10,402	–1.4	0.4
Proportion of women, %	33	32	31	–3.0	–3.1
Administrative and managerial staff, persons	590	584	542	–1.0	–7.2
Operational staff, persons	9,914	9,774	9,860	–1.4	0.9
Social stability index, %	61	64	66	4.9	3.1
Air emissions, tonnes	450.6	425.0	421.15	–5.7	–0.9
Waste generated, thousand tonnes	9.2	9.1	11.5	–1.1	26.4

In 2025, Passenger Transportation JSC generated revenue in the amount of KZT 174.8 billion, representing growth of 16.2% compared to the actual figure for 2024.

The increase in operating profit by KZT 11.7 billion compared to the 2024 level, as well as the increase in EBITDA by KZT 11.7 billion, was driven by the following factors:

- tariff increases of 19.9% effective from 1 October 2024 and 7% effective from 1 March 2025;
- salary increases of 7% and the increase in the minimum wage to KZT 85,000;
- increases in mandatory employer pension contributions;
- growth in expenses for maintenance of Talgo trains due to higher service costs and changes in the EUR exchange rate.

KTZ EXPRESS JSC

KTZ Express JSC provides a full range of transport and logistics services across all modes of transport, integrating rail, maritime and road freight using port infrastructure, as well as a network of warehouses and terminals. The Company delivers Less than Container Load (LCL) services, shuttle train shipments, and temperature-sensitive cargo transport services.

BUSINESS UNIT OVERVIEW

YEAR OF ESTABLISHMENT

2013

OWNERSHIP BY KTZ NC JSC

100%

RESOURCES

HEADCOUNT

1 thousand employees

ROLLING STOCK

4.3 thousand units of 20-foot and 45-foot containers

7.3 thousand fitting platforms

REGIONAL BRANCHES

5 regional branches

5 international representative offices

Moscow (Russia)
Berlin (Germany)
Xi'an (China)
Shenzhen (China)
Budapest (Hungary)

BUSINESS OPERATIONS

CONSUMER SEGMENTS:

- Freight forwarders;
- Consignors.

VALUE PROPOSITION:

Comprehensive customer service with value-added solutions, including customs clearance, cargo transhipment, and integrated service delivery via a Single Window system.

CORE ACTIVITIES:

- Provision of freight forwarding services;
- Logistics operations;
- Transportation of oversized, heavy and hazardous cargo;
- Management of transport and logistics infrastructure facilities;
- Digital support for freight transport;
- Customs clearance, insurance, all-risk guarantees, cargo escorting, safeguarding, and certification.

Table 6. **Key Performance Indicators**

Indicator	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Revenue, KZT billion	61.6	84.7[13]	95.8	37.5	13.1
Operating profit, KZT billion	45.9	37.6[13]	35.3	–18.1	–6.1
EBITDA, KZT billion	43.8	45.1[13]	45.8	3.0	1.6
Container forwarding, thousand TEUs	752.9	750.0[13]	707.6	–0.4	–5.7
Rail freight forwarding, thousand tonnes	1,875	4,193	6,567	123.6	56.6
Number of employees, persons, including:	963	1,021	1,051	6.0	2.9
Proportion of women, %	35	36	36	2.9	0.0
Administrative and managerial staff, persons	212	208	199	–1.9	–4.3
Operational staff, persons	751	813	852	8.3	4.8
Social stability index, %	74	86	89	16.2	3.5
Waste generated, tonnes	377.2	447.96	469.6	18.8	4.8
Air emissions from stationary sources, tonnes	8.1	10.4	9.8	28.4	–5.8

[13] The 2024 data, compared to those indicated in the Integrated Annual Report of KTZ NC JSC for 2024, were adjusted in connection with the approval of the consolidated financial statements of KTZ Express JSC for the year ended 31 December 2024. The financial statements were approved by the decision of the Management Board of KTZ NC JSC dated 25.08.2025 (Minutes No. 02/24).

In 2025, the revenue of KTZ Express JSC reached KZT 95.8 billion, which is 13.1% higher than the 2024 level. Revenue growth was driven by increased revenue from multimodal transportation, as well as from the operation of fitting platforms.

The decrease in the volume of container transportation forwarding by 5.7% in the reporting year compared to 2024 was associated with a reduction in transportation volumes along the China-EU-PRC, China-Russia, China-Belarus-China and TITR routes.

The growth in railway transportation forwarding volumes was driven by increased coal transportation volumes in domestic traffic along the Ekibastuz II – Ekibastuz – Severny / Ekibastuz – Severny II route.

KAZTEMIRTRANS JSC

Kaztemirtrans JSC is the largest operator of the country's freight car fleet. The Company provides freight cars for operational use, leases out specialised rolling stock, and engages in the storage and sale of scrap metal.

The majority of cargo transported in Kaztemirtrans cars comprises bulk commodities such as coal, grain, flour and milled products, ore, mineral fertilisers, and cement.

BUSINESS UNIT OVERVIEW

YEAR OF ESTABLISHMENT

2003

OWNERSHIP BY KTZ NC JSC

100 %

RESOURCES

HEADCOUNT

0.9 thousand employees

ROLLING STOCK

39.7 thousand freight cars

REGIONAL BRANCHES

10 regional branches

INFRASTRUCTURE

Saryozek operation base

BUSINESS OPERATIONS

CONSUMER SEGMENTS:

The core customer segment consists of bulk cargo owners (coal, grain, flour and milled products, ore, mineral fertilisers, and cement).

VALUE PROPOSITION:

Delivery of high-quality freight transportation services.

CORE ACTIVITIES:

- Provision of freight car operating services;
- Leasing of rolling stock under property lease arrangements;
- Storage and sale of scrap metal;
- Leasing and management of proprietary real estate.

Table 7. **Key Performance Indicators**

Indicator	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Revenue, KZT billion	183.1	220.3	207.6	20.3	–5.8
Operating profit, KZT billion	66.2	96.2	66.9	45.3	–30.5
EBITDA, KZT billion	93.2	125.1	99.5	34.2	–20.5
Car productivity, dispatches per million	0.701	0.691	0.920	–1.4	33.1
Number of employees, persons, including:	1,338	1,490	958	11.4	–35.7
Proportion of women, %	60	36.6	48	–38.9	31.1
Administrative and managerial staff, persons	315	324	295	2.9	–9.0
Operational staff, persons	1,023	1,166	663	14.0	–43.1
Social stability index, %	77	79	85	2.6	7.6

In 2025, the revenue of Kaztemirtrans JSC amounted to KZT 207.6 billion, which is 5.8% lower than the 2024 level. The decrease in revenue was due to lower income from operations and leasing activities.

Operating profit amounted to KZT 66.9 billion, which is 30.5% lower than the 2024 indicator. The main reason was the deterioration in performance indicators for the core business activities – operation and leasing of freight cars.

KEDENTRANSSERVICE JSC

Kedentransservice JSC is a leading logistics terminal operator in the Republic of Kazakhstan. The Company possesses assets and expertise in cargo terminal handling and provides transshipment services for imports from China at Dostyk and Altynkol border stations.

BUSINESS UNIT OVERVIEW

YEAR OF ESTABLISHMENT

1997

OWNERSHIP BY KTZ NC JSC

100 %

RESOURCES

HEADCOUNT

1.6 employees

REGIONAL BRANCHES

11 regional branches

BUSINESS OPERATIONS

CONSUMER SEGMENTS:

- Consignors;
- Consignees;
- Freight forwarders.

VALUE PROPOSITION:

Provision of high-quality terminal cargo handling services, transshipment at the Dostyk and Altynkol border stations, and container transportation services along various routes.

CORE ACTIVITIES:

- Transshipment services (at Dostyk and Altynkol stations);
- Terminal services;
- Container transport services.

Table 8. **Key Performance Indicators**

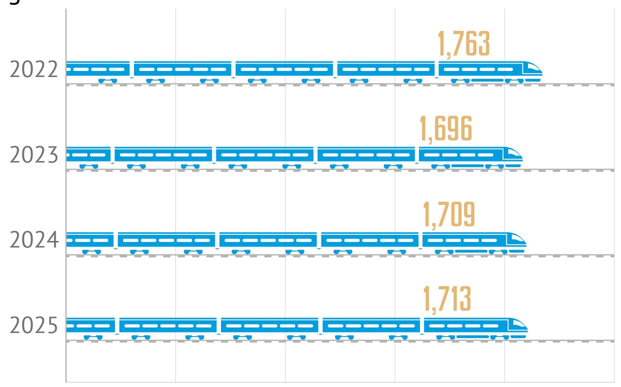
Indicator	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Revenue, KZT billion	45.3	31.5	62.9	−30.5	99.7
Operating profit, KZT billion	10.7	8.1	33.1	−24.3	308.6
EBITDA, KZT billion	15.1	10.6	34.9	−29.8	229.2
Freight transported, thousand TEUs	546	521	791	−5	51.8
Number of employees, persons, including:	1,725	1,640	1,638	−4.9	−0.1
Proportion of women, %	19	20	20	5.3	0.0
Administrative and managerial staff, persons	505	443	293	−12.3	−33.9
Operational staff, persons	1,220	1,197	1,345	−1.9	12.4
Social stability index, %	67	74	74	10.4	0.0
Waste generated, thousand tonnes	3.8	3.7	1.4	−2.6	−62.2

In 2025, the revenue of Kedentransservice JSC increased by 99.7% compared to 2024. The main growth factor was the increase in cargo transshipment and freight forwarding volumes due to additional attraction of cargo flows.

The growth of EBITDA by 229.2% compared to 2024 was driven by increased freight forwarding volumes, as well as the completion of the reconstruction of the container yard at Dostyk station. As a result of the reconstruction, the track length of the container yard now allows for the acceptance and handling of a full-length container train during transshipment operations.

IMPROVING OPERATIONAL EFFICIENCY

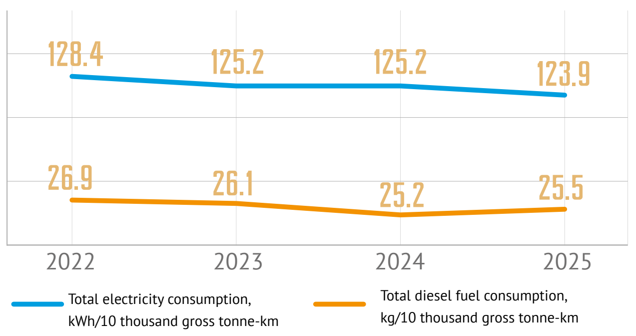
Average Daily Locomotive Productivity, thousand gross tonne-kilometres



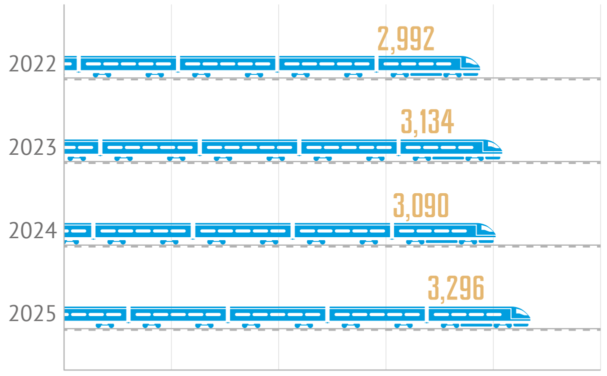
In 2025, average daily locomotive productivity increased by 0.2% compared to the 2024 level, which was driven by:

- an increase in the average daily locomotive mileage;
- measures aimed at reducing infrastructure congestion and regulating the car fleet, which contributed positively to higher section and technical train speeds.

Trend in Specific Consumption of Diesel Fuel and Electricity for Train Traction



Total diesel fuel consumption, kg/10 thousand gross tonne-km



By the end of 2025, specific consumption amounted to: 25.5 kg of diesel fuel for diesel traction and 123.9 kWh per unit of work for electric traction. At the same time, in diesel traction, the indicator increased by 1.2% compared to the previous year.

The increase was mainly due to operational factors: a slight decrease in the section speed of freight trains, increased fuel consumption during maintenance operations, expansion of the shunting diesel locomotive fleet, growth in empty mileage of freight cars, non-productive fuel losses during train operations, as well as locomotive idle time on station tracks.

Increased labor productivity is associated with increased cargo turnover.

INVESTMENT ACTIVITIES

GRI 203-1

KTZ NC JSC's investment activities are focused on implementing a range of initiatives aimed at ensuring the sustainable operation of railway transport, as well as improving the quality and safety of transportation services.

In 2025, investments amounting to KZT 1,3 trillions were allocated to the development of railway infrastructure and renewal of rolling stock, through which:

- second tracks along the Dostyk-Moiynty section were commissioned for permanent operation;
- construction continued on the bypass railway line around the Almaty station hub and the Darbaza-State Border with Uzbekistan railway line;
- work is underway to complete the construction of second tracks between Dostyk and Alashankou border stations;
- modernisation of the Altynkol – Zhetygen railway section and construction of the Moiynty – Kyzylzhar and Bakhty – Ayagoz railway lines were launched;
- construction of automatic block signalling systems was launched on five sections (Shalkar – Beyneu, Kyzylzhar – Saksaulskaya, Kandyagash – Tobol, Aksu-1 – Degelen – Zhana-Semey, Nickeltau – Alimbet);
- modernisation and repair of the upper track structure were completed on 513 km of railway track;
- 149 locomotives were purchased;
- 2,323 freight cars were purchased and capital repairs were carried out on 3,621 freight cars;
- 161 passenger cars were purchased;
- measures aimed at renewal and rehabilitation of railway infrastructure, development of transport logistics and enhancement of train traffic safety levels were implemented.

Table 9. **Investment in External Social Programmes in the Reporting Year, KZT million**

	Amount, KZT million
Construction of second tracks along the Dostyk-Moiynty section	223,519
Construction of the Moiynty-Kyzylzhar railway line	20,434
Modernisation of the Altynkol-Zhetygen railway section	20,047
Construction of the Bakhty-Ayagoz railway tracks	1,539
Construction of automatic block signalling systems	27,694
Reconstruction of the railway access track (narrow and broad gauge) and open at transshipment points No. 4 and No. 4A at Dostyk station	429
Construction of second tracks between Dostyk and Alashankou border stations with 1,520 mm and 1,435 mm gauge tracks	27,152
Construction of the bypass railway line around the Almaty station hub	51,221
Construction of the Darbaza-State Border with Uzbekistan railway line	59,940
Construction of ten marshalling railway tracks and a current uncoupling repair base within the Dry Port territory	1,470
Purchase of fitting platforms	40,064
Total	**473,509**

In 2025, the implementation of the above investment projects contributed to a number of positive outcomes for communities and the economy, including: increased throughput capacity, enhanced transport potential, development of cross-border trade and economic relations, improved socio-economic conditions in the regions, and the overall development of transport infrastructure and passenger service levels.

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

The Capital Expenditure Plan of the KTZ NC JSC Group for 2026 includes the following measures:

- completion of the construction of the bypass railway line around the Almaty station hub, the Darbaza-State Border with Uzbekistan railway line, modernisation of the Altynkol – Zhetygen railway section, and construction of automatic block signalling systems on railway sections;
- continuation of the construction of the Moiynty – Kyzylzhar and Bakhty – Ayagoz railway lines;
- implementation of measures aimed at ensuring uninterrupted current operations and improving train traffic safety levels, including capital repairs of the upper track structure, renewal of the locomotive fleet, as well as freight and passenger car fleets, and implementation of other projects for the renewal and rehabilitation of railway infrastructure, development of transport logistics and further enhancement of train traffic safety levels.

INFRASTRUCTURE PROJECTS

In accordance with the Address of the Head of State to the People of Kazakhstan dated 1 September 2023, "The Economic Course of a Fair Kazakhstan", and the Action Plan for the implementation of the election programme of the President of the Republic of Kazakhstan "A Fair Kazakhstan – for Everyone and for Each Individual. Now and Forever", approved by the Decree of the President of the Republic of Kazakhstan dated 26 November 2022, the transport and logistics sector is expected to become one of the drivers of the country's development.

In order to strengthen the country's transit potential and create a new infrastructure framework for the transport system, a number of major railway projects were launched, including the construction of the Dostyk-Moiynty and Darbaza-Maktaaral railway sections, the Almaty bypass railway line, as well as the construction of an international container hub at the Port of Aktau.

The implementation of these projects will constitute a significant step towards strengthening the country's export capabilities and will expand transport opportunities for Kazakhstan exporters.

On 30 September 2025, the Head of State of the Republic of Kazakhstan officially launched the second railway line of the Dostyk-Moiynty section with a total length of 836 km.

The purpose of this project is to increase the throughput capacity of this section and stimulate Kazakhstan's transit potential.

In addition, in December 2025, construction of the first stage of the international container hub at the Port of Aktau was completed.

Construction is currently underway on the following infrastructure projects launched in 2024–2025:

- construction of the Almaty bypass railway line, with completion scheduled for 2026;
- construction of the Darbaza-Maktaaral railway line, with completion scheduled for 2026;
- construction of the Bakhty third railway crossing on the Kazakhstan-China border with access to the existing Semey-Aktogay railway section (the "Construction of the Bakhty-Ayagoz Railway Line" project);
- construction of the new Moiynty-Kyzylzhar railway line (pursuant to the instruction of the Head of State of the Republic of Kazakhstan issued at the expanded meeting of the Government of the Republic of Kazakhstan on 28 January 2025);
- modernisation of the Altynkol-Zhetygen railway section into a double-track railway line (pursuant to the instruction of the Head of State of the Republic of Kazakhstan issued at the expanded meeting of the Government of the Republic of Kazakhstan on 28 January 2025);
- construction of automatic block signalling systems on the Kyzylzhar-Saksaulskaya, Aksu 1-Degelen-Zhana Semey, Kandyagash-Tobol, Nickeltau-Alimbet and Shalkar-Beyneu sections. The purpose of these projects is to increase the throughput capacity of the sections and enhance the country's transit and transport potential.

GOAL 3. IMPROVING CUSTOMER SATISFACTION

One of the Company's strategic goals is to ensure a high level of customer satisfaction with the quality of freight and passenger transport services, as well as transport and logistics services.

CUSTOMER SATISFACTION

Regular assessments of customer satisfaction enable the identification of strengths and weaknesses in customer relations and facilitate timely decisions on further development initiatives across the Company's subsidiaries. These initiatives aim to improve customer satisfaction and loyalty.

Customer surveys are conducted via questionnaires available on the corporate websites of the Company's subsidiaries.

Customer Satisfaction Level, 2022-2025, %

PASSENGER TRANSPORTATION SERVICES

In 2025, Passenger Transportation JSC implemented a range of measures aimed at increasing transport accessibility, stimulating demand and strengthening the positive image of railway transportation.

As part of the development of loyalty programmes and social support for passengers, more than 1.5 thousand discount cards (Altyn, Kumis, Zhastar, Altyn-ai) targeted at various socio-demographic population groups were introduced.

To promote domestic and international tourism, image-building and product projects were implemented. In particular, the launch of the international tourist train Jibek Joly on the Almaty – Turkestan – Tashkent route, as well as a thematically decorated Astana – Borovoe Resort electric train with musical accompaniment, creating additional travel value for passengers.

During the reporting period, a flexible tariff policy was implemented using reduction coefficients depending on the type of rolling stock, travel period and level of demand, including:

- discounts ranging from 7% to 20% for compartment cars without air-conditioning systems;
- discounts of up to 30% in the commercial transportation segment;
- discounts of up to 45% for compartment and seated cars of Talgo trains on low-occupancy routes.

In addition, themed decoration of cars was organised for state and national holidays, including International Women's Day, Nauryz, Victory Day and other significant dates.

Tariff Policy

From 1 March 2025, in coordination with the Ministry of Transport of the Republic of Kazakhstan and in accordance with the terms of agreements on long-term subsidisation of the carrier's expenses on socially significant routes, work was carried out to increase tariffs by 7%.

In accordance with Order No. 306 of the Acting Minister of Transport of the Republic of Kazakhstan dated 22 September 2025 "On Amendments and Supplements to Order No. 545 of the Minister for Investment and Development of the Republic of Kazakhstan dated 30 April 2015 'On Approval of the Rules for the Transportation of Passengers, Baggage, Cargo Baggage and Postal Items by Railway Transport'" (hereinafter referred to as the Order), from 6 October 2025 fees were introduced for:

- organisation of the sale of travel documents (tickets) – 0.06 MCI;
- processing of travel document refunds – 0.1 MCI.

E-ticketing System

In 2025, KTZ NC JSC carried out work to integrate the railway ticket sales system with the service of the Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan. As a result, persons with disabilities were provided with the opportunity to purchase tickets using their Individual Identification Number (IIN).

Since August 2025, online ticket sales for all standard seats for persons with disabilities and their accompanying persons have been made available through the Company's official website – www.bilet.railways.kz.

In 2025, 577 thousand tickets were issued to persons with disabilities and their accompanying persons, which is 8.3% higher compared to the previous year, including:

- 433 thousand tickets issued online;
- 144 thousand tickets issued through ticket offices (including 36 thousand tickets for specialised seats).

Overall, based on the results of 2025, the share of online ticket sales reached 85%, exceeding both the established target indicator (83%) and the 2024 indicator (80%).

Table 10. **Share of Online Ticket Sales, 2022–2025**

	2022	2023	2024	2025 Target	2025 Actual
Share of online sales, %	72	77	80	83	85

At the same time, the share of revenue from online sales amounted to 23%.

"Waiting List" Electronic Queue Service

To improve the accessibility of railway transportation and provide passengers with an additional opportunity to purchase tickets when no seats are available for open sale, KTZ NC JSC implemented the "Waiting List" electronic queue service.

In the absence of tickets available for open sale, passengers may use the "Waiting List" electronic queue service no earlier than 7 days and no later than 4 hours before train departure. Registration is available both at ticket offices and on the Company's website – www.bilet.railways.kz.

In 2025, out of 476 thousand tickets offered, 171 thousand tickets were purchased. In total, since the introduction of the "Waiting List" electronic queue, 2,345 thousand tickets have been offered, of which 844 thousand tickets have been purchased.

"Women's Cars" Service

To improve the quality of passenger service, trains with women's cars have been introduced since 2021. Within the framework of the service, one compartment car in the "Women's Car" category has been allocated on 12 passenger train routes operated by Passenger Transportation JSC.

Since the introduction of the service, it has been used by 791 thousand passengers.

Rolling Stock Renewal

In 2025, Passenger Transportation JSC received 161 new passenger cars manufactured by ZIKSTO JSC, including 149 standard cars and 12 units of multiple-unit rolling stock.

The renewal of the rolling stock fleet contributed to improving the quality of services provided and creating more comfortable conditions for passengers.

Service Improvement

To improve service quality and ensure prompt feedback from passengers, a QR code linked to the WhatsApp messenger was introduced, enabling passengers to quickly submit enquiries and receive receive advice on issues arising during travel.

In 2025, more than 9,400 enquiries were processed, including:

- more than 6,400 expressions of gratitude for the services provided;
- more than 2,300 enquiries regarding lost property (approximately 90% of items were returned).

Additionally, during the summer period, the standards for the provision of sanitary and hygiene products were increased by 20%. To strengthen control over the sanitary condition of cars, ultraviolet flashlights were introduced, allowing more thorough inspections of cleaning quality and surface cleanliness.

Furthermore, during the reporting year, a pilot project was launched to provide internet access on trains using modern satellite technologies.

Passenger Transportation JSC completed the implementation of a video surveillance system on 24 Talgo train sets – a total of 1,350 cameras were installed, ensuring round-the-clock monitoring of the situation on trains and enhancing transport security.

A new digital service, the Online Train Movement Board, was also introduced, enabling passengers to receive real-time information on train movements, arrivals and departures.

During the reporting period, no passenger fatalities attributable to KTZ NC JSC were recorded.

FREIGHT TRANSPORTATION SERVICES

KTZ-FREIGHT TRANSPORTATION LLP

In 2025, KTZ-Freight Transportation LLP carried out activities aimed at improving service quality and customer satisfaction levels. The implementation of infrastructure projects continued in order to increase the capacity of the railway network and reduce cargo delivery times.

In addition, tariff regulation measures were applied to support customers, reduction coefficients were introduced for tariffs on certain types of cargo, and customer interaction processes were further improved.

It should also be noted that KTZ-Freight Transportation LLP participated in the 28th Kazakhstan International Transport and Logistics Exhibition – TransLogistica Kazakhstan 2025, during which business negotiations were held with freight shippers of the country. Particular attention was paid to obtaining feedback, including assessment of satisfaction with the quality of services provided.

KAZTEMIRTRANS JSC

In 2025, in order to improve customer satisfaction, a more flexible tariff rate compared to 2023 was introduced, making it possible to establish more competitive and adaptive terms of cooperation. Improvements were implemented in the contract execution process within the Kaztemirtrans JSC Personal Account using electronic digital signatures, ensuring faster and simplified processing. The number of revenue-generating service agreements with customers was also increased, contributing to enhanced support quality and service standards.

During the reporting year, in accordance with the agreement with the Industrial Development Fund JSC, 1,069 gondola cars were accepted.

As part of the second stage of the "Customer Interaction" component of the Unified Operation Management Platform of Kaztemirtrans JSC, the full commercial activity cycle was digitalised. The following functionalities were implemented: establishment of a unified counterparty register, contract management, tariff calculation, preparation of commercial proposals, as well as automated generation of invoices, acts and settlement statements, etc.

As a result of implementation, the transition from fragmented processes to a unified digital environment has been ensured, the volume of manual data entry has been reduced, transparency of settlements with customers has been enhanced, and a single source of reliable data has been established.

Work on system integration and further platform development is ongoing; the full effect of digitalisation is expected following completion of all implementation stages.

TRANSPORT AND LOGISTICS SERVICES

KTZ EXPRESS JSC

To improve the quality and comprehensiveness of logistics services, expand geographical presence and increase operational efficiency, during the reporting period a set of systemic measures aimed at developing international services and optimising logistics chains was implemented, including:

- completion of the construction of the first stage of the container hub at the Port of Aktau, which was commissioned for pilot industrial operation on 25 December 2025;
- establishment of the national air cargo carrier KTZ Air Cargo JSC (registered on 28 October 2025) and operation of the first three commercial flights on the Urumqi – Almaty, Seoul – Tashkent – Atyrau routes, as well as by its subsidiary in China on the Shenzhen – Hong Kong – Istanbul – Almaty route;
- commencement of commercial activities of the joint venture with AD Ports Group – GulfLink Ltd. Private Company (operational activities commenced on 31 March 2025);
- completion of construction and commissioning of 10 marshalling tracks at the Dry Port, which increased transshipment capacity to 800 thousand TEUs per year;
- continuation of work on the establishment of a terminal network along the "East-West" corridor, including implementation of terminal projects at Selyatino station (Moscow Region), Svisloch station (Republic of Belarus), the Budapest agglomeration (Hungary), as well as a project at the Port of Midia (Romania);
- expansion of the agency network in Chengdu, Xi'an, Yiwu, Chongqing and Budapest.

Parallel to the development of infrastructure and corporate projects, in 2025 the launch and scaling-up of new international transport and logistics services were ensured, including:

- launch of the first international railway route China – Afghanistan (jointly with CRCT) along the China – Kazakhstan – Uzbekistan – Afghanistan corridor crossing the Khorgos ICBC with a transit time of 12-15 days;
- implementation of a multimodal export shipment from Kazakhstan to the United States along the Almaty – Aktau – Alyat – Poti – Houston route with provision of a full range of logistics services;
- launch of a new container service Chengdu – Lodz via Kazakhstan, Turkmenistan, Iran and Turkey;
- organisation of regular container shipments of export products to the ports of Jebel Ali (UAE) and Nhava Sheva (India);
- launch of an export route for Kazakh wheat to the UAE via Turkmenistan and Iran with transshipment at the Port of Bandar Abbas and delivery to the Port of Jebel Ali;
- organisation of an international door-to-door service along the Kazakhstan – Belgium route, in which KTZ Express JSC acts as a single logistics operator, ensuring the full transportation cycle from first mile to last mile;
- organisation of regular multimodal transportation along the Turkey – Kazakhstan route with a transit time of 20-25 days;
- launch of a transportation service using postal-baggage cars on passenger trains aimed at meeting growing e-commerce demand and ensuring accelerated delivery of oversized cargo through the use of passenger train schedules.

GOAL 4. ACCELERATING DIGITALISATION

Digitalisation is a strategic focus area for KTZ NC JSC, aimed at increasing operational efficiency and optimising processes through the implementation of modern IT solutions.

In 2025, KTZ NC JSC continued to implement digital transformation measures aimed at developing the corporate IT landscape, improving asset management, increasing transparency of logistics processes, as well as ensuring technological sustainability and further development of the Company's digital infrastructure.

Key tasks completed in 2025:

Digital Trade Corridor: Together with PSA/Global DTC Kazakhstan Ltd, a digital corridor was created and implemented on the Tez Customs platform along the CAREC, TITR and UTLC routes.

As a result of the implementation, automation of the customs transit clearance process at the Kazakhstan-China border was ensured, the processing and release time for transit declarations was reduced to 30 minutes from the moment of cargo arrival, the impact of the human factor and manual control was minimised, and paper document circulation was eliminated.

Single Digital Window (SDW) Project: The SDW was designed to streamline the ordering of transport and logistics services, consolidate the commercial functions of subsidiaries of KTZ NC JSC and establish a unified digital environment for customers.

The SDW provides centralised access to a wide range of the Company's services, including multimodal transportation, freight forwarding services, container and car operations, etc. As part of the project, the systems of KTZ Express JSC, Kedentransservice JSC, Kaztemirtrans JSC and KTZE Commerce, Branch of KTZ Express JSC, were integrated.

In 2024, the Single Contact Centre was launched, providing advisory support on services offered by KTZ NC JSC's subsidiaries.

During 2024–2025, the SDW framework was established and expanded, incorporating key commercial services of the KTZ NC JSC Group, including transportation, forwarding, terminal, customs and information services, as well as cargo transshipment, issuance of junction connections, transit and siding track services.

The project also contributes to the development of the corporate IT landscape, increasing the integration of information systems and improving the architectural approach to digitalization of the transportation process.

Implementation of the KTZ Cargo Reporting Automated System: The KTZ Cargo Reporting automated system is being developed as a modern platform to replace the outdated Unified Integrated Data Processing System. The objective of the project is to centralise and automate statistical and financial reporting, as well as integration with the production systems of KTZ NC JSC.

The system ensures transparency of reporting generation algorithms and independent management of reference and master data.

Industrial operation and connection to the production environment are planned for 2026.

The implementation of the project also contributes to increasing the transparency of international logistics operations and the development of digital interaction between participants in the transportation process.

Trip Optimizer Project: Together with Wabtec, work is underway to implement the intelligent Trip Optimizer system, which aims to ensure the implementation of adaptive cruise control for locomotives by controlling train speed based on an optimal fuel consumption model, including taking into account parameters such as route, route profile, train composition, etc. The Integrated Operational Data System has been developed and integrated with the existing transportation management system, E-Telegram system and the Wabtec server through a B2B channel. The project is scheduled for completion in 2026.

Expected effects from the implementation of the Trip Optimizer Project:
- optimal train handling and improvement of locomotive crew working conditions;
- reduction in fuel consumption by up to 5%;
- reduction in harmful emissions by 3-17%.

Digital Frames Project: in November 2024, KTZ NC JSC signed an agreement with Wabtec under the KinetiX system for supply, installation and integration with a two-year service agreement.

Construction and installation work for the installation of KinetiX digital system modules were completed on the Astana-Sorokovaya railway section, and machine learning of the system was launched for comprehensive technical diagnostics of rolling stock.

During the reporting year, in accordance with the schedules for the development of design and estimate documentation and execution of work, implementation commenced for the "Construction of a Rolling Stock Accounting and Control System (Supporting Structure)" project.

Expected effects from the KinetiX system:
- increase in maintenance intervals for technical inspection of cars by more than two times;
- elimination of the human factor;
- significant reduction in the risk of car derailments due to technical condition;
- increase in train throughput capacity at stations.

Under the Digital Frames project, a contract was concluded for the construction of 134 frames, and pre-project and preparatory works are currently underway.

Expected effects from the implementation of the Digital Frames project:
- online transfer of rolling stock information to information systems;
- creation of a data lake of operational information for train traffic management using AI technologies.

Pangu Model Artificial Intelligence Project: As part of the project implementation, pilot activities were carried out for the application of AI technology: corporate procedures were initiated in accordance with internal regulations, including budget planning and procurement processes.

The further implementation of AI initiatives will be carried out in cooperation with BTS Digital LLP as part of the execution of Resolution No. 370 dated 26 May 2025 of the Government of the Republic of Kazakhstan "On the Development and Implementation of Proprietary Software Solutions Based on Artificial Intelligence for Internal and External Corporate Business Processes (excluding GPU infrastructure)".

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

03

SUSTAINABILITY REPORT

GOAL 5. INTEGRATING ESG PRINCIPLES

SUSTAINABLE DEVELOPMENT MANAGEMENT

The key concept of the Company's sustainable development lies in achieving strategic goals in the long term while taking into account the interests of all major stakeholders. The Company's approach to sustainable development covers all areas of its activities and integrates economic, social and environmental aspects, fully aligning with the Company's corporate values and business principles.

The Company places particular emphasis on reducing negative environmental impact, improving energy efficiency, ensuring safe working conditions, developing human capital and improving the corporate governance system.

The Company recognises its responsibility in ensuring sustainable economic growth and is committed to maintaining a balance between economic development, social stability, and environmental stewardship.

Sustainable Development as an Integral Part of KTZ NC JSC Development Strategy through to 2032

Sustainable development is regarded by the Company as an integral part of the strategic management system.

Accordingly, the implementation of ESG principles (environmental, social and corporate governance aspects) is one of the key areas of KTZ NC JSC Development Strategy through to 2032.

To implement the ESG agenda, KTZ NC JSC has defined three strategic initiatives:

- Promoting social stability and developing human capital;
- Environmental sustainability;
- Enhancing corporate governance.

For each initiative, specific actions have been developed and Strategic Key Performance Indicators (KPIs) established to monitor progress towards achieving the set goals.

GRI 2-12, 2-16, 403-4

Sustainability issues are addressed at all hierarchical levels of the Company – from the Board of Directors to each individual employee.

The Board of Directors plays a key role in setting the strategic direction of the Company in the area of sustainable development by defining its strategic goals and targets, and ensuring their integration into the Company's overall development strategy.

The Board of Directors approves the relevant policies and reports, key performance indicators for the members of the Management Board and monitors their implementation.

The Board of Directors of KTZ NC JSC approved the Sustainable Development Policy of KTZ NC JSC[14] which serves as the Company's fundamental document for improving the sustainable development governance system.

The Policy defines the Company's goals and principles in the field of sustainable development, establishes mechanisms for achieving these goals and integrating sustainable development principles, and sets out the creation of an effective stakeholder engagement management system.

The Policy is available on the Company's corporate website via the following link: see the Sustainable Development Policy of KTZ NC JSC.

Committees operating under the Board of Directors ensure detailed consideration of sustainable development issues prior to meetings of the Board of Directors.

As a monitoring mechanism for the achievement of sustainable development goals, the Company conducts an annual evaluation of its performance in this area. The evaluation focuses on three core aspects of sustainable development – economic, environmental and social. The results are submitted to the Health, Safety and Environment Committee, which develops proposals and recommendations for improving performance in these areas.

Within the executive body, the Company has implemented a clearly defined system of roles and responsibilities, including those related to sustainable development:

The Chairman of the Management Board exercises overall management of the activities of KTZ NC JSC in defining strategic priority areas of activity and setting strategic goals and objectives, improving risk management, internal control and business continuity systems, as well as determining the concept and strategy of HR policy.

The Managing Director for Strategy coordinates the development, monitoring and implementation of the Company's Development Strategy, the development of motivational key performance indicators for senior executives and management personnel, as well as issues relating to the implementation of sustainable development principles.

The Chief Engineer oversees the improvement of occupational health and safety management systems, fire and industrial safety, as well as environmental and energy management matters. His responsibilities include the development and implementation of low-carbon development, energy saving and energy efficiency programmes. His responsibilities include the development and implementation of low-carbon development, energy saving and energy efficiency programmes, etc.

The Chief of Staff is responsible for HR policy, improvement of remuneration systems, labour motivation and employee performance assessment, establishment of a unified corporate culture, and implementation of social policy and programmes. The Chief of Staff ensures implementation of measures aimed at improving social and labour relations, social stability, organisation of professional training and staff development, etc.

[14] Approved by the decision of the Board of Directors of KTZ NC JSC dated 24 May 2021 (Minutes No. 8).

INTEGRATION OF THE ESG AGENDA INTO KTZ NC JSC LONG-TERM DEVELOPMENT STRATEGY THROUGH TO 2032

E — ENVIRONMENTAL

Strategic Initiatives

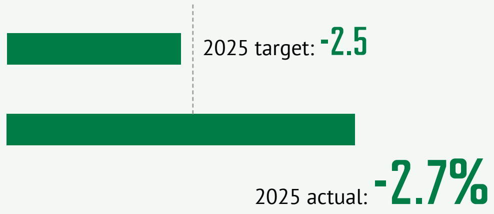
Environmental Sustainability

Implementation Areas

Transition to low-carbon technologies and effective carbon footprint management

Strategic KPIs

Reducing carbon footprint



Carbon Footprint, %			
2024 actual	2025 actual	2025 target	2032 target
-6	-2.7	-2.5	>-3.5

S — SOCIAL

Strategic Initiatives

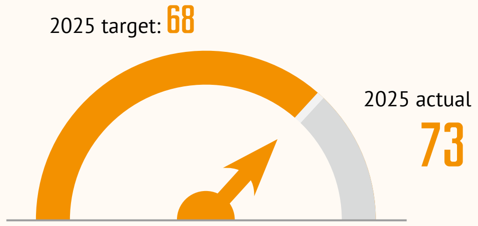
Promoting Social Stability and Developing Human Capital

Implementation Areas

Developing human capital development, improving gender equality and creating a favourable working environment

Strategic KPIs

Increasing social stability index



Social stability index			
2024 actual	2025 actual	2025 target	2032 target
69	73	68	75

G — GOVERNANCE

Strategic Initiatives

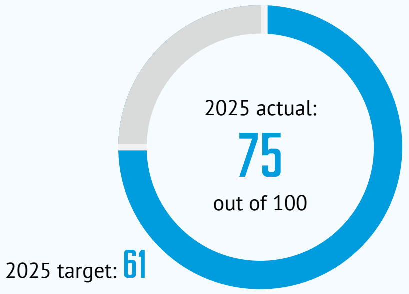
Enhancing Corporate Governance

Implementation Areas

Improving transparency, compliance and risk management system

Strategic KPIs

Improving ESG rating



ESG rating			
2024 actual	2025 actual	2025 target	2032 target
60	75	61	68

SUSTAINABLE DEVELOPMENT MANAGEMENT STRUCTURE

GRI 2-9, 2-12, 2-13

BOARD OF DIRECTORS

- Ensures strategic leadership in sustainability activities;
- Approves the Sustainability Report.

Internal Control and Dispute Resolution

Internal Audit Service

Corporate Ombudsman

COMMITTEES OF THE BOARD OF DIRECTORS

Strategy and Finance Committee
- Reviews and monitors the implementation of the Development Strategy and Plan Provides recommendations on investment strategy and financial stability of KTZ NC JSC.

Audit Committee
- Oversees the development of the corporate governance system Ensures the quality and reliability of financial reporting Monitors risk management, internal control and external audit systems.

Nomination and Remuneration Committee
- Reviews issues related to HR policy, appointments, performance evaluation and remuneration Oversees corporate social responsibility matters.

HSE Committee
- Addresses issues related to occupational health and safety, environmental protection and traffic safety.

MANAGEMENT BOARD

- Implements and integrates sustainability principles into business operations;
- Monitors sustainability activities.

MANAGING DIRECTOR FOR STRATEGY

Oversees the preparation of:
- Integrated Annual Report
- Sustainability KPIs
- ESG rating acquisition.

STRUCTURAL DIVISIONS

Develop and implement sustainability initiatives and measures

EMPLOYEES

Apply sustainability principles and contribute to SDG achievement through personal behaviour and adherence to relevant policies and standards.

SUSTAINABILITY PRINCIPLES OF KTZ NC JSC:

- Openness
- Accountability
- Transparency
- Ethical conduct
- Respect
- Legality
- Respect for human rights
- Zero tolerance for corruption
- Prevention of conflicts of interest
- Leading by example

IN ITS OPERATIONS, KTZ NC JSC STRIVES TO:

- Contribute to Kazakhstan's economic growth by enhancing transit and export potential;
- Improve living standards through job creation and transport infrastructure development;
- Create favourable working and living conditions for employees by offering social support packages, training opportunities and skills development;
- Ensure occupational and railway traffic safety;
- Minimise environmental impact through the adoption of innovative technologies and modern rolling stock.

AWARDS AND ACHIEVEMENTS IN 2025:

The 2024 Integrated Annual Report of KTZ NC JSC was ranked second in the TOP-50 ranking of the best companies in Kazakhstan in terms of ESG information disclosure, as well as first among companies in the transport and logistics sector.

To view the rating, follow the link:
https://www.pwc.com/kz/en/assets/esg/esg-top-50-december-2025-final.pdf

RANKED 2ND IN THE TOP 50 BEST ESG DISCLOSURE RATING BY PWC AMONG THE LARGEST COMPANIES IN KAZAKHSTAN.

RANKED 1ST IN THE BEST ESG DISCLOSURE IN THE TRANSPORT AND LOGISTICS SECTOR RATING BY PWC.

S&P GLOBAL RATINGS ASSIGNED A CSA (CORPORATE SUSTAINABILITY ASSESSMENT) SCORE OF 75 OUT OF 100.

KTZ NC JSC WAS INCLUDED IN THE S&P GLOBAL SUSTAINABILITY YEARBOOK 2026.

For more details, see the section "ESG RATINGS"

COMMITMENT TO THE UN GLOBAL COMPACT PRINCIPLES AND SUSTAINABLE DEVELOPMENT GOALS

Since 2012, KTZ NC JSC has been a participant in the United Nations Global Compact (UNGC) – the world's largest corporate sustainability initiative, uniting over 20,000 companies across more than 160 countries.

This Report serves as the Company's Communication on Progress (CoP) under the UN Global Compact. KTZ NC JSC reaffirms its unwavering commitment to the Ten Principles of the UN Global Compact relating to human rights, labour, environment and anti-corruption, and outlines the Company's efforts to integrate these principles into all aspects of its operations.

The Company's Communication on Progress is available on the official UN Global Compact website:

Principles			Relevant Report Section
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights
	Principle 2	Businesses should not be complicit in human rights abuses.	Human Rights
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Collective Bargaining Agreement
	Principle 4	Businesses should eliminate all forms of forced and compulsory labour.	Human Rights
	Principle 5	Businesses should uphold the effective abolition of child labour.	Human Rights
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human Rights
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.	Environmental Responsibility
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Responsibility
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental Responsibility
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics and Anti-Corruption

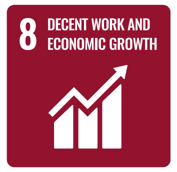
CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS

KTZ NC JSC is committed to all of the United Nations (UN) Sustainable Development Goals (SDGs), adopted as part of the UN's "Transforming our world: the 2030 Agenda for Sustainable Development".

By aligning the Company's activities with the UN SDGs, we have identified six goals on which we will focus our efforts and to which we can make the most significant contribution.

THE GOALS TO WHICH WE CAN CONTRIBUTE MOST SUBSTANTIALLY:

Table 11. **Contribution to Achieving the UN Sustainable Development Goals**

Project Title	Project Description	Achieved Results	Implementation Period
	**ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES** **TARGETS:** ▪ **reduce premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being;** ▪ **achieve universal health coverage, including access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines.**		
Action Plan to Prevent Workplace Stress and Improve Employees' Mental Health at KTZ NC JSC	On 30 November 2023, the 2023–2025 Action Plan to Prevent Workplace Stress and Improve Employees' Mental Health at KTZ NC JSC was approved.	During the reporting year, as part of the Action Plan, an anonymous survey of KTZ NC JSC employees was conducted on the topic "Stress. Mental Health Status of Personnel". The purpose of the survey was to assess employees' stress resilience and develop measures for their psychological well-being. A total of 15,050 employees (15.3%) participated in the survey.	2023–2025
Action Plan for the Prevention of Cardiovascular Diseases Among Employees of KTZ NC JSC and Its Subsidiaries	On 6 May 2024, the Action Plan for the Prevention of Cardiovascular Diseases Among Employees of KTZ NC JSC for 2024–2025 was approved.	During the reporting year, as part of the Action Plan, a survey of KTZ NC JSC employees was conducted on the topic "Quality of Mandatory Medical Examinations". A total of 33,947 employees (34.7%) participated in the survey, which is 8.6% higher than the previous year's level. To reduce occupational morbidity, the following activities were carried out: ▪ a meeting with healthcare service providers (with participation of 20 representatives of medical organisations and 80 employees) to discuss the quality of medical examinations and prevention of sudden mortality; ▪ training seminars involving 540 employees on disease prevention and the promotion of healthy lifestyles, including awareness-raising on recognising signs of cardiovascular diseases; ▪ an event dedicated to World Heart Day with preventive screening campaigns: "Measure Your Blood Pressure"; "Know Your Cholesterol"; "Know Your Blood Sugar"; "Know Your ECG". As part of the event, 120 people underwent ECG examinations and received cardiologist consultations, 130 people underwent laboratory testing, and a seminar and first aid training session for injured persons were also conducted.	2024–2025
Annual Medical Insurance	In accordance with the Collective Agreement, KTZ NC JSC provides healthcare for employees through voluntary medical insurance.	In 2025, 93 thousand employees received voluntary medical insurance coverage amounting to KZT 5.7 billion.	Ongoing
	**ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN** **TARGETS:** ▪ **end all forms of discrimination against all women and girls everywhere;** ▪ **ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life;** ▪ **adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.**		
Gender Equality and Women's Empowerment	Female Representation in Executive and Management Bodies	The Company continues its efforts to increase the representation of women in executive and management bodies. As part of compliance with gender balance principles, profiles for the composition of the Boards of Directors and Supervisory Boards of subsidiaries (BoD/SB) were developed. As of the end of 2025, the proportion of women in the BoD/SB across the Group remained at the 2024 level of 30%.	2024–2025
	**PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL** **TARGETS:** ▪ **achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;** ▪ **significantly reduce the proportion of youth not in employment, education or training;** ▪ **protect labour rights and promote safe and secure working conditions for all workers.**		
Zhas Temir Programme	Engagement and training of qualified professionals, graduates of specialised universities for the railway industry as part of cooperation with higher education institutions.	1st cohort (implemented): 5 young specialists were trained and employed in the structural divisions of KTZ NC JSC.	2022–2024
		2nd cohort (in progress): In 2025, eight trainees completed an internship programme as part of rotations across the KTZ NC JSC Group. Upon completion of the internship programme, six trainees were employed by KTZ NC JSC. 3rd cohort: As part of scaling the programme across the KTZ NC JSC Group, six trainees were selected for internships at KTZ NC JSC, with their employment planned for 2026–2027 following completion of the internship.	2024–2026

Project Title	Project Description	Achieved Results	Implementation Period
Corporate Employee Development Programmes	Corporate training and development programmes for operational personnel aimed at enhancing professional, personal and business competencies.	In 2025, corporate development programmes were implemented for employees of production divisions aimed at improving traffic safety and reducing injuries: 161 employees of KTZ-Freight Transportation LLP and 113 employees of the Main Railway Network Directorate, Branch of KTZ NC JSC, received training. In addition, during the reporting year, the "Leader of Professions" corporate development programme was implemented for 88 managers and employees at regional and line levels. Six of the best production employees from the track maintenance, signalling and communications, and power supply divisions were sent for internships at Mittweida University (Germany). Furthermore, in order to promote blue-collar professions, a competition on best practices in railway traffic safety was held among 60 employees at line and regional levels. The training programmes were developed based on a professional competency matrix tailored to the functional roles of employees. Key methods included engaging external providers and in-house trainers and experts, delivering interactive sessions and practical exercises, as well as fostering networking and expert feedback. Upon completion, participants were awarded certificates of professional development.	2025
Occupational Benefit for Employees Released from Hazardous Working Conditions	Social protection for employees engaged in hazardous work, eligible for a special social benefit under the Social Code of the Republic of Kazakhstan.	By the end of 2025, 602 employees exercised this right.	Annually
Industry-specific Age-related Allowance (for train drivers, driver's assistants, track fitters, track foremen, train marshals and assistants)	Social protection for employees in hazardous roles not covered by the special social benefit under the Social Code of the Republic of Kazakhstan.	By the end of 2025, 9 employees exercised the right to receive the industry benefit.	Annually
Talimger Project	Employment of orphans and graduates of orphanages completing their studies at educational institutions by the end of 2025.	As part of the Samruk-Kazyna JSC project, a quota of 45 jobs was established for KTZ NC JSC. By the end of 2025, a total of 59 people had actually been employed, exceeding the established target.	2025

Project Title	Project Description	Achieved Results	Implementation Period
Early Retirement Programme	Compensation for released employees whose positions are being eliminated and for whom there is no objective possibility of employment, enabling early retirement (employees with less than 6 years remaining until retirement age receive monthly compensation amounting to approximately 70% of their current salary until reaching retirement age).	In 2025, 30 employees began receiving early retirement benefits.	Annually
"100 Young Faces of KTZ NC JSC" Development Programme	A programme aimed at promoting the values of ethics, meritocracy, professionalism and active loyalty by showcasing real examples of young Company employees.	Since 2019, KTZ NC JSC has implemented three intakes of the employee development programme (100 people each): 1st cohort (2019–2022), 492 candidates: - 30 participants became internal trainers; - 66 received job rotations; - 11 lean production projects were developed; - 100% participated in the Zhenis public social project. 2nd cohort (2022–2024), 543 candidates: - 62 employees received job rotations; - 15 business process optimisation and improvement projects were developed. 3rd cohort (2024–2025), 1,019 candidates: - 20 employees received rotations.	Since 2019
Development of Industrial Relations	In accordance with the Corporate Standard of Samruk-Kazyna JSC, KTZ NC JSC developed Rules for Monitoring Industrial Relations. The aim is to streamline the processes for assessing the state of industrial relations within KTZ NC JSC units, as well as developing and implementing measures aimed at their improvement. The objectives include: - improving living and working conditions; - enhancing the social package and non-financial motivation; - strengthening internal communications.	Since 2023: repairs to buildings and sanitary facilities, installation of modular units and heating points for production workers, provision of transport, equipment and furniture. In 2025, KZT 20 billion was allocated for these purposes (in 2024 – KZT 17.5billion). In addition, within the framework of industrial relations monitoring, surveys are conducted twice a year covering occupational health and safety, sanitary and welfare conditions, quality of medical services, special clothing and personal protective equipment, uniforms, internal communications, awareness of the social package, training and corporate culture. The survey also includes questions regarding understanding of the Company's mission and objectives (the "Goal" block) and employees' sense of happiness in the workplace (the "Happiness" block). In 2025, the survey was supplemented with a "Human Rights" block. During the reporting year, the surveys covered 35 thousand employees twice (at least 25% of the total workforce).	Since 2018

Project Title	Project Description	Achieved Results	Implementation Period
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION** **TARGETS:** ▪ **develop quality, reliable, sustainable and resilient infrastructure, including regional and transboundary infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.**		
Railway Traffic Safety	The project aims to prevent incidents and ensure the safe operation of railway transport, reducing the number of incidents and accidents related to train operations.	KTZ NC JSC implemented measures to prevent railway safety violations. 5 inspections and 10,000 audits of structural divisions were conducted. In 2024, 189 meetings of the Coordination Council were held with the participation of representatives of the transport prosecutor's office and police; 8,135 outreach meetings with the public were conducted (reaching 164,539 people); 5,875 joint inspections with law enforcement agencies were carried out; and 963 media publications were issued. An Information Centre was created to support timely decision-making, featuring modules such as Warnings, Track Diagnostics, and Passenger Transportation. To minimise the impact of the human factor, the Railway Traffic Safety Risk Analysis automated system was developed and implemented at line level, including monthly monitoring of risk factors, risk assessment and development of mitigation measures. The Audit Automated System was commissioned, the Monthly Station Inspection Commission automated system is at the pilot operation stage, and the modernisation of the Automated System (AS RB) is also underway.	Ongoing
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS** **TARGETS:** ▪ **achieve the sustainable management and efficient use of natural resources;** ▪ **substantially reduce waste generation through prevention, reduction, recycling, and reuse;** ▪ **adopt sustainable production practices and integrate information on efficient resource use into reporting.**		
Transition to sustainable consumption and production patterns	Since 2014, the Company has implemented an energy management system. The Company undergoes an annual external audit for compliance with ISO 50001:2018.	The energy management system operates within the framework of the Company's integrated management system. Its compliance with the requirements of the international ISO 50001:2018 standard is confirmed annually based on the results of external audits. The implementation of the system is aimed at systematically improving the energy efficiency of key production processes, including operation of the main railway network, as well as freight and passenger transportation. In 2025, an external audit conducted by the international certification organisation TÜV Thüringen confirmed that the existing energy management system complies with the established ISO 50001:2018 requirements and operates sustainably.	Ongoing

Project Title	Project Description	Achieved Results	Implementation Period
		To achieve strategic decarbonisation targets, the Action Plan for the Low-Carbon Development of the Company and its Subsidiaries for 2023–2027 was approved in 2023. The document provides for a comprehensive set of energy-saving and energy-efficiency measures, including phased renewal of locomotive and car fleets. As a result of implementation of these measures, savings of 111 thousand GJ of fuel and energy resources were achieved in 2025.	
Waste segregation	Organisation of separate waste collection and paid transfer of recyclable waste.	In 2025, 117,641 kg of waste was transferred to third-party companies on a commercial basis, including: ▪ waste paper – 31,822 kg; ▪ plastic – 8,760 kg; ▪ glass – 2,089 kg; ▪ used batteries – 53,217 kg; ▪ obsolete office equipment – 7,844 kg; ▪ used vehicle tyres – 13,909 kg.	Ongoing
Installation of reverse vending machines (RVMs)	In 2023, as part of efforts to reduce landfill waste, reverse vending machines (RVMs) for collecting plastic bottles and aluminium cans were installed. Two RVMs were placed in the KTZ NC JSC headquarters, one at the Nur-Sultan-1 railway station, and three at the Nurly Zhol railway station.	In 2025, the RVMs installed at the Company's facilities collected and recycled 42,775 plastic bottles and aluminium cans.	Ongoing
13 CLIMATE ACTION	**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS** **TARGETS:** ▪ **strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries;** ▪ **integrate climate change measures into national policies, strategies and planning;** ▪ **improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.**		
Low-Carbon Development Concept of KTZ NC JSC	To contribute to the reduction of greenhouse gas emissions, the Board of KTZ NC JSC approved the "Low-Carbon Development Concept of KTZ NC JSC and Its Subsidiaries Through to 2060" on 26 December 2022.	KTZ NC JSC consistently implements its low-carbon development policy, including introduction of advanced technological solutions and use of alternative fuels in production activities. In 2025, practical implementation of the hybrid locomotive project commenced jointly with CRRC Corporation Limited (China). On 9 June 2025, a ceremony was held at Almaty station to accept the first batch comprising two CKD6(H) series hybrid six-axle locomotives No. 3001 and No. 3002. The use of hybrid traction combined with an intelligent control system ensures a significant increase in operational efficiency: expected fuel consumption reduction of up to 45%, reduction of pollutant emissions by up to 83%, and noise reduction of up to 80% compared to the Company's existing locomotive fleet.	Through to 2060

Project Title	Project Description	Achieved Results	Implementation Period
		Following preliminary acceptance, the locomotives were sent to Ekibastuz station, where they underwent certification testing at KazCST under the established procedure for compliance with technical regulation requirements. Completion of technical performance testing is expected in 2026. In addition, for the period 2027–2030, a long-term agreement was concluded with CRRC Dalian Co., Ltd. for the procurement of 270 certified MDT1300H series hybrid shunting locomotives. The agreement provides for construction of a new plant in the Zhetysu Region of the Republic of Kazakhstan, where 90 locomotives out of the total volume are planned to be manufactured.	

Key Performance Indicators (KPIs) have been defined for each Sustainable Development Goal (SDG), allowing for evaluation of the Company's progress in meeting the respective targets.

Table 12. Performance of KTZ NC JSC in Achieving the Sustainable Development Goals for 2021–2025

UN SDGs	Goals»	2021	2022	2023	2024	2025 Target	2025 Actual
3 GOOD HEALTH AND WELL-BEING	Lost Time Injury Rate (LTIR) (registered)	–	–	0.17	0.13	0.16	0.13
5 GENDER EQUALITY	Proportion of Women in Leadership Positions, %	21	24	24	22	27	22
8 DECENT WORK AND ECONOMIC GROWTH	Social Stability Level, %	72	65	66	69	68	73
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Transport Safety Level, incidents per million train-kilometres	0.81	0.7	0.62	0.68	1.02	0.60
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Specific Diesel Fuel Consumption for Train Traction, kg/unit	–	–	24.8	24.75	23.51	24.45
13 CLIMATE ACTION	Carbon Footprint, %	–	–	–5.1	–6	–2.5	–2.7

The excess over the target specific diesel fuel consumption for train traction was primarily attributable to operational factors: a slight decrease in the section speed of freight trains, increased fuel consumption during maintenance operations, expansion of the shunting diesel locomotive fleet, growth in empty mileage of freight cars, non-productive fuel losses during train operations, as well as locomotive idle time on station tracks.

The deviation of the actual indicator for the share of women in managerial positions from the planned target as of the end of 2025 was attributable to a combination of factors. During the reporting period, personnel changes occurred due to the departure of a number of female managers (retirement, transfer to other organisations, and internal movements), while appointments were made based on professional competencies and operational requirements, which in some cases resulted in positions being filled by male candidates. Additional impact was exerted by the sector-specific characteristics of the railway industry, where a significant proportion of managerial positions in production and technical divisions have traditionally been occupied by men, thereby limiting the possibility of rapid growth in the indicator. Under the conditions of implementing key operational objectives and organisational changes, the priority was to ensure stability and continuity of operations, which also influenced personnel decisions.
At the same time, the Company continues its efforts to develop female talent potential, establish a balanced talent pool and increase the share of women in managerial positions in the medium term.

STAKEHOLDER ENGAGEMENT

GRI 2-29

KTZ NC JSC views stakeholder engagement as one of the key areas of its operations. The principles of transparency, accuracy and respect underpin all interactions with stakeholders. A systematic dialogue with stakeholders is a cornerstone of the Company's corporate culture. We continuously develop our engagement mechanisms to ensure timely communication and consideration of the interests of all parties involved in our business.

Effective stakeholder engagement enables the Company to:

- enhance trust through openness and transparency in its operations;
- take into account the views and interests of partners, creating conditions for mutually beneficial cooperation;
- identify and mitigate risks associated with stakeholders' expectations and needs in a timely manner;
- contribute to sustainable development by balancing the economic, social and environmental aspects of our activities;
- strengthen the Company's reputation and improve its investment attractiveness;
- effectively implement strategic goals and development plans aligned with the interests of all parties involved.

This approach helps the Company not only to achieve its business objectives, but also to make a meaningful contribution to societal development.

KTZ NC JSC's Sustainable Development Policy, published on the Company's corporate website, sets out our stakeholder engagement strategy in detail. It is based on the principles of sustainable development enshrined in the UN Global Compact, and includes a stakeholder map outlining the methodology for identifying key stakeholders and describing the methods of interaction with each group.

The Company's stakeholder engagement is guided by the following principles:

- respect for and consideration of stakeholders' interests, opinions and preferences;
- timely and regular communication with stakeholders;
- responsible fulfilment of commitments made.

To identify key stakeholders, the Company defines the groups of individuals and organisations with which it interacts in the course of its activities, detailing both the stakeholders' interests and their contribution.

The Company considers all parties that can influence its operations or be influenced by them. As part of this process, stakeholders are assessed in terms of their relevance, level of interest and degree of influence on the Company.

KTZ NC JSC's key stakeholders include: the sole shareholder, government authorities, associations/unions, trade unions, employees, society/local communities, mass media, suppliers/contractors, partners, customers, investors/lenders, and international organisations.

Table 13. **Stakeholder Engagement Outcomes in 2025**

Stakeholder Expectations	Engagement Channels	Frequency of Engagement	Key Outcomes
Sole Shareholder			
▪ Increase in profit; ▪ Timely dividend payments; ▪ Growth in value.	▪ Meetings of the Board of Directors involving representatives of the Sole Shareholder; ▪ Participation of the Board of Director members in meetings and working sessions with representatives of the Sole Shareholder; ▪ Strategic sessions with the participation of the Sole Shareholder.	Regularly	In 2025, the Sole Shareholder reviewed the composition of the Board of Directors of KTZ NC JSC, approved the updated Corporate Governance Code of JSC NC KTZ, and approved the annual financial statements of KTZ NC JSC for 2024. Strategic sessions held: ▪ ESG Matters (13 June 2025); ▪ Digitalisation Matters (11 December 2025).
Government Authorities			
▪ Economic growth; ▪ Addressing social issues; ▪ Compliance with legislative requirements.	▪ Official correspondence; ▪ Working groups, meetings, and round tables; ▪ Negotiations through electronic document exchange and email.	Regularly	▪ Development, coordination, and support of draft regulatory legal acts (RLAs) initiated by KTZ NC JSC. ▪ Expression of the Company's position on government proposals regarding improvements to the Republic of Kazakhstan's railway transport legislation. ▪ Participation in meetings held by government authorities (Administration of the President of the Republic of Kazakhstan, Government of the Republic of Kazakhstan, Ministry of Transport of the Republic of Kazakhstan, Ministry of Finance of the Republic of Kazakhstan, Ministry of National Economy of the Republic of Kazakhstan, etc.) in order to promote the interests of KTZ NC JSC. ▪ Participation in international events, including those held at the level of the Head of State, the Government and government authorities of the Republic of Kazakhstan.
Associations/Unions			
▪ Commercial interests.	▪ Official correspondence; ▪ Working groups, meetings, negotiations.	Regularly	As part of cooperation with the International Association TITR Association of Legal Entities, meetings were held with foreign partners to improve logistics service quality, a route audit was conducted, and a joint Action Plan for eliminating bottlenecks along the Trans-Caspian International Transport Route (TITR) was adopted. In addition, the Association's representative office was opened in Xi'an.
Trade Unions			
▪ Observance and protection of workers' rights; ▪ Ensuring social stability; ▪ Regulation of labour relations.	▪ Regular meetings with management, negotiations/meetings with teams and representatives of subsidiaries; ▪ Regulation of labour relations with employees of the Company; ▪ Payment of wages in accordance with the labour laws of the Republic of Kazakhstan.	Regularly	▪ 100% of employees are covered by the Collective Bargaining Agreement, and 94.6% are members of trade unions; ▪ New benefits were introduced to expand the employee social package, providing for an increase in financial assistance payments by between 20% and 50% on various grounds. ▪ HR stands were installed at regional and line production units of the Company's branches and subsidiaries, HR info sessions were held, and mobile HR audits and meetings with teams were organised.
Employees			
▪ Safe working conditions; ▪ Fair and competitive salaries; ▪ Social benefits; ▪ Professional growth.	▪ Consideration of complaints submitted to the ombudsman's office through the corporate website of KTZ NC JSC, the Nysana call centre, and other communication channels; ▪ Use of online feedback mechanisms; ▪ On-site visits to structural divisions and subsidiaries of the Company, including for assessing social stability; ▪ Human resource development; ▪ Occupational health and safety training and improving working conditions; ▪ Social support for employees and their families; ▪ Training for regional and line employees; ▪ Educational programmes and professional development; ▪ Surveys, questionnaires, and employee engagement monitoring.	As needed	▪ In 2025, the Ombudsman's Office received 123 appeals. ▪ In 2025, 23,616 employees completed training at training centres. The total number of trained employees amounted to 61,274, with total expenditure of KZT 2.4 billion. ▪ The "Leader of Professions" corporate development programme was implemented for 88 managers and employees at regional and line levels. Six of the best production employees from the track maintenance, signalling and communications, and power supply divisions were sent for internships at Mittweida University (Germany). ▪ Additional compensation in the amount of KZT 2.5 billion was paid to redundant employees in excess of the amounts established by the legislation of the Republic of Kazakhstan. ▪ More than 82 thousand employees of KTZ NC JSC received various awards and incentives. ▪ A total of 59 individuals were employed by KTZ NC JSC under the Talimger project aimed at supporting the employment of ▪ 100 orphans and graduates of orphanages completing their studies at educational institutions. ▪ From 1 January, wages for line personnel in grades 1 to 5 were revised on a differentiated basis by 8.5%, while wages for other employees increased by 7%; at the same time, wages of key operational personnel increased by 16% in 2025. ▪ From 1 January, the amount of monthly current bonuses for employees of line enterprises was increased using the labour participation coefficient to up to 15% per month, and from 1 July the increase rose from 15% to 20%. ▪ One-off payments ranging from KZT 100 thousand to KZT 300 thousand were made to employees of KTZ NC JSC and its subsidiaries for loyalty and long-term service.

Stakeholder Expectations	Engagement Channels	Frequency of Engagement	Key Outcomes
			▪ The 7th Occupational Health and Safety Forum was held with the participation of KTZ NC JSC leadership, Samruk-Kazyna JSC, and industrial partners. ▪ Events dedicated to World Heart Day were held jointly with medical service providers Archimedes Medical Group LLP, International Clinic of Asia LLP and Mediker Industrial Medicine LLP to raise employee awareness regarding the prevention of cardiovascular diseases and promote a culture of health care (250 employees). ▪ A seminar was held jointly with medical professionals from Archimedes Medical Group LLP on disease prevention and the promotion of healthy lifestyles, including informing employees about recognising signs of cardiovascular diseases (540 employees). ▪ Strategic sessions and meetings with managers were held to foster a safety culture (475 participants).
Society (Local Communities)			
▪ Support in areas of operation; ▪ Employment opportunities; ▪ Addressing social issues.	▪ Meetings with residents of local communities; ▪ Joint inspections with law enforcement agencies; ▪ Media appearances and publications.	As needed	▪ A total of 3,557 students from 17 educational institutions in 9 production specialities completed training under the dual education system at the Company's enterprises. ▪ A total of 2,000 students from 29 educational institutions completed professional internships in the Company's structural divisions. ▪ As part of the Summer Student Teams project, 153 students from specialised colleges were employed as conductors in the branches of Passenger Transportation JSC. A student geodesy team consisting of 37 students and lecturers from ALT University was established at the Almaty Main Railway Network Division branch. ▪ Educational grants under the Magistral programme and named scholarships of the Chairman of the Management Board of KTZ NC JSC were awarded to 12 university and college students. ▪ A total of 23 university and college lecturers completed advanced training courses and internships at production facilities. ▪ Industry experts delivered 88 guest lectures at 31 educational institutions. ▪ More than 10,000 schoolchildren from various regions of Kazakhstan participated in open days; excursions to production facilities, museum visits and meetings with industry veterans were organised. ▪ The first republican professional skills championship WorldSkills Kazakhstan 2025 in the competency "Locomotive Operation (by type)" was held, involving 26 students from 13 colleges. ▪ To prevent railway traffic safety violations, 189 meetings of the Coordination Council were held with the participation of representatives of the transport prosecutor's office and police, 8,135 outreach meetings with the public were conducted (reaching 164,539 people), 5,875 joint inspections with law enforcement authorities were organised, and 963 media publications were issued.

Stakeholder Expectations	Engagement Channels	Frequency of Engagement	Key Outcomes
Mass Media			
▪ Publication and dissemination of information about the Company's activities; ▪ commercial interests.	▪ Messengers, social media, telephone calls, corporate website, email.	Regularly	▪ A total of 777 press releases were published on the corporate website of KTZ NC JSC in order to ensure timely disclosure of information regarding the Company's activities. ▪ Press tours were organised to the Wabtec plant in Astana; the Dostyk-Moiynty section; and Shymkent (Saryagash station) regarding exports of Kazakhstan grain. ▪ Briefings were held with the participation of the management of KTZ NC JSC and its subsidiaries. ▪ A total of 616 responses to written and oral media enquiries were prepared, including 90 through the E-Otinish electronic system.
Suppliers and Contractors			
▪ Commercial interests; ▪ Efficiency of the supply network and value chain; ▪ Timely and high-quality performance of works and services.	▪ Requesting quotations and ensuring equal access to tenders; ▪ Regular analytical meetings, negotiations, business correspondence; ▪ Signing of contracts, memoranda, and strategic cooperation agreements.	As needed	▪ A total of 17,247 contracts for the procurement of goods, works and services were concluded. ▪ In September 2025, a round table on support for domestic producers was held with the participation of Samruk-Kazyna Contract, QazCloud, and major Kazakhstani companies. ▪ A total of 6,359 employees of contractors completed training under the Occupational Safety Culture course.
Partners			
▪ Commercial interests; ▪ Joint implementation of projects; ▪ Transfer of technologies, expertise, and innovation.	▪ Official correspondence; ▪ Meetings, conferences, forums, round tables.	As needed	KTZ NC JSC signed strategic agreements and memoranda, as well as minutes of decisions, with railway administrations and transport companies from Russia, Belarus, China, Turkey, Iran, Central Asian countries, Europe and the United States. Key areas of cooperation include: ▪ Development of transport and logistics potential and terminal operations; ▪ Supply of rolling stock; ▪ Establishment of joint ventures and transport hubs; ▪ Digitalisation of transport services.
Customers			
▪ Commercial interests; ▪ Meeting service demands; ▪ Ensuring transportation safety.	▪ Briefings, media publications, corporate website.	As needed	▪ On 17 September 2025, a briefing entitled National Carrier: From Car Fleet Renewal to Digitalisation was held, during which key development priorities were presented, including full renewal of the passenger car fleet by 2030 and the successful launch of Starlink internet services, with plans for further expansion to new routes. ▪ As part of the development of loyalty programmes and social support for passengers, more than 1.5 thousand discount cards (Altyn, Kumis, Zhastar, Altyn-ai) targeted at various socio-demographic population groups were introduced. ▪ Image-building and product projects were implemented, including the launch of the international tourist train Jibek Joly on the Almaty – Turkestan – Tashkent route, as well as a thematically decorated Astana – Borovoye Resort electric train with musical accompaniment, creating additional travel value for passengers.

Stakeholder Expectations	Engagement Channels	Frequency of Engagement	Key Outcomes
			▪ KTZ-Freight Transportation LLP participated in the 28th Kazakhstan International Transport and Logistics Exhibition – TransLogistica Kazakhstan 2025, during which business negotiations were held with freight shippers of the country. Particular attention was paid to obtaining feedback, including assessment of satisfaction with the quality of services provided.
Investors and Lenders			
▪ Timely repayment of principal and interest; ▪ Return on investment; ▪ Placement of surplus funds in deposit accounts; ▪ Transparency in the Company's financial and non-financial reporting.	▪ Online analyst calls, official correspondence, meetings, corporate website.	As needed	Meetings were held with financial institutions and investors: ▪ Citibank, Santander, Exim Bank US – financing of freight and passenger locomotives. ▪ China Development Bank, Exim Bank of China – procurement of mainline and shunting locomotives. ▪ Deutsche Bank Luxembourg, S.A., Banco Santander, S.A., EXIM Bank US – procurement of locomotives ▪ ADCB and DB – financing of infrastructure projects and refinancing of short-term loans. ▪ ADB, AIIB, World Bank – discussing of financing infrastructure projects. ▪ Engagement with Samruk-Kazyna JSC, the Development Bank of Kazakhstan and the Industrial Development Fund regarding refinancing of foreign currency liabilities, financing of infrastructure projects and renewal of passenger cars.
International Organisations			
▪ Participation of the Company in international initiatives	▪ Official correspondence, calls; ▪ Meetings and negotiations; ▪ Participation in surveys and ratings.	As needed	▪ Moody's affirmed the Baa2 credit rating with a Stable outlook. ▪ Fitch Ratings affirmed the BBB- credit rating with a Stable outlook. ▪ S&P Global assigned an ESG rating of 75 out of 100.

INTERACTION WITH LOCAL COMMUNITIES AND ENGAGEMENT IN THE DEVELOPMENT OF REGIONS OF PRESENCE

KTZ NC JSC consistently implements an approach aimed at building sustainable and mutually beneficial engagement with local communities in the regions of its presence. The Company's activities are focused on supporting public well-being, regional development and taking into account the interests of stakeholders when implementing initiatives.

One of the key mechanisms for engaging local communities is the implementation of social and environmental projects, as well as the development of corporate volunteering, enabling the Company's employees to participate directly in the life of the regions.

In 2025, as part of the implementation of projects aimed at contributing to society, the environmental campaign Birge – Taza Kazakhstan was launched across the entire Group in support of the initiative of the Head of State. As part of this campaign, 180,000 saplings were planted across the Republic of Kazakhstan, including at the Company's facilities, contributing to the improvement of the environmental situation in the regions of presence.

The Company also actively promotes a culture of corporate volunteering as an engagement instrument. In 2025, the Company's employees dedicated more than 30,000 man-hours to volunteer activities throughout the country. As part of these initiatives, the following activities were implemented:

- support was provided to large families of employees living at remote stations and railway sidings: 700 school kits were collected as part of the Let's Get Children Ready for School campaign;
- targeted assistance was provided to elderly people: 500 food baskets were assembled and delivered as part of the A Veteran Lives Nearby campaign, and 275 tonnes of domestic coal were also provided to pensioners;
- career guidance activities were conducted for 250 orphaned children aimed at informing them about professional development opportunities;
- support was provided to children with special needs: 75 children were covered under the Children's Wish Tree campaign.

Implementation of these initiatives contributes to strengthening trust on the part of local communities, expanding their participation in socially significant projects and establishing sustainable feedback channels on issues related to the development of the Company's regions of presence.

ESG RATING

On 23 December 2025, the international rating agency S&P Global published the ESG assessment results of KTZ NC JSC within the Corporate Sustainability Assessment (CSA).

Based on the results of 2025, the Company was assigned a score of 75 points, which is 15 points higher than the previous year's figure.

KTZ NC JSC's scores across the three ESG components amounted to: environmental – 78 points, social – 82 points, and corporate governance – 60 points.

The improved ESG rating is the result of a comprehensive approach, including strategic planning, active engagement of the management team, and alignment with international standards.

This outcome reflects the Company's strong commitment to the principles of sustainable development and its ongoing efforts towards continuous improvement.

Reference: The S&P Global ESG Score is a relative rating that measures a company's performance in managing ESG risks, opportunities, and impacts compared to its peers within the same industry classification.

Based on the results achieved, KTZ NC JSC was included in the prestigious S&P Global Sustainability Yearbook for the second consecutive year. Sustainability Yearbook 2026 recognises companies across industries that demonstrated high S&P Global ESG ratings based on 2025 results.

Sustainability Yearbook Member is a prestigious status awarded since 2004 to companies demonstrating outstanding sustainable development performance and effective management of ESG factors, including environmental, social and governance aspects. In 2026, Sustainability Yearbook 2026 included 848 out of 9,200 companies assessed by S&P Global.

In the Transport and Transportation Infrastructure sector, in which KTZ NC JSC is represented, 27 companies out of 251 were included among the recognised companies.

ECONOMIC IMPACT

GRI 3-3, 201-1

The Company provides critical transport services to a wide range of economic sectors, connecting regions and settlements across the country, thereby fostering their integration and development.

Key contributions of the Company to economic and social development include:

- Freight transportation, covering the movement of raw materials and finished products for various industries, including oil and gas, coal, metallurgy, and agriculture. This supports economic growth and boosts export volumes.
- Passenger transportation, linking different regions of Kazakhstan and contributing to the development of tourism and leisure.
- Development of transport logistics and transit services, strengthening Kazakhstan's position as a key link in the global logistics system by providing efficient and high-quality services for international freight flows.
- Job creation and employment support, which is crucial for social stability and the well-being of the population.
- Contribution to the state budget through tax payments, thus reinforcing the country's financial system.
- Provision of a decent level of wages, alongside opportunities for employees' professional and personal development.
- Implementation of investment projects and other forms of capital investment aimed at business expansion and operational efficiency enhancement.

Table 14. **Direct Economic Value Generated and Distributed from 2024 to 2025, KZT million**

GRI 201-1

Indicator	2024	2025
1. Direct economic value generated	**2,232,275**	**2,850,116**
Revenue	2,163,942	2,757,083
Financial income	52,955	88,618
Share in profit of associates and joint ventures	10,772	1,634
Other gains and losses	4,606	2,781
2. Economic value distributed	**2,050,469**	**2,571,627**
Operating expenses	734,212	892,115
Employee wages and benefits	795,635	933,711
Wages and salaries	780,973	930,430
Other employee benefits and allowances	14,662	3,281
Payments to capital providers	155,002	156,952
Interest expenses	152,777	153,443
Dividends	2,225	3,509
Community investments	280,875	474,048
Social spending	431	539
Development projects	280,444	473,509
Payments to the state	62,510	67,257
Taxes other than income tax	47,758	47,437
Corporate income tax	14,752	19,820
Other expenses	22,235	47,544
Lease expenses (%)	19,502	36,307
Other financial expenses	2,733	11,237
3. Economic value undistributed	**181,806**	**278,489**

GOVERNMENT FINANCIAL ASSISTANCE

Lease Agreements with Industrial Development Fund JSC

Flat Cars

In July 2024, the Group, through KTZ Express JSC, signed a lease agreement for another 2,000 flat cars with a total value of KZT 63,356 million and an annual interest rate of 13.75%, of which 7% per annum is subsidised by the government. The grace period for repayment of the principal debt is five years. The Group acts as the lessee.

During 2025, under this agreement, the Group received 1,254 flat cars and recognised right-of-use assets totalling KZT 40.064 million for a term of 32 years and lease liabilities totalling KZT 24.715 million for a term of 15 years.

Passenger cars

In May 2024, the Group, through KTZ Express JSC, signed a lease agreement for another 157 passenger cars with a total value of KZT 103,432 million and an annual interest rate of 13.75%, of which 10% per annum is subsidised by the government. The grace period for repayment of the principal debt is five years. The Group acts as the lessee.

During 2025, under this agreement, the Group received 107 passenger cars and recognised right-of-use assets totalling KZT 70.382 million for a term of 40 years and lease liabilities totalling KZT 33.325 million for a term of 14 years.

In August 2024, the Group, through its subsidiary Passenger Transportation JSC, signed a lease agreement for three electric trains with a total value of KZT 11,802 million (including an addendum dated 29 August 2024) and an annual interest rate of 14.5%, of which 10% per annum is subsidised by the government. The grace period for repayment of the principal debt is five years. The Group acts as the lessee.

During 2025, under this agreement, the Group received 2 electric train units and recognised a right-of-use asset in the amount of KZT 7.848 million with a term of 40 years and a lease liability in the amount of KZT 3.734 million with a term of 15 years.

In October 2025, the Company, through its subsidiary Passenger Transportation JSC, signed a lease agreement for 100 passenger cars with a total value of KZT 92.095 million and an annual interest rate of 16%, of which 10% per annum is subsidised by the government. The grace period for repayment of the principal debt is 3 years. The Group acts as the lessee.

During 2025, under this agreement, the Group received 42 passenger cars and recognised right-of-use assets totalling KZT 36.386 million for a term of 40 years and lease liabilities totalling KZT 19.746 million for a term of 15 years.

Freight Gondola Cars

In July 2023, the Group, through its subsidiary Kaztemirtrans JSC, signed a lease agreement for 3,000 gondola carss with a total value of KZT 88,125 million and an annual interest rate of 13.15%, of which 6% per annum is subsidised by the government. The grace period for repayment of the principal debt is two years. The Group acts as the lessee.

During 2024, under this agreement, the Company received 1,069 gondola cars and recognised right-of-use assets totalling KZT 31.402 million for a term of 22 years and lease liabilities totalling KZT 22.473 million for a term of 13 years.

Table 15. **Total Monetary Value of Financial Assistance Received from Any Government during 2024–2025, KZT million**

GRI 201-4

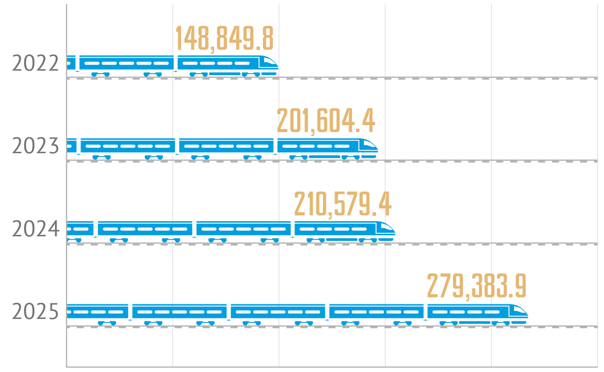
Category	2024	2025
Subsidies	68,594	52,147
Financial assistance received from the Republican Budget and the National Fund of the Republic of Kazakhstan for renewal of fixed assets / implementation of infrastructure projects	208,168	107,806
TOTAL	**276,762**	**159,953**

For more detailed information on financial assistance received or receivable from any government in connection with any operation, please refer to the section "Debt Burden".

TAX CONTRIBUTIONS

KTZ NC JSC is one of the largest taxpayers in the country. The total amount of taxes and other mandatory payments made by KTZ NC JSC and its subsidiaries to the state budget of the Republic of Kazakhstan in the reporting year amounted to KZT 279,383.9 million (2024: KZT 210,579.4 million).

Tax Contributions of KTZ NC JSC, 2022-2025, KZT million



INDIRECT ECONOMIC IMPACTS

The Company has a significant indirect impact on the national economy and society:

- **Industry development:** Freight transportation supports the operational activities and growth of industries reliant on transport services, including various industrial and commercial market segments.
- **Infrastructure development:** The expansion of the transport network creates new jobs and stimulates economic growth at the local level.
- **Export support:** The availability and reliability of rail transport provide new opportunities for exporting companies to expand into international markets and increase profitability.
- **Multiplier effect:** The Company's procurement activities and employee expenditures help generate income for contractors, create additional jobs, and increase tax revenues for the state.
- **Social well-being:** The Company ensures stable employment, fair remuneration, and social guarantees for its employees, positively influencing the well-being of their families.

Community Projects: Contribution in 2025

GRI 203-2

KTZ NC JSC also actively participates in charitable activities, including marathons and KVN comedy competitions organised by Samruk-Kazyna JSC.

Thus, in 2025, 400 employees of KTZ NC JSC took part in the Samruk-Kazyna JSC charity marathon. The Company provided a contribution of KZT 10,000 for each participant, transferring KZT 4 million to the Samruk-Kazyna Trust corporate foundation. The funds raised were allocated to the construction of inclusion classrooms in general education schools.

In addition, in 2025, as part of the implementation of social initiatives across the Group, the environmental campaign Birge – Taza Kazakhstan was carried out in support of the initiative of the Head of State. As part of this campaign, 180,000 saplings were planted across the Republic of Kazakhstan, including at the Company's facilities, contributing to the improvement of the environmental situation in the regions of presence.

The Company also made a significant contribution to the implementation of social projects of the Samruk-Kazyna Trust foundation, such as the Medical Train and Tugan Elge Sayakhat (children's train).

Special attention is given to the development of corporate volunteering, which promotes social responsibility among employees.

For more information, see the section "Charity and Sponsorship Activities".

Service Development and Accessibility of Transportation

Since 2021, the Company has consistently implemented initiatives aimed at improving the quality and comfort of passenger services, including the launch of trains with women-only cars. The initiative received strong support: according to an online survey conducted on the website www.bilet.railways.kz, 82% of respondents supported the initiative.

In 2025, the number of routes with women-only cars increased from 11 to 12, and since the launch of the service, 791 thousand passengers have used it.

For persons with disabilities, a 50% travel discount is provided: on socially significant routes for standard seats; and on Talgo trains for specialised compartments, including for an accompanying person.

In 2025, KTZ NC JSC continued efforts to improve accessibility of services for persons with disabilities. As part of this work, railway ticket sales systems were integrated with the service of the Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan, which simplified ticket issuance procedures.

At year-end, 577 thousand tickets were issued for persons with disabilities and their accompanying persons, representing an 8.3% increase compared to 2024, including:

- 433 thousand tickets issued online;
- 144 thousand tickets issued through ticket offices (including 36 thousand tickets for specialised seats).

In addition, in 2025, Passenger Transportation JSC implemented measures aimed at improving travel affordability, including the introduction of new paid discount cards Altyn and Kumis with a 25% fare discount. During the reporting year, 655 cards were sold, which is 50.2% higher compared to 2024 (436 cards).

In all trains, preferential travel conditions for children are provided in accordance with the Rules: up to 7 years old – free of charge; from 7 to 15 years old – a 50% discount.

During the reporting period, projects were launched to promote domestic and international tourism, including the international tourist train Jibek Joly on the Almaty – Turkestan – Tashkent route, as well as a thematically decorated Astana – Borovoye Resort electric train with musical accompaniment. Passenger cars were also thematically decorated for holidays such as International Women's Day, Nauryz, Victory Day, and others.

In 2025, a discount system was introduced depending on the category of cars and their occupancy level. Discounts ranged from 7% to 20% for compartment cars without air conditioning, up to 30% for the commercial segment, and 20% for compartment cars on trains with low occupancy rates.

Passenger Transportation Development in 2025

In 2025, Passenger Transportation JSC launched 10 tourist trains operating on the route Almaty – Turkestan – Samarkand – Bukhara – Tashkent – Almaty.

In order to improve service quality and provide additional comfort for passengers, in 2025 Passenger Transportation JSC received 161 new passenger cars manufactured by ZIKSTO JSC, including 149 standard cars and 12 multiple-unit rolling stock units.

The following train sets were renewed:

- No. 7/8 Almaty-2 – Saratov (3 train sets);
- No. 139/140 Pavlodar – Presnogorkovskaya (1 train set, open-plan sleeping car section);
- No. 301/302 Almaty-2 – Novosibirsk (2 train sets);
- No. 351/352 Almaty-2 – Oskemen (3 train sets);
- Through cars operating on the following routes: Almaty – Semey (2 formations), Almaty – Kulsary (3 formations).

Furthermore, during the reporting year, a pilot project was launched to provide internet access on trains using modern satellite technologies.

Passenger Transportation JSC completed the implementation of a video surveillance system on 24 Talgo train sets – a total of 1,350 cameras were installed, ensuring round-the-clock monitoring of the situation on trains and enhancing transport security.

A new digital service, the Online Train Movement Board, was also introduced, enabling passengers to receive real-time information on train movements, arrivals and departures.

PROCUREMENT PRACTICES

GRI 3-3, 2-6, 204-1

KTZ NC JSC places high priority on the timely and uninterrupted provision of the goods, works and services required for its operations, which is a key factor in ensuring the sustainable operation of railway infrastructure and the safety of passenger and freight transportation.

The procurement activities of KTZ NC JSC are focused on the efficient fulfilment of operational needs, development of a competitive environment, enhancement of procedural transparency and optimisation of interaction with suppliers.

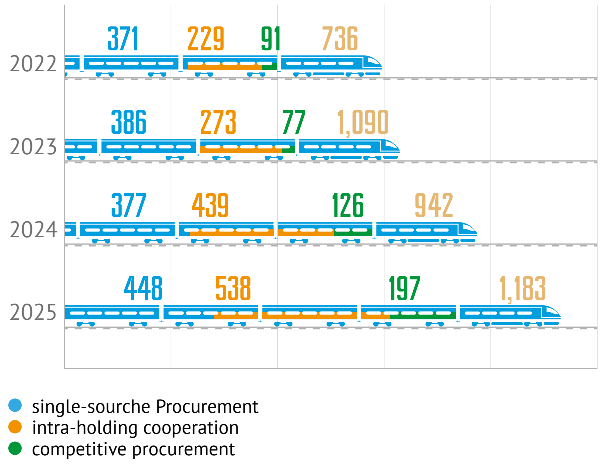
The implementation of these approaches enables the Company to ensure the high quality of procured goods, works and services, as well as minimise operational and reputational risks.

In carrying out procurement activities, KTZ NC JSC is guided by the Law of the Republic of Kazakhstan "On Procurement by Certain Quasi-Public Sector Entities", as well as the Fund's Procurement Procedure, which ensures the uniformity of procurement procedures and compliance with the principles of fair competition and transparency.

All necessary information on procurement activities of KTZ NC JSC is published on the corporate website http://www.railways.kz and on the Fund's electronic procurement portal http://www.zakup.sk.kz and is accessible to all potential suppliers. The use of the electronic procurement system has enhanced the transparency and traceability of procurement procedures, reduced procurement timelines, strengthened compliance control and increased the level of competition.

In 2025, the total value of contracts concluded across the KTZ NC JSC Group amounted to KZT 1,183 billion. At the same time, 38% of procurement was carried out through competitive methods, 46% comprised intra-holding procurement, and 17% consisted of single-source procurement, which is caused by the specific nature of KTZ NC JSC's operations.

KTZ NC JSC Procurement by Method, 2022-2025, KZT billion



Detailed information is disclosed in the section "Key ESG Performance Indicators".

Table 16. **Share of Procurement from Local Suppliers, 2024–2025**

GRI 204-1

	UOM	2024	2025
Total number of suppliers	unit	4,027	3,884
Total procurement value	KZT billion	942	1,183
Total number of local suppliers[15]	unit	3,995	3,857
Procurement value from local suppliers	KZT billion	938	1,181
Share by number	unit	99.2%	99.3%
Share by value	KZT billion	99.6%	99.9%

In 2025, KTZ NC JSC ensured a high level of involvement of local suppliers in procurement activities. The share of local suppliers amounted to 99.3% of the total number of suppliers, while the volume of procurement from them accounted for 99.9% of the total procurement value.

DEVELOPMENT OF IN-COUNTRY VALUE

GRI 3-3

KTZ NC JSC actively supports the development of local businesses through cooperation with domestic suppliers and contractors[15], thereby stimulating regional economic growth and fostering a favourable economic and social environment for the local population. To implement this policy, KTZ NC JSC undertakes a range of measures, including:

- the establishment of a corporate key performance indicator for "the share of in-country value in the procurement of goods, works and services", applied annually to the management of KTZ NC JSC and its subsidiaries;
- entering into long-term contracts with domestic manufacturers;
- encouraging the production of new goods by supporting the creation of new manufacturing facilities and the expansion of product lines at existing facilities, thereby ensuring a supply of competitive domestic products;
- providing procurement preferences – conducting procurement among local producers and organisations of people with disabilities engaged in business activities. These suppliers are also granted a number of additional preferences, such as exemption from bid securities, contract performance guarantees, and advance payment refunds; payment within five working days; advance payments of at least 30% of the contract value; the application of conditional price reductions when evaluating bids; and preferential treatment in the event of equal bid prices. Preferences also apply to the procurement of software and electronic industry products;
- in the case of procurement of construction and installation works with approved design and construction documentation, contractors are required to purchase goods from domestic manufacturers.

[15] residents of the Republic of Kazakhstan engaged in entrepreneurial activities within the territory of the Republic of Kazakhstan. In accordance with the requirements of GRI Standard 204-1, "local suppliers" are understood to mean all suppliers that delivered goods or services on the basis of invoices and contracts, regardless of whether they are manufacturers or intermediaries. Accordingly, all such suppliers are included within this indicator, including suppliers within the corporate group.

At the end of 2025, the share of in-country value in the procurement of goods amounted to 63%, while in the procurement of works and services it amounted to 96%, with the indicator for goods being below the 2024 level. The decrease in the indicator was due to changes in the procurement structure during the reporting period, including the implementation of certain projects and the purchase of goods with a high import component that are not manufactured in the Republic of Kazakhstan, while maintaining a stable focus on engaging domestic suppliers.

At the same time, procurement of works and services demonstrated positive dynamics with growth of 1.1%, indicating the continued stable focus on engaging domestic suppliers and contractors.

Table 17. **Share of In-Country Value in Procurement of Goods, Works and Services, 2022–2025, %**

Indicator	2022	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Goods	69	54	64	63	18.5	–1.6
Works and Services	96	93	95	96	2.2	1.1

As part of supporting local businesses, 47 offtake agreements were concluded in 2025 for a total amount of KZT 143.9 billion.

Offtake Agreements, 2022-2025, KZT billion

CATEGORY-BASED PROCUREMENT

Category management in procurement enhances the efficiency of procurement operations by enabling a more detailed analysis of expenditure and the external environment within specific categories, and by identifying optimal approaches to procurement.

In 2025, the volume of category-based procurement amounted to KZT 60 billion. The actual benefits gained from the implementation of 10 category-based procurement strategies exceeded KZT 3 billion.

These strategies were also aimed at developing local suppliers, improving the quality of goods, works and services, optimising procurement procedures, and ensuring reliable and timely supply.

PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion and bribery.

BUSINESS ETHICS AND ANTI-CORRUPTION

GRI 3-3

KTZ NC JSC places particular emphasis on corporate ethics and anti-corruption practices. The Code of Ethics and Conduct of KTZ NC JSC and Its Subsidiaries[16] is aimed at fostering corporate culture, strengthening business reputation, and affirming the Company's commitment to business ethics and compliance with regulatory standards.

The Code reflects the Company's core values, mission and culture, which are upheld by employees and communicated to customers, business partners, investors and society at large.

In addition to the Code, the Company operates under the Anti-Corruption Policy of KTZ NC JSC[17], the main objective of which is to minimise the risk of involvement of officers and employees in corrupt practices. The implementation of this Policy is based on fostering a culture of zero tolerance for corruption, commitment to high standards of business conduct, transparent and fair business practices, and strengthening stakeholder trust in the Company.

All employees of the Company are familiarised with the Code of Ethics and Conduct and the Anti-Corruption Policy, participate in regular training sessions and confirm their understanding. To enhance anti-corruption awareness, the Company organises awareness-raising sessions, including meetings with representatives of the Anti-Corruption Agency.

The Code of Ethics and Conduct and the Anti-Corruption Policy are publicly available on the corporate website of KTZ NC JSC and are accessible to all employees via the Company's internal information portal.

To ensure compliance with the principles of business ethics and anti-corruption, the Rules for Personnel Administration in KTZ NC JSC and its subsidiaries (approved by Order No. 717-TsZ dated 11 August 2025) establish obligations for newly hired employees to familiarise themselves with the Anti-Corruption Policy, as well as to strictly comply with the requirements of the anti-corruption legislation of the Republic of Kazakhstan and the Company's internal corporate documents. These requirements are incorporated into employees' employment contracts.

In addition, the Company operates a personnel performance evaluation system regulated by the Rules for Employee Performance Evaluation (approved by Order No. 982-TsZ dated 23 December 2024). Within this system, a competency model has been implemented, including the "Safety and Ethics" block aimed at assessing employees' commitment to corporate values, business ethics standards and compliance requirements.

The assessment results under this block are taken into account in the formation of employees' final evaluation and influence their positioning within the talent management system.

The integration of ethical behaviour criteria into personnel management processes contributes to the formation of a sustainable corporate culture in which ethical principles constitute an integral part of every employee's professional activities.

In accordance with the Anti-Corruption Policy, the Company does not participate in political activities with the direct or indirect purpose of influencing decisions made by public officers or other persons affecting the preservation or expansion of the Company's operations, or where such participation may be perceived as an attempt to exert such influence. The Company does not independently, or through its officers and employees, finance political parties or public associations in order to obtain or retain an advantage in its activities.

[16] Approved by the decision of the Board of Directors of KTZ NC JSC dated 20 September 2019 (Minutes No. 14).
[17] Approved by the decision of the Board of Directors of KTZ NC JSC dated 14 February 2019 (Minutes No. 2)..

The Company's officers and employees are entitled to participate in public associations established in accordance with applicable laws of the Republic of Kazakhstan, as well as in international public associations whose purpose is not to obtain or retain an advantage for the Company in its activities. When participating in public associations, the Company's officers and employees are prohibited from offering, giving, promising or making payments, contributing property, presenting gifts, etc. on behalf of the Company for the purpose of obtaining or retaining an advantage for the Company in its activities. The Company's officers and employees bear personal responsibility in accordance with applicable laws of the Republic of Kazakhstan for participation in public associations.

KTZ NC JSC is not entitled to provide charitable (sponsorship) assistance, except in cases where such charitable (sponsorship) assistance by the Company is provided for under the Charity Programme of the Samruk-Kazyna Group, approved in accordance with the procedure established by the Law of the Republic of Kazakhstan "On the National Welfare Fund". At the same time, the Company does not prohibit its officers and employees from providing charitable and/or sponsorship assistance on their own behalf.

Accordingly, during the reporting period the Company did not make any political or charitable contributions.

FOSTERING AN ANTI-CORRUPTION CULTURE

As part of the development of an anti-corruption culture within KTZ NC JSC, a comprehensive set of measures aimed at increasing employee awareness and reducing corruption risks was implemented during the reporting period.

In 2025, KTZ NC JSC conducted 102 activities aimed at fostering an anti-corruption culture, including 33 activities involving senior management. In total, 55,143 employees participated in the activities, including 2,562 employees who completed training via the Distance Learning and Testing System (DLTS).

Detailed information is disclosed in the section "Key ESG Performance Indicators".

During 2025, outreach activities were conducted for the Company's regional divisions aimed at explaining the requirements of the legislation of the Republic of Kazakhstan in the field of transport and anti-corruption. The activities covered the following regions: Almaty, Karaganda, Aktobe, Kostanay, Semey and Ust-Kamenogorsk.

Representatives of regional state authorities and law enforcement agencies were involved in the implementation of these activities, including prosecution authorities, the anti-corruption service, line transport police units, transport control services and economic investigation services.

The Compliance Service of KTZ NC JSC ensures that the Company and its employees comply with the anti-corruption laws of the Republic of Kazakhstan and monitors the implementation of anti-corruption measures.

Key responsibilities of the Compliance Service include:

- Introducing tools to prevent corrupt practices within the Company and among its employees;
- Implementing a comprehensive anti-corruption system within the Company;
- Ensuring compliance with external regulatory requirements and international best practices on anti-corruption;
- Adhering to the core principles of anti-corruption as set out in the Act of the Republic of Kazakhstan "On Combating Corruption";
- Engaging with stakeholders and fulfilling other relevant functions.

The Compliance Service operates in accordance with national anti-corruption laws, the Corporate Compliance Function Standard of Samruk-Kazyna JSC[18], and the internal Regulations on the Compliance Service[19].

[18] Approved by the decision of the Management Board of Samruk-Kazyna JSC dated 21 December 2023 (Minutes No. 60/23).
[19] Approved by the decision of the Board of Directors of KTZ NC JSC dated 15 March 2023 (Minutes No. 7).

To enhance the effectiveness of the compliance control system across the KTZ NC JSC Group, the Regulation on Interaction between the Compliance Service and Compliance Controllers of Subsidiaries was developed and approved.

KTZ NC JSC is committed to the principles of integrity and transparency, and continues to strengthen its value system based on zero tolerance for corruption. In line with its Whistleblowing Policy[20], the Company provides information about confidential reporting channels available to employees, customers, business partners, and other stakeholders, through which they may report – openly or anonymously- any misconduct, including breaches of the Code of Ethics and Conduct, fraud, corruption, discrimination, or other violations associated with the Company's activities.

As part of the integration and adaptation of the provisions of the Corporate Compliance Function Standard of Samruk-Kazyna JSC into the business processes of KTZ NC JSC, the Board of Directors (the decision of the Board of Directors dated 23 April 2025, Minutes No. 5) approved:

1. Rules for Handling Complaints and Conducting Internal Investigations at KTZ NC JSC and its subsidiaries;
2. Rules for Compliance Screening of Candidates upon Employment at KTZ NC JSC;
3. Rules for Compliance Due Diligence of Counterparties at KTZ NC JSC;
4. Methodology for Assessing the Effectiveness of the Compliance Function of Subsidiaries of KTZ NC JSC

The HOTLINE is available to both the Company's employees and third parties interacting with the Company (customers, contractors, and other stakeholders).

The operator ensures:

- ✓ **confidentiality and anonymity (at the request of the person contacting the hotline);**
- ✓ **registration and processing of all enquiries.**

HOTLINE Communication Channels

8 800 080 4747
Toll-Free Call within Kazakhstan

+7 771 191 8816

www. sk-hotline. kz

mail@sk-hotline.kz

During the reporting year, 200 reports were received through proactive reporting channels across the KTZ NC JSC Group in 2025, including 156 via the Hotline, 42 via E-Otinish and 2 through other channels.

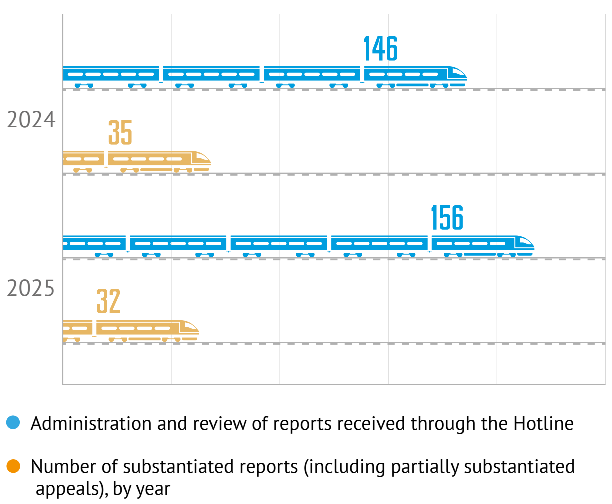
Of the 200 received reports, based on the results of reviews, inspections and investigations, 40 cases of identified non-compliances and violations were substantiated (including partially substantiated cases).

All received reports were reviewed, and appropriate recommendations were issued to eliminate the identified violations.

In addition, 46 internal investigations were conducted across the KTZ NC JSC Group.

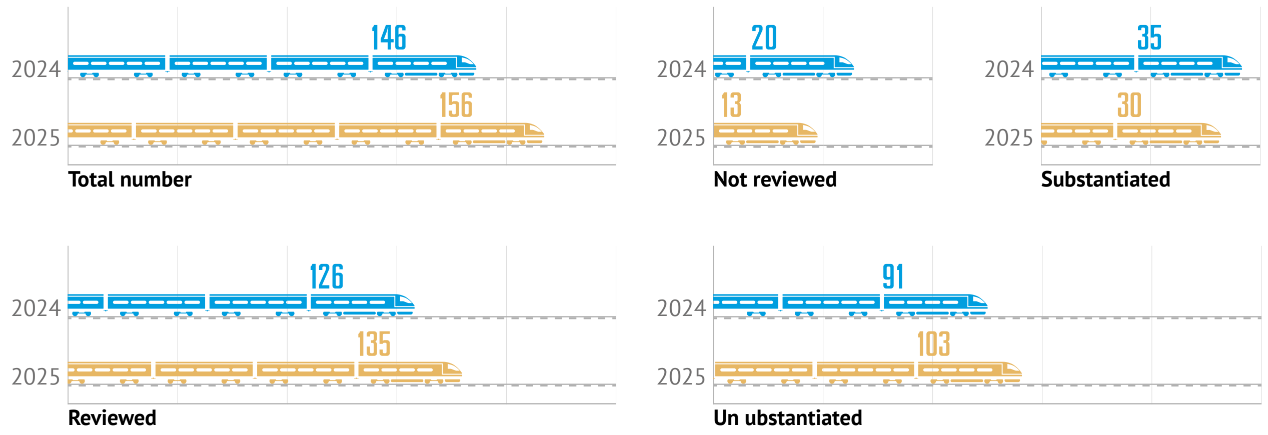
The receipt, processing and monitoring of all reports received through the Hotline from the operator are carried out through the E-compliance information system administered by Samruk-Kazyna JSC.

Statistics of Hotline Reports, 2024-2025

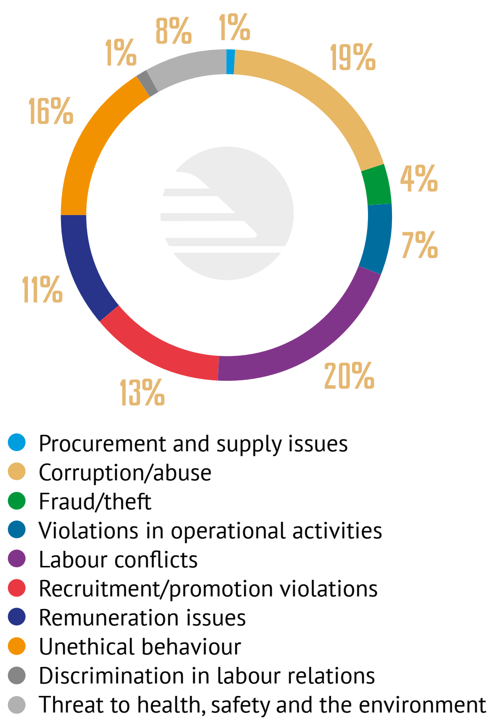


[20] Approved by the decision of the Board of Directors of KTZ NC JSC dated 14 February 2021 (Minutes No. 2).

Statistics of Hotline Reports, 2024-2025



Statistics of Hotline Reports Received in 2025



Structure of Substantiated Hotline Reports Received in 2025

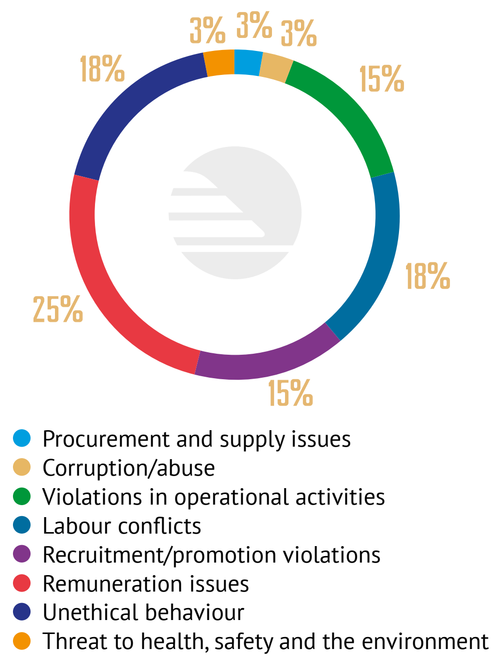


Table 18. **Structure of Substantiated Hotline Reports Received in 2025**

Risk Areas and Types of Violations	Total Number of Reviewed Reports	Number of Substantiated Reports
Procurement and supply	2	1
Corruption/Abuse	27	1
Violations in operational activities	10	5
Labour conflicts	29	6
Recruitment/promotion violations	19	5
Remuneration issues	15	8
Unethical behaviour	22	6
Threat to health, safety and the environment	11	1
Discrimination or harassment	5	2

In addition, 1 case related to conflict of interest was identified.

ACTIONS TAKEN IN RESPONSE TO SUBSTANTIATED REPORTS:

NOTICES	REPRIMANDS	SEVERE REPRIMANDS	TERMINATION OF EMPLOYMENT
5	6	13	4

Table 19. Substantiated Cases of Corruption in the Reporting Year

GRI 205-3

Total number of substantiated cases of corruption	0 ✔
Total number of employees dismissed or sanctioned for corrupt practices	0 ✔
Public legal proceedings related to corruption initiated against the Company or its employees during the reporting period and the outcomes of such cases	0 ✔

During the reporting year, four criminal cases were initiated against employees of the Company, of which two criminal cases were referred to court. At the end of the reporting period, the criminal cases remained at the stages of preliminary investigation and judicial proceedings.

To prevent similar incidents in the future, awareness-raising activities were carried out with teams, and recommendations were provided regarding compliance with the Code of Ethics and Conduct of KTZ NC JSC and Its Subsidiaries, as well as with anti-corruption laws of the Republic of Kazakhstan.

Assessment and Mitigation of Corruption Risks

To identify corruption risks within the business processes of the Company's subsidiaries and to take measures for their elimination or mitigation, the Compliance Service conducts annual internal assessments of corruption risks across the KTZ NC JSC Group.

In 2025, a risk assessment was conducted for KTZ NC JSC, including ten of its subsidiaries.

Table 20. Total Number of Structural Divisions/Business Processes Assessed for Corruption Risks in the Reporting Year

GRI 205-1

	2025
Total number of structural divisions/business processes assessed for corruption risks	11
Total number of structural divisions/business processes	11
Share of units/business processes assessed for corruption risks	100%

As of the beginning of 2025, a total of 47 key (inherent) corruption risks had been identified, of which 31 were classified within the red and yellow zones of the Risk Map.

The residual risk assessment took into account the following factors:

1) implementation of the 2025 Implementation of the Corruption Risk Mitigation Action Plan;
2) implementation of new control procedures by process/business operation owners during 2025 as part of ongoing anti-corruption efforts;
3) reports received through the Hotline;
4) publications in the media and social networks;
5) findings of external and internal inspections/investigations;
6) interviews with business process owners.

The analysis demonstrated that the control procedures implemented in 2025 did not enable certain risks to migrate from the red and yellow zones of the Risk Map to the green zone. In addition, during the assessment, a new compliance risk related to corruption by Company employees was identified: "collusion with officers/employees of state/private organisations for the purpose of obtaining illegal documents (temporary disability certificates, forged diplomas/certificates, etc.) in order to obtain personal benefits and/or conceal other violations".

Based on the results of the analysis, the Register and Corruption Risk Map for 2026 were prepared, and an Action Plan for their minimisation was developed.

The 2026 Corruption Risk Map indicates that, out of 48 inherent risks identified within the Company, 32 residual key risks remain within the red and yellow zones.

Risks remaining in the red zone continue to relate to the following areas:

- procurement;
- HR management;
- service delivery;
- internal inspections;
- occupational health and safety.

An Action Plan for the mitigation of residual key risks for 2026 has been developed and includes control procedures, including additional procedures where existing controls have become ineffective or partially effective. The key measures include:

1) development/update of internal documents;
2) implementation of control procedures;
3) automation of business processes/business operations;
4) completion of mandatory training on anti-corruption legislation, ethics and conduct, as well as annual employee testing to confirm knowledge.

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

GRI 406-1

During the reporting period, five reports concerning possible incidents of discrimination were received through confidential reporting channels, including the Hotline. ✔ Following the investigations conducted, discrimination was confirmed in two incidents ✔ (2023 – 0; 2024 – 3), related to abuse of official position and unethical behaviour.

Based on these facts, a decision was made to hold one responsible employee accountable, while in the second case, recommendations were issued regarding measures to be taken against the responsible individual, including actions aimed at restoring the moral and psychological climate and rebuilding trust within the team.

To prevent incidents of discrimination, the key provisions and requirements of the Code of Ethics and Conduct of KTZ NC JSC and its subsidiaries are communicated to employees as part of broader activities aimed at fostering an anti-corruption culture.

COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

Compliance with laws and regulations is one of the most important aspects of the Company's operations.

As a result of scheduled and unscheduled inspections conducted by competent government authorities in relation to the Company, 2,640 cases of non-compliance with legislative and regulatory requirements were recorded in 2025, including 2,613 cases involving monetary fines, while warnings were issued in 27 cases. The total fines imposed amounted to KZT 303.8 million.

In 2025, the main violations were related to non-compliance with the laws of the Republic of Kazakhstan in the following areas:

- Customs laws (Articles 528 and 535 of the Code of the Republic of Kazakhstan on Administrative Offences);
- Rules for the transportation of goods, passengers, baggage, and cargo baggage by railway (Article 571 of the Code of the Republic of Kazakhstan on Administrative Offences);
- Rules ensuring safety on the railway transport (Article 559 of the Code of the Republic of Kazakhstan on Administrative Offences);
- Rules on the circulation of civilian and service weapons (Article 484 of the Code of the Republic of Kazakhstan on Administrative Offences);
- Obstruction of state inspection officers and state control and supervisory bodies in the performance of their duties, non-fulfilment of decrees, instructions, and other requirements (Article 462 of the Code of the Republic of Kazakhstan on Administrative Offences);
- Sanitary and epidemiological well-being of the population, as well as hygiene standards (Article 425 of the Code of the Republic of Kazakhstan on Administrative Offences).

Table 21. **Number of Cases of Non-Compliance with Laws and Regulations, 2024 – 2025**

	2024	2025
Number of cases resulting in fines	1,436	2,613
Number of cases resulting in non-monetary sanctions	7	27
Total number of cases	**1,443**	**2,640**

Table 22. **Amount of Fines Paid for Non-Compliance with Laws and Regulations, 2024 – 2025**

	2024	2025
Total number of cases for non-compliance with laws and regulations, including:	**1,443**	**2,640**
Cases resulting in fines	1,436	2,613
Cases resulting in non-monetary sanctions	7	27
Total number of cases for non-compliance with laws and regulations for which fines were paid	**1,540**	**2,613**
imposed during the reporting year	1,434	2,613
imposed during previous reporting years	106	0
Total amount of fines paid for non-compliance with laws and regulations, KZT	**343,466,020**	**303,827,038**
imposed during the reporting year	324,249,160	303,827,038
Presented in previous reporting years	19,216,860	0

ENVIRONMENTAL RESPONSIBILITY

GRI 3-3

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges.
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility.
PRINCIPLE 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.

Rail transport is one of the most environmentally efficient modes of transport due to its high energy efficiency and significantly lower impact on atmospheric air compared to other modes of transport.

At the same time, railway operations are associated with certain environmental impacts related to fuel consumption, pollutant emissions, impacts on ecosystems and noise levels.

ENVIRONMENTAL MANAGEMENT

KTZ NC JSC implements a systematic approach to the management of environmental aspects of its operations aimed at minimising negative environmental impacts and supporting sustainable development goals.

The Company's key environmental objectives include reducing pollutant emissions, preserving biodiversity, ensuring the rational use of natural resources, developing sustainable technologies and promoting an environmentally responsible lifestyle among employees in order to support sustainable development.

Key approaches to environmental management:

Compliance – the Company conducts its operations in strict compliance with legislative and international environmental protection requirements, striving to minimise negative environmental impacts.

Environmental management system – the Company has implemented an environmental management system in accordance with the international ISO 14001 standard, ensuring systematic control over environmental aspects of operations, the establishment of environmental objectives and the consistent reduction of environmental impacts.

Efficient resource use and decarbonisation – to improve resource efficiency and reduce its carbon footprint, the Low-Carbon Development Concept of KTZ NC JSC and its subsidiaries through to 2060 has been approved, providing for the phased implementation of low-carbon solutions and enhanced energy efficiency.

Environmental culture and employee training – the Company implements training and awareness programmes for employees on environmental responsibility aimed at fostering an environmental culture and promoting sustainable development principles within the corporate environment.

Stakeholder engagement – at the stage of planning proposed activities, the Company conducts environmental impact assessment (EIA) procedures. The assessment results are subject to public discussion, ensuring transparency of environmental decision-making and consideration of the opinions of local communities.

ENVIRONMENTAL MANAGEMENT SYSTEM

The Company's Environmental Management System (EMS) complies with the requirements of the international ISO 14001 standard.

To assess compliance of the KTZ NC JSC Group's management system with ISO 14001 requirements, external audits are conducted annually.

In 2025, the surveillance audit conducted by the international certification body TÜV Thüringen confirmed that the Environmental Management System complies with ISO 14001:2015 requirements.

In addition, internal audits are conducted annually. In 2025, no non-compliances were identified during the internal audit.

ENVIRONMENTAL POLICY

The Environmental Policy is an integral part of the Environmental Management System Manual of KTZ NC JSC and its subsidiaries. It defines the Company's key principles and approaches to managing environmental aspects of its operations and serves as the basis for setting environmental goals and objectives.

The Policy establishes the Company's commitments to minimising environmental impact, ensuring the rational use of natural resources, and complying with applicable environmental laws and regulations. The Policy establishes requirements for the protection of atmospheric air, water and land resources.

The Company implements environmental measures on a systematic basis, ensuring their effectiveness and efficiency. This process includes the identification of environmental aspects and risk assessment, the establishment of environmental objectives, planning of environmental protection measures, allocation of the necessary resources, enhancement of employee environmental awareness, as well as the development of internal and external communication and reporting mechanisms.

The Board of Directors approves the Company's strategic environmental directions and policy and oversees the implementation of related initiatives and compliance with regulations.

The Environmental Protection and Safety Committee of the Board of Directors is responsible for monitoring the implementation of the Policy. Specialised units of the Company ensure the coordination and monitoring of compliance with environmental standards and objectives aimed at reducing environmental impact, ensuring efficient management of natural resources and compliance with environmental regulations.

The Manual is available on the Company's corporate website via the following link: Environmental Management System Manual of KTZ NC JSC and Its Subsidiaries.

ENVIRONMENTAL EMISSIONS

The Company implements a range of measures aimed at reducing negative environmental impacts. The main areas include the rational use of natural resources, reduction of pollutant emissions and discharges, minimisation of waste generation volumes, and implementation of energy-efficient and resource-saving technologies.

As part of the implementation of annual environmental measures, the Company ensures the consistent reduction of pollutant emissions. On average, annual reductions range from 1.5% to 5%, confirming the achievement of established environmental objectives.

In 2025, the total volume of emissions decreased by 1.8% compared to 2024, from 62.9 thousand tonnes to 61.8 thousand tonnes. The dynamics across the main emissions categories are characterised as follows:

- atmospheric pollutant emissions decreased by 3%, from 4,749.4 tonnes to 4,610.7 tonnes;
- waste generation decreased by 1.6%, from 57,931.9 tonnes to 56,987.8 tonnes.

According to the objectives of the Integrated Management System (IMS) of KTZ NC JSC regarding the reduction of atmospheric pollutant emissions, the target indicator was established at 2%. Based on the results of 2025, the actual reduction amounted to 4.3%, indicating that the established target indicator was exceeded and the environmental objectives for the reporting period were achieved. For 2026, the target indicator has been set at 2%.

At the same time, pollutant discharges with wastewater increased by 7.6%, from 233.2 tonnes to 251.1 tonnes, due to increased production activity volumes.

SASB TR-RA-540A.2.

During the reporting period, no accidental or unregulated pollutant discharges were recorded ✓.

According to the Environmental Code of the Republic of Kazakhstan, an accidental emission is defined as an unforeseen, unpredictable and unintentional emission caused by an accident occurring during the operation of facilities.

Monitoring of accidental emissions is carried out through industrial environmental control processes and monitoring of compliance with maximum permissible emissions (MPE) and maximum permissible discharges (MPD) standards. Sources of accidental emissions may include rolling stock and specialised equipment, boiler houses and compressors.

Emission management, including non-accidental emissions, is carried out through:

- operation of the environmental management system;
- regulated safety procedures;
- employee training and instruction;
- internal control of production processes, etc.

The Company systematically monitors the use of proactive tools aimed at preventing accidents and occupational injuries. The key mechanisms include conducting behavioural safety audits and observations, registration and investigation of hazardous conditions, unsafe acts and near misses, as well as implementation of the right to stop unsafe work.

Incentive payments for safe arrival at work are not applied.

Unregulated discharges are wastewater or pollutant discharges carried out without established standards, limits or permit conditions.

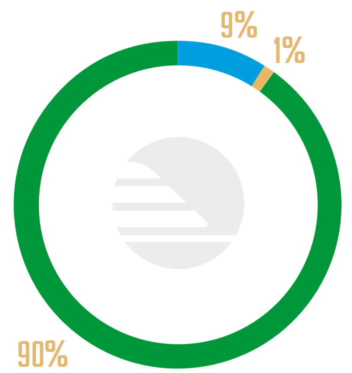
Key Measures to Reduce Emissions

The reduction of pollutant emissions and discharges was achieved through the implementation of a number of technical and organisational measures, including:

- transition to electric heating at certain facilities of KTZ-Freight Transportation LLP and the Main Railway Network Directorate, Branch of KTZ NC JSC, which made it possible to reduce pollutant emissions from stationary sources;
- renewal of rolling stock, including the acquisition of passenger cars with combined heating systems and the decommissioning of obsolete cars;
- optimisation of wastewater infrastructure facilities, including the transfer of Temirzholsu JSC facilities at Shu and Taraz stations to local executive authorities, in whose territories filtration fields had previously operated.

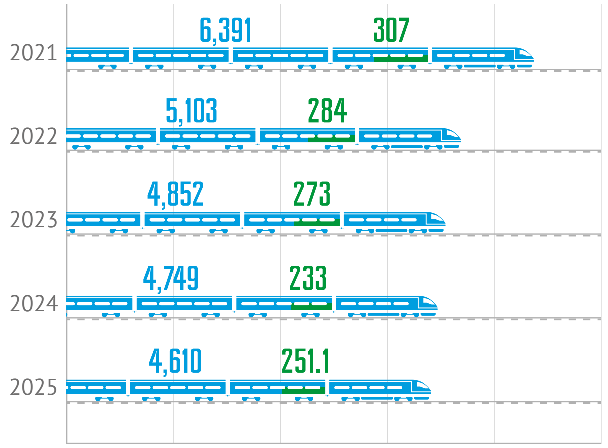
Trends in Environmental Emissions, 2021-2025, thousand tonnes

Proportion of Pollutant Emissions, %



- Air Emissions
- Wastewater discharge
- Industrial waste

Volumes of Pollutant Emissions and Discharges, 2021-2025, tonnes



- emissions
- discharges

Environmental Payments and Penalties

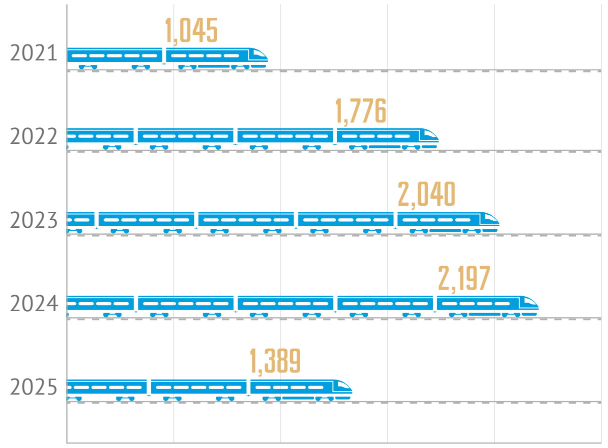
In the reporting year, the total amount of environmental payments amounted to KZT 2,197 million, while environmental penalties totalled KZT 1.4 million.

During the reporting year, the amount of the Company's mandatory environmental payments totalled KZT 1,389 million. Payments were made in accordance with the requirements of environmental laws and included environmental charges.

The amount of penalties imposed following inspections by competent authorities totalled KZT 11 million. Compared to the 2024 level (KZT 1.4 million), the increase was attributable to the expansion of production activities, including the implementation of new railway infrastructure construction and modernisation projects.

At the same time, based on the results of the reporting period, a significant economic effect was achieved: due to the reduction of environmental emissions and changes in applicable payment rates, the amount of statutory environmental payments decreased by KZT 824 million compared to 2024.

Trends in Environmental Payments, 2021-2025, KZT million



Trends in Environmental Penalties, 2021-2025, KZT million

ENVIRONMENTAL PROTECTION EXPENDITURES

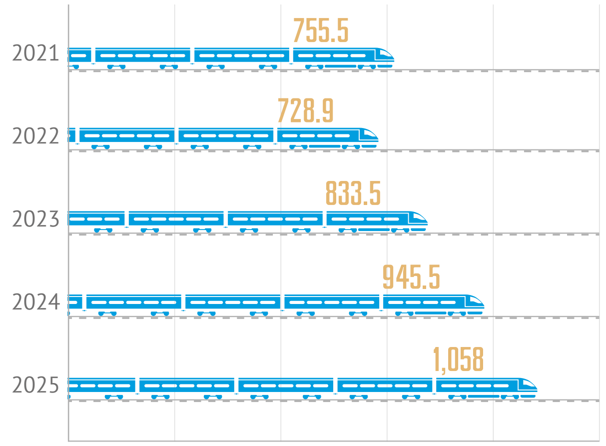
To achieve its environmental protection goals, the Company develops environmental action plans across all organisational levels. These plans are integrated into the Company's overall planning cycle and take into account: the regulatory requirements of the Republic of Kazakhstan; international environmental standards applicable to the activities of the Company and its subsidiaries; material environmental aspects, risks and opportunities.

The prioritisation of financing is based on an assessment of material environmental aspects.

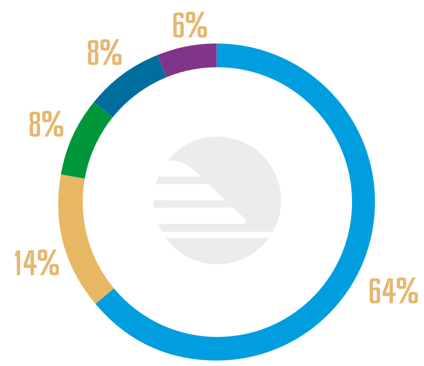
The assessment of material environmental aspects is carried out in accordance with the Standard on Hazard and Environmental Aspect Identification, Risk Assessment and Management in the Field of Occupational and Environmental Safety at KTZ NC JSC (Order No. 614-TsZ dated 1 September 2023).

During the reporting year, 676 employees completed training on environmental safety and environmental protection.

Trends in Environmental Protection Expenditures, 2021-2025, KZT million



Structure of Environmental Protection Expenditures, %



- Contracting for the removal and disposal of industrial and consumer waste
- Contracting for environmental pollution control measurements (soil, water, air)
- Development of regulatory and permitting documentation
- Training of environmental protection officers
- Landscaping and greening activities

Internal Control and Inspections

Following the inspections, reports and instructions were issued, and corrective action plans were developed.

The Company operates an internal control system aimed at ensuring compliance with environmental laws and internal environmental protection regulations.

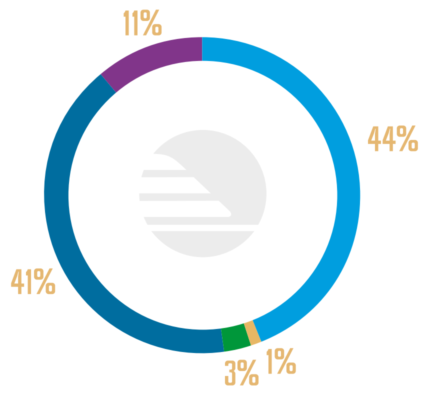
Internal inspections are conducted annually and form part of the Company's environmental management system. Their purpose is to monitor the state of environmental safety, assess risks and take measures to eliminate identified non-compliances.

In 2025, the Occupational Safety and Environment Inspection of KTZ NC JSC conducted scheduled inspections of the Company's divisions in the Akmola, Karaganda, Semey, Shymkent and Atyrau regions.

Based on the inspection results, reports and instructions were issued, and corrective action plans were developed aimed at eliminating identified observations and further improving the environmental management system.

At the same time, the number of non-compliances compared to the previous year was associated with a reduction in the number of Company units inspected: 256 in 2024 and 173 in 2025.

Structure of Environmental Non-Compliances Identified Through Internal Control, %



- Poor management of environmental regulatory documentation
- LaFailure to complete environmental training
- Delayed signing of municipal solid waste disposal contracts
- Non-compliance with waste storage conditions
- Absence of waste containers

Number of Environmental Non-Compliances Identified and Eliminated Through Internal Control, 2021-2025

WATER RESOURCE MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5

The Company recognises the importance of the rational use of water resources.

Approaches and commitments in the field of water resources management are set out in the Environmental Management System Manual of KTZ NC JSC and its subsidiaries.

Water resources management is aimed at ensuring uninterrupted water supply to railway infrastructure production facilities. The Company's activities in this area are carried out in accordance with the requirements of the laws of the Republic of Kazakhstan and the Company's internal regulatory documents.

The main areas of water resources management include:

- ensuring uninterrupted water supply to railway enterprises and the population;
- operation of water supply and wastewater disposal systems;
- operation of treatment facilities;
- organisation of wastewater reception and disposal to filtration fields.

Temirzholsu JSC plays a key role in ensuring water supply to the Company's structural divisions.

During the reporting year, Temirzholsu JSC was included in the water disclosure perimeter as a company for which operational control has been ensured and a water accounting system compliant with the Company's corporate requirements is in place. For certain subsidiaries of KTZ NC JSC management, such procedures are at the implementation stage; inclusion of their data in reporting is planned as they achieve a comparable level of maturity of accounting and internal control systems.

Its main objectives are to ensure uninterrupted water supply to railway enterprises and the population, as well as the operation of treatment and sewerage facilities.

The water supply infrastructure includes:

- water abstraction wells;
- water pipelines;
- treatment facilities;
- clean water storage tanks;
- pumping stations;
- water towers;
- distribution networks.

Temirzholsu JSC carries out water abstraction from underground and surface sources, as well as water transportation to settlements and regions lacking centralised water supply systems.

Treatment facilities operated by Temirzholsu JSC conduct comprehensive mechanical, biological and chemical treatment of wastewater. Following treatment, the wastewater is discharged to filtration fields for subsequent use for technical purposes. The Company does not discharge wastewater into natural water bodies.

To minimise impacts on water resources, the following measures are implemented:

- annual conclusion of contracts with laboratories for monitoring the quality of groundwater and wastewater;
- implementation of landscaping and greening activities;
- reclamation of filtration fields used for wastewater disposal.

The Company annually establishes water consumption targets and objectives. For 2025, the target water consumption indicator was set at 4,135.5 thousand m³, while actual consumption amounted to 4,130.7 thousand m³.

In 2025, the Company's total water abstraction amounted to 4,130.7 thousand m³, of which 1,645.8 thousand m³ (39%) relates to regions experiencing water scarcity.

The main share of water abstraction consisted of groundwater amounting to 4,110.05 thousand m³, of which 1,637.62 thousand m³ (39.8%) was used in water-scarce regions.

Water abstraction from surface sources amounted to 20.65 thousand m³, while in water-scarce regions it was represented mainly by other water sources (8.23 thousand m³).

Detailed information is disclosed in the section "Key ESG Performance Indicators".

The decrease in surface water supply volumes is associated with the transfer of facilities to the jurisdiction of local executive authorities. In 2024, 51 facilities were transferred, and in 2025, 39 facilities were transferred, totalling 90 facilities. Due to the onset of spring and autumn flood periods (5.6 months) and the sharp deterioration in water quality in open surface water bodies (increased turbidity, presence of suspended solids, risk of microbiological contamination), as well as in order to ensure sanitary and epidemiological well-being and prevent the supply of substandard water to consumers, surface water supply was discontinued, and only groundwater was used in 2025.

The reduction to zero in water supplied by third-party companies was associated with the transfer of certain facilities to the jurisdiction of local executive authorities, termination of contractual relations with third-party suppliers, and revision of the water supply scheme. Since 2025, the enterprise has switched to the use of its own sources (groundwater) without involving third-party companies.

Wastewater Discharges

The Company manages wastewater within the framework of its environmental management system and in accordance with the requirements of the environmental laws of the Republic of Kazakhstan.

Wastewater discharges by the Company's subsidiaries are carried out in accordance with the established maximum permissible discharge (MPD) standards. The MPD standards are set in accordance with the requirements of the Environmental Code of the Republic of Kazakhstan.

Within the framework of environmental regulation, permissible discharge indicators have been established for the following pollutants:

- suspended solids;
- chlorides;
- sulphates
- ammonium nitrogen;
- phosphates;
- anionic surfactants;
- petroleum products.

In 2025, all wastewater quality indicators complied with the established standards.

The total volume of pollutant discharges with wastewater in 2025 amounted to 251.1 tonnes.

The Company's total wastewater disposal volume amounted to 907.61 thousand m³, of which 207.39 thousand m³ (22.8%) relates to regions experiencing water scarcity. The main share consisted of groundwater (907.6 thousand m³).

The Company's total water consumption amounted to 3,223.1 thousand m³, of which 1,438 thousand m³ (44.6%) relates to regions experiencing water scarcity.

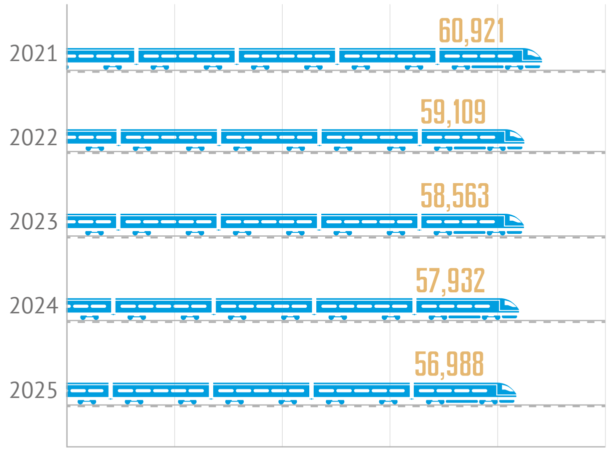
Detailed information is disclosed in the section "Key ESG Performance Indicators".

WASTE MANAGEMENT

GRI 306-1

During the operation of the railway industry, various types of waste are generated, including waste arising from the repair and maintenance of rolling stock and the operation of railway lines. Part of the generated waste may contain hazardous substances requiring specialised handling, transportation, processing or disposal in order to minimise negative environmental impacts.

Waste Volumes, 2021-2025, tonnes



Detailed information is disclosed in the section "Key ESG Performance Indicators".

KTZ NC JSC carries out systematic waste management in accordance with the requirements of environmental legislation and internal regulatory documents aimed at reducing waste generation, increasing the level of reuse and recycling, as well as ensuring environmentally safe waste handling.

GRI 306-3

In 2025, KTZ NC JSC generated 56,988 tonnes of waste, which is 1.6% lower than the 2024 indicator. The reduction in waste generation volume is associated with the conversion of a number of facilities from solid fuel to electric and gas heating, reduced coal consumption, decreased actual operation of rolling stock due to repair works, as well as the renewal of passenger cars with combined heating systems.

GRI 306-2

Waste accounting and management are carried out in accordance with established requirements across all structural divisions, as well as subsidiaries and affiliates of the Company. Data registration is based on actual measurements of waste mass with subsequent consolidation of information in corporate reporting. Information is annually reflected in waste inventory reporting and submitted to the competent government authority, including through the information system of the State Waste Cadastre.

STRUCTURE OF GENERATED WASTE:

GRI 306-3

HAZARDOUS WASTE

3,650.43 tonnes

NON-HAZARDOUS WASTE

53,337.38 tonnes

Table 23. **Waste Generated by Type, 2024–2025, tonnes**

	2024	2025
Hazardous waste	3,739.71	3,650.43
Non-hazardous waste, including:	54,192.19	53,337.38
Total:	**57,931.90**	**56,987.8**

Within the structure of non-hazardous waste, the main share is represented by ash and slag waste and other non-hazardous waste generated during production activities. During the reporting period, no overburden rock generation was recorded.

The Company ensures control and safe waste handling at all stages of the waste life cycle – from the moment of generation to transfer for further processing. Waste is transferred to specialised companies holding the relevant licences for waste disposal, recovery or landfill operations. To implement these processes, KTZ NC JSC cooperates with municipal services and specialised service providers.

GRI 306-5

In an effort to reduce the amount of waste sent to landfills, the Company promotes separate waste collection, followed by recycling and transfer to relevant companies.

To reduce the volume of waste sent to landfills, KTZ NC JSC implements measures to develop separate collection practices with subsequent transfer for disposal and recycling. This approach contributes to increasing the level of material reuse, reducing environmental impact and supporting circular economy principles.

IN 2025, 117,641 KG OF WASTE WAS TRANSFERRED TO THIRD-PARTY COMPANIES ON A COMMERCIAL BASIS, INCLUDING:

WASTE PAPER

31,822 kg

PLASTIC

8,760 kg

GLASS

2,089 kg

USED BATTERIES

53,217 kg

OBSOLETE OFFICE EQUIPMENT

7,844 kg

USED VEHICLE TYRES

13,909 kg

Environmental Initiatives and Campaigns

KTZ NC JSC implements a range of environmental initiatives aimed at reducing its environmental impact and fostering a culture of responsible environmental stewardship among employees. The Company regularly conducts environmental activities, including landscaping and territory clean-up campaigns, greening and tree-planting projects, as well as awareness campaigns aimed at improving environmental awareness.

In 2025, KTZ NC JSC implemented an initiative to plant more than 180 thousand saplings across the Republic of Kazakhstan. Planting activities were carried out with the direct participation of KTZ NC JSC employees, contributing to enhanced employee environmental engagement and the development of corporate culture.

To draw attention to water resource conservation and promote principles of rational water use, during the reporting year the Company conducted an environmental month under the slogan "Water is vital for life", aimed at raising employee awareness of the importance of fresh water and the need for its careful use.

In addition, as part of the republican environmental initiative "Clean Kazakhstan", the Company's employees participated in a series of thematic environmental challenges aimed at developing everyday environmentally responsible behaviour practices. Activities conducted included Paper-Free Day, Car-Free Day, Plastic-Free Day, Electricity Saving Day, Separate Waste Collection Day, and other initiatives.

BIODIVERSITY CONSERVATION

GRI 304-1, 304-2, 304-3, 304-4

KTZ NC JSC is committed to the sustainable use of natural resources and the conservation of biodiversity across all areas of its operations.

The Company's commitments to biodiversity conservation are set out in the Environmental Management System Manual of KTZ NC JSC, which places particular emphasis on preventing adverse impacts on natural ecosystems.

Biodiversity protection is taken into account at all stages of the Company's activities – from the planning of infrastructure facilities to their construction and subsequent operation. For all types of activities potentially capable of impacting the environment and public health, a mandatory Environmental Impact Assessment (EIA) procedure is conducted.

To assess project-related risks, the Company employs effective tools, including environmental and social risk assessments. Risk assessment is carried out on an ongoing basis at all stages of project implementation and includes analysis of potential impacts on atmospheric air, surface and groundwater, landscapes, land resources and soil cover, as well as biodiversity and other factors.

The results of the Environmental Impact Assessment are used in selecting design solutions, with priority given to options ensuring minimal impact on natural ecosystems and public health.

There are no concentration zones of rare species or species listed in the Red Book of the Republic of Kazakhstan within the Company's existing railway infrastructure areas.

At the same time, the Company seeks to avoid conducting operational activities near natural areas of national or international importance for biodiversity conservation in order to minimise impacts on ecosystems and achieve no net loss of biodiversity.

In addition, during the planning and implementation of construction projects, the Company actively cooperates with government authorities, environmental organisations and local communities in order to improve the effectiveness of biodiversity conservation measures.

Biodiversity Risk Assessment

The Company has developed a hazard identification and risk assessment process related to biodiversity conservation, including:

1. Analysis of facility locations – when assessing risks, geographical characteristics of facility locations are taken into account, including their proximity to protected natural areas, zones of high biodiversity value and nature reserves.
2. Integration into the corporate-wide risk management system – the assessment of biodiversity-related risks is integrated into the Company's overall corporate risk management system, ensuring their systematic monitoring and proactive management within broader business processes.
3. Assessment of dependence on natural resources – when analysing risks, the Company's dependence on natural resources, including water and land resources, is taken into account, contributing to the responsible use of ecosystem services.
4. Consideration of biodiversity impact risks – risks associated with impacts on the environment and biodiversity are considered, including pollution of water bodies, disturbance of species habitats and changes in ecosystem services.

Biodiversity-related risks are identified during the environmental aspects assessment process, as well as during Environmental Impact Assessment at the design stage. The assessment results are reflected in the EIA project documentation, and where necessary, measures are taken in accordance with the mitigation hierarchy (avoidance, minimisation, restoration and compensation).

As part of the EIA for the Moiynty – Kyzylzhar railway line construction project, a Biodiversity Management Plan was developed, which provides for:

- key risks to biodiversity components taking into account railway construction and operation;
- areas of highest biodiversity risk taking into account concentrations of rare and background species within the territory (habitats of rare plant species, locations and nesting sites of birds of prey, and saiga migration corridors);
- measures aimed at reducing negative impacts on flora and fauna.

The project identified the following potential impacts on biodiversity: damage to plants, effects on flora (chemical effects, dust on the surface of the leaf plate of plants, etc.), demolition of bird nests, death of animals and fish, etc., and a set of measures to minimize them, including prevention of fuel spills, reduction of dust formation, installation of artificial nests. prevention of animal deaths and protection of water resources, as well as improving the environmental culture of staff and interaction with stakeholders, and others.

Measures to Mitigate Biodiversity Impacts

In order to mitigate impacts on biodiversity, the Company applies a set of measures including impact prevention (avoid), minimisation of negative impacts (reduce), implementation of solutions contributing to ecosystem improvement (regenerate), as well as implementation of ecosystem restoration measures (restore) and promotion of transformational initiatives aimed at developing environmental responsibility (transform).

As part of biodiversity conservation measures and minimisation of the negative impact of railway infrastructure on ecosystems, in 2025 a comprehensive survey of the Zhezkazgan – Koskol and Zhezkazgan – Kyzylzhar railway sections was conducted in the Ulytau Region. The work was carried out jointly with the participation of the territorial inspection of forestry and wildlife, the Republican State Government Enterprise PO Okhotzooprom, the Kazakhstan Biodiversity Conservation Association, as well as railway infrastructure specialists.

The purpose of the survey was to identify migration routes of wild animals, including saiga antelopes and roe deer, crossing railway lines, as well as to determine sections requiring adaptation measures to ensure their unobstructed movement.

According to the survey results:

- on the Zhezkazgan – Koskol section, 16 potential migration corridors with a total length of 39 km were identified;
- on the Zhezkazgan – Kyzylzhar section, 13 sections with a total length of 41 km were identified.

Thus, the total length of sections recommended for removal of livestock fencing and adaptation as migration routes amounted to 80 km.

Identification of migration routes was carried out based on long-term observations, including the use of monitoring and telemetry data, which made it possible to determine the most significant infrastructure crossing zones with natural animal migration routes.

Following the survey, it was recommended to maintain the identified sections permanently free from livestock fencing, taking into account seasonal animal migration, including saiga migration to the Betpakdala population area during winter and their return during spring. Continued monitoring and implementation of measures aimed at reducing the risk of animal mortality and decreasing habitat fragmentation are also envisaged.

Measures aimed at preventing impacts on biodiversity include activities provided for under the Environmental Impact Assessment for the Moiynty – Kyzylzhar railway line construction project. As part of the project, a Biodiversity Management Plan was developed, including preventive measures to reduce potential impacts on flora and fauna, in particular prevention of fuel and lubricant spills, reduction of dust generation, installation of artificial nesting sites, prevention of animal mortality and protection of water resources, as well as enhancement of environmental awareness among personnel and interaction with stakeholders, among other measures.

Within the framework of the “restore” and “transform” categories, the Company implements measures aimed at preserving ecosystems, maintaining biodiversity and increasing the level of environmental responsibility among employees. In particular, environmental initiatives are implemented, including landscaping and territory clean-up, as well as the development of employees’ environmental culture.

In 2025, more than 180 thousand saplings were planted across the Republic of Kazakhstan, contributing to the restoration of vegetation cover and the creation of favourable conditions for flora and fauna habitats. Additional environmental campaigns and initiatives were implemented, including within the frameworks of the “Water is vital for life” and “Clean Kazakhstan” initiatives.

ECOLOGICAL ASSESSMENT OF SUPPLIERS

GRI 308-1, 308-2

When interacting with suppliers for the procurement of goods, works, and services, the Company requires suppliers to implement necessary measures and comply with the legal regulations of the Republic of Kazakhstan on occupational safety, fire safety, labour protection, and environmental protection.

The Company has adopted a corporate standard titled «Safety Management for Work Performed by Contractors at KTZ NC JSC and Its Subsidiaries.» This standard outlines mandatory compliance with legislative and internal Company regulations, the holding of kick-off meetings and introductory briefings on occupational health and safety with contractor personnel, as well as continuous monitoring of their adherence to these requirements.

Additionally, standard procurement contracts for goods, works, and services include obligations for suppliers to comply with the environmental laws of the Republic of Kazakhstan and to mitigate any negative consequences of their industrial activities on the environment at the sites where works or services are performed.

In 2025, in support of suppliers regarding environmental and social aspects, in line with the requirements of this standard, 333 environmental audits were conducted during the kick-off meetings.

CLIMATE RESPONSIBILITY

GRI 201-2 TCFD

Climate change has a significant impact on rail transport and its infrastructure, creating both physical and financial risks. Climate-related risk management is integrated into the overall risk management system of the Company.

Climate change can lead to financial risks: extreme weather conditions can damage railway infrastructure, requiring substantial repair costs. Weather changes can also reduce the volume of transportation, thereby decreasing the Company’s revenues. Additionally, measures for climate change adaptation may increase fuel costs, raising operational expenses.

These risks may seriously affect the Company’s financial position, profitability and returns.

More detailed information is presented in the Climate Report.

Climate-related risks are an important component of the corporate risk management system, considering their impact on the Company’s activities and achievement of strategic goals. As part of managing these risks, the Company regularly monitors them and includes climate-related risks in the Risk Register, enabling timely identification of potential threats and development of appropriate mitigation measures.

The Risk Register defines two categories of climate-related risks:

1. Caspian Sea Shrinking (Reduced operational capacity of port piers, shipping routes, port waters, hydraulic structures, and maritime safety);
2. Risks associated with changes in physical climate parameters:
   - The risk of flooding, erosion of roadbeds, artificial structures, and other infrastructure facilities;
   - The risk of infrastructure damage due to extreme heat/cold and drought in certain regions;
   - The risk of changes in the structure and volume of cargo due to natural disasters related to climate change.

To manage these risks, the Company implements a set of measures aimed at reducing the impact of climate-related risks.

The risk report, including climate-related risks, is reviewed by the Audit Committee of the Board of Directors of KTZ NC JSC, which allows for timely evaluation of the current situation and making necessary adjustments to the risk management strategy.

MEASURES FOR CLIMATE CHANGE ADAPTATION

KTZ NC JSC implements a comprehensive set of measures aimed at protecting railway infrastructure and reducing the impact of climate-related risks.

Protection of Railway Network Facilities from Adverse Weather Conditions

To protect the main railway network from the negative effects of weather factors, the Company operates three branches: Astana, Almaty, and Aktobe Protective Forestry Branches.

The total area of protective forestry plantations is 63,207 hectares.

To maintain the protective qualities and longevity of the plantations, the branches carry out ongoing maintenance (thinning operations, debris clearance, and fire prevention tillage between forest belts) and also perform activities for clearing the right-of-way and forestry plantations to help preserve KTZ NC JSC’s infrastructure during the fire hazard season.

To prevent potential flooding, an annual Plan is developed and implemented to prepare tracks and artificial structures for the passage of ice flows and flood waters. This plan includes various activities such as blasting operations, dam and reservoir inspections, self-preparation of stone for embankments, loading stones onto platforms, clearing artificial structures of snow, and forming anti-erosion trains, among other activities.

THREAT OF CASPIAN SEA SHRINKAGE

The shrinking of the Caspian Sea represents a significant natural and climatic risk and may negatively affect transit and export freight transport carried out through the ports of the Caspian countries. A drop in water levels may lead to restricted channel depth, hindering the passage of large vessels and thereby reducing transport volumes. It may also result in increased transportation costs, including more expensive and slower detour routes, as well as longer delivery times for goods.

As part of climate risk management related to the shrinking of the Caspian Sea, Aktau International Sea Trade Port NC JSC implemented a set of measures in 2024–2025 aimed at ensuring the resilience of port infrastructure and reducing potential operational risks. In particular, design and estimate documentation was developed for the “Dredging of the Aktau Port Water Area” project, a state expert review conclusion was obtained, as well as an environmental permit for Category II facilities for 2025–2027.

In addition, the Company participates in dialogue with stakeholders. In particular, representatives of Aktau International Sea Trade Port NC JSC participated in a specialised round table dedicated to issues related to changes in the Caspian Sea level and the risks of its shrinking in order to raise awareness and develop joint solutions.

LOW-CARBON DEVELOPMENT CONCEPT

GRI 305-1, 305-2, 305-5

SASB TR-RA-110A.2.

In December 2020, Kazakhstan announced its goal to achieve carbon neutrality by 2060, reaffirming its commitments under the Paris Agreement to limit global temperature rise to 1.5-2°C.

In February 2023, the President of the Republic of Kazakhstan approved the "Strategy of the Republic of Kazakhstan for Achieving Carbon Neutrality by 2060".

Samruk-Kazyna JSC adopted the Low-Carbon Development Concept and the Fund's Transition Plan to a Low-Carbon Business Model.

To contribute to efforts aimed at reducing greenhouse gas emissions, in 2022, KTZ NC JSC developed its own Low-Carbon Development Concept through to 2060[21], which focuses on reducing carbon impact through measures such as improving energy efficiency, using renewable energy sources, electrifying railways, and introducing locomotives that run on cleaner fuels.

Based on this Concept, in 2023, the 2023–2027 Low-Carbon Development Action Plan for the Company and Its Subsidiaries was approved.

In 2025, as a result of the implementation of the 2023–2027 Low-Carbon Development Action Plan for the Company and Its Subsidiaries, which also includes energy-saving and energy-efficiency measures, such as replacing lighting lamps, installing low-emission film on windows, installing heat-reflective screens, and upgrading heating systems, the fuel and energy consumption was reduced by 111,000 GJ were saved.

AS A RESULT OF THESE MEASURES, CO_2EQ EMISSIONS WERE REDUCED BY 17,390 TONNES, INCLUDING:

REDUCTION IN GREENHOUSE GAS EMISSIONS FROM DIRECT EMISSIONS

3,746 tonnes of CO_2-eq

REDUCTION IN GREENHOUSE GAS EMISSIONS FROM INDIRECT EMISSIONS

13,644 tonnes of CO_2-eq

Table 24. **Volume of Greenhouse Gas Emission Reductions, 2024–2025**

	2024	2025
Volume of direct (Scope 1) GHG emission reductions as a result of reduction initiatives, tonnes of CO_2-eq	4,525	3,746
Volume of indirect (Scope 2) GHG emission reductions as a result of reduction initiatives, tonnes of CO_2-eq	22,860	13,644
Total volume of greenhouse gas emission reductions, tonnes of CO_2-eq	**27,385**	**17,390**

[21] Approved by the decision of the Management Board of KTZ NC JSC dated 26 December 2022 (Minutes No. 02/49).

Alignment of the Low-Carbon Development Action Plan with the Goals of the Paris Agreement

SASB TR-RA-110A.2.

The 2023–2027 Low-Carbon Development Action Plan for the Company and Its Subsidiaries was developed taking into account the global climate targets established under the Paris Agreement, which provides for keeping the increase in the global average temperature well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

The Plan is aimed at the gradual reduction of the carbon intensity of railway transport operations and forms the Company's contribution to achieving the carbon neutrality target of the Republic of Kazakhstan by 2060. The Company's approach is aligned with the key principles of the Paris Agreement, including the consistent reduction of greenhouse gas emissions (Scope 1 and Scope 2), improvement of energy efficiency, reduction of dependence on carbon-intensive energy sources, as well as the development of a climate risk and opportunity management system.

The key decarbonisation areas include improving energy efficiency through the modernisation of rolling stock, reducing the specific consumption of diesel fuel and introducing energy-saving technologies at infrastructure facilities. Measures are also envisaged to reduce indirect emissions, including the transition to electricity with a lower carbon factor, improvement of the energy efficiency of administrative buildings and the introduction of elements of "green" procurement.

Progress in implementing the Plan is monitored annually within the framework of the environmental management system. Responsibility for implementation of the measures is assigned to relevant structural divisions and subsidiaries, while control over achievement of target indicators is exercised at the level of the Safety and Environmental Protection Committee within the corporate sustainable development management system.

At the same time, the legislation of the Republic of Kazakhstan does not establish requirements obliging the Company, or the transport sector in general, to apply mechanisms such as the Quebec Cap-and-Trade System, California Cap-and-Trade Program and EU Emissions Trading System.

The Company voluntarily implements measures within the framework of the Low-Carbon Development Action Plan aimed at reducing greenhouse gas emissions and also takes into account international best practices in the field of climate regulation and corporate reporting.

The Company's carbon footprint includes direct and indirect energy-related emissions:

Direct greenhouse gas emissions arise from the operation of mobile sources (diesel locomotives, railcars and motor vehicles) and stationary consumers (boilers, boiler houses and furnaces).

Indirect energy emissions are associated with the use of electricity purchased by the Company from external suppliers and consumed for production needs.

The main sources of greenhouse gas emissions are:

- locomotives;
- motor vehicles;
- special-purpose machinery;
- boilers operating on gas, diesel fuel or coal;
- buildings with furnace heating.

SASB TR-RA-110A.2.

The Company establishes quantitative targets for reducing greenhouse gas emissions on an annual basis. In 2025, the target set by the Development Strategy of KTZ NC JSC until 2032 provides for a 2.5% reduction in the carbon footprint compared to the base year.

To ensure comparability of indicators and objective assessment of greenhouse gas emission trends, the Company has defined a base year against which targets are established and assessed. In accordance with the Low-Carbon Development Concept of Samruk-Kazyna JSC, 2021 was adopted as the base year.

The selection of this year is due to the need to unify approaches across the Fund's group of companies, the availability of a complete and verified greenhouse gas emissions database, as well as ensuring methodological comparability of calculations.

The use of 2021 as the base year makes it possible to:

- ensure a unified approach to the establishment and monitoring of decarbonisation targets;
- correctly monitor emission reduction trends in the medium and long term;
- analyse the effectiveness of measures implemented under the Low-Carbon Development Action Plan.

Achievement of the established targets is carried out under the 2023–2027 Low-Carbon Development Action Plan. Monitoring of the implementation of the Plan's measures and the level of achievement of the established carbon footprint reduction target is carried out on a regular basis. Progress is assessed through analysis of the implementation of the Plan's measures, as well as calculation of the carbon footprint level based on consolidated greenhouse gas emissions data.

Emission calculations are performed using an approved methodology ensuring comparability of indicators over time. The obtained results are used for:

- assessing the degree of achievement of the established target (including the 2.5% reduction target for 2025);
- adjusting management decisions and Plan measures.

GHG Emission Trends (Scope 1 and 2), 2018-2025, thousand tonnes of CO_2-eq

In 2025, total emissions amounted to 5,236 thousand tonnes of CO_2-eq, including direct emissions of 2,529 thousand tonnes of CO_2-eq and indirect emissions of 2,707 thousand tonnes of CO_2-eq.

According to the 2025 targets, a reduction of net CO_2 emissions by 2.5% compared to the 2024 level was planned. An actual reduction of 2.7% was achieved due to implementation of the measures under the Low-Carbon Development Action Plan and changes in the methodology for calculating greenhouse gas emissions (Scope 2).

GRI 305-1

SASB TR-RA-110a.1 (1-2), SASB TR-RA-110A.2.

Table 25. Direct Greenhouse Gas Emission Trend, by Type

	2022	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
CO_2 (thousand tonnes)	2,158	2,179	2,214	2,304	1.6	4
CH_4 (thousand tonnes of CO_2-eq)	3.07	3.53	3.61	3.77	2.3	4.4
N_2O (thousand tonnes of CO_2-eq)	227.80	206.57	210.68	221.34	2	5
Total (thousand tonnes of CO_2-eq)	**2,388.87**	**2,389.43**	**2,428.3**	**2,529**	**1.6**	**4.1**

Table 26. Indirect Greenhouse Gas Emission Trend, by Type

GRI 305-2

	2022	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
CO_2 (thousand tonnes)	3,284	3,119	2,630	2,707	−15.7	2.9
Total (thousand tonnes of CO_2-eq)	**3,284**	**3,119**	**2,630**	**2,707**	**−15.7**	**2.9**

SASB TR-RA-110A.2.

The Company does not generate emissions from biomass combustion or decomposition, nor does it produce emissions of HFCs, PFCs, SF_6 or NF_3.
The indicator of the intensity of greenhouse gas emissions shows the volume of direct and indirect greenhouse gas emissions depending on the volume of work performed by railway transport.

GRI 305-4

In 2025, the intensity of direct GHG emissions amounted to 49.773 kg of CO_2-eq/10,000 gross tonne-kilometres, and that of indirect energy-related emissions – 53.278 kg of CO_2-eq/10,000 gross tonne-kilometres.

Table 27. Greenhouse Gas Emission Intensity in the Reporting Period

Total GHG emissions, kg of CO_2-eq	5,235,950,378
Transport work performed, 10,000 gross tonne-km	50,808,600
Intensity of direct emissions, kg of CO_2-eq/10,000 gross tonne-km	49.773
Intensity of indirect energy-related emissions, kg CO_2-eq./10,000 gross tonne-km	53.278
Total GHG emission intensity (Scopes 1+2), kg of CO_2-eq/10,000 gross tonne-km	103.048

In 2025, the GHG emission intensity from direct emissions amounted to 0.0000009 million tonnes of CO_2-eq/KZT million of revenue, and from indirect energy-related emissions – 0.0000010 million tonnes of CO_2-eq/KZT million.

Table 28. Greenhouse Gas Emission Intensity in the Reporting Periode

Total GHG emissions, kg of CO_2-eq	5,235,950,378
Total revenue, KZT million	2,757,083
Intensity of direct emissions, million tonnes of CO_2-eq/KZT million	0.0000009
Intensity of indirect emissions, million tonnes of CO_2-eq/KZT million	0.0000010
Total GHG emission intensity (Scope 1 + Scope 2), million tonnes of CO_2-eq/KZT million	0.0000019

SASB TR-RA-110A.2.

Compared to the base year 2021, the total volume of CO_2 emissions decreased by 5.6%, while compared to 2024 an increase of 3.5% was observed.

Scope 1 emissions increased by 10.8% compared to the base year and by 4.1% compared to 2024.

At the same time, Scope 2 emissions demonstrated a significant reduction of 16.7% relative to the base year; however, compared to 2024 an increase of 2.9% was recorded.

As follows from the analysis conducted, in 2025 compared to the base year an increase in direct emissions was observed due to growth in transport work volumes.

The reduction in Scope 2 greenhouse gas emissions is associated with changes in the methodology for their calculation taking into account updates to the legislation of the Republic of Kazakhstan.

At the same time, owing to implementation of the measures under the Low-Carbon Development Action Plan, the specific indicator of Scope 1 CO_2 emissions adjusted for the volume of traction work performed demonstrates a stable downward trend: the indicator decreased by 7.6% compared to the base year and by 2.07% compared to 2024.

GRI 305-7
SASB TR-RA-120a.1.

In addition to GHG emissions from fuel combustion in emission sources (diesel, liquefied gas, fuel oil, natural gas, coal), nitrogen oxides (NO_x) and sulphur oxides (SO_2) are also released into the atmosphere, contributing to environmental pollution and climate change.

Permitted emission limits for each branch are established according to environmental regulatory documents (maximum permissible emission standards), which are formalised in the respective environmental permits issued by the competent authorities.

Table 29. **SO_2 and NO_x Emissions from Stationary Sources, 2022–2025, thousand tonnes**

Pollutant emissions	2022	2023	2024	2025
NOx	0.34	0.21	0.22	0.26
SOx	0.68	0.60	0.53	0.46
Particulate matters	2.37	1.97	2.1	2.15
CO	1.42	1.41	1.44	1.30
Volatile organic compounds (VOCs)	0.25	0.10	0.08	0.06
PM10	0	0	0	0
Прочие	0.05	0.54	0.35	0.39

The consolidation of atmospheric pollutant emissions is based on reporting formats under the Environmental Management System Manual of KTZ NC JSC and Its Subsidiaries, approved by the decision of the Management Board of KTZ NC JSC on 16 May 2023.

Other Indirect (Scope 3) GHG Emissions

GRI 305-3

During the reporting period, the Company carried out, for the first time, the calculation of indirect (Scope 3) greenhouse gas emissions in accordance with the requirements of the Greenhouse Gas Protocol.

The calculation was performed for two categories identified based on an analysis of materiality, availability of source data and applicability of calculation methodologies:
- Category 5: waste generation;
- Category 6: employee business travel.

The selection of these categories was driven by their relevance to the Company's operations, as well as the availability of reliable data and the possibility of applying recognised emission factors.

According to the calculation results, Scope 3 emissions amounted to 23,383.8 tonnes of CO_2-eq in 2024 and 22,890.7 tonnes of CO_2-eq in 2025.

By category:
- Waste generation

2024: 23,383.8 tonnes of CO_2-eq
2025: 22,890.7 tonnes of CO_2-eq

This category represents the main contribution (more than 95%) within the Scope 3 structure.
- Business travel

2024: 667.3 tonnes of CO_2-eq
2025: 742.9 tonnes of CO_2-eq.

Table 30. **Indirect Greenhouse Gas Emission Trend, by Category, tonnes of CO_2-eq.**

Category 5: Waste		Category 6: Employee Business Travel	
2024	2025	2024	2025
23,383.753	22,890.675	667.332	742.930

The company plans to consider:
- phased expansion of the Scope 3 calculation perimeter;
- improvement of the data collection and verification system;
- implementation of emission reduction measures, primarily in the area of waste management;
- optimisation of business travel through the use of digital tools.

Methodology for Scope 3 Calculation

The calculation of indirect (Scope 3) greenhouse gas emissions was performed in accordance with the requirements of the Greenhouse Gas Protocol.

Emission factors from internationally recognised sources, including IPCC and DEFRA methodological materials, were used for the calculation.

The assessment of emissions was carried out on the basis of the Company's actual operational data (waste generation volumes and business travel data) using the relevant emission factors.

Prevention of Greenhouse Gas Emissions

The key factor in reducing greenhouse gas emissions is the use of electric traction. Electric locomotives operating on electricity demonstrate higher energy efficiency compared to diesel locomotives and do not generate direct atmospheric pollutant emissions.

As of 2025, the share of electric locomotives in the Company's total locomotive fleet amounts to 33%.

An additional direction for emission reduction is the renewal of rolling stock. In particular, the introduction of modern Evolution series diesel locomotives makes it possible to reduce pollutant emissions by up to 2.2 times compared to obsolete models.

In 2025, the following were commissioned: 33 KZ8A series electric locomotives and 53 TE33AS mainline diesel locomotives.

To assess the effect of locomotive fleet renewal, the Company applies the transport carbon intensity indicator (greenhouse gas emissions intensity).

Avoided emissions are determined as the difference between the specific emissions of the baseline level characteristic of the operation of obsolete rolling stock and the specific emissions of the reporting period taking into account the introduction of next-generation locomotives, multiplied by the actual volume of transport work performed.

The calculations ensure comparability of operating conditions and transport work volumes.

According to the results of 2025, the carbon intensity level (CO_2 emissions intensity) amounted to 103.048 kg of CO_2-eq per 10 thousand gross tonne-km, whereas in the base year this indicator amounted to 130.757 kg of CO_2-eq per 10 thousand gross tonne-km. Thus, the reduction amounted to 21.1%, or 27.706 kg of CO_2-eq per 10 thousand gross tonne-km.

Internal Carbon Price

During the reporting period, KTZ NC JSC did not apply an internal carbon pricing mechanism in investment and management decision-making. At the current stage, this instrument is not used due to a number of factors, including the absence of obligations under the greenhouse gas emissions state quota system of the Republic of Kazakhstan, as well as the specific structure of the Company's emissions, characterised by a relatively low share of direct (Scope 1) emissions compared to carbon-intensive industries.

When implementing investment projects, priority is given to compliance with environmental legislation requirements, improvement of energy efficiency and implementation of the measures provided for by the Low-Carbon Development Action Plan.

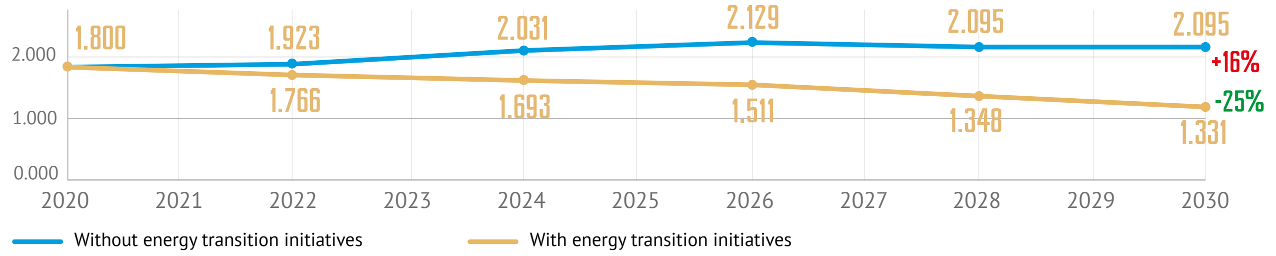
At the same time, the Company monitors international practices in applying internal carbon pricing and considers the possibility of introducing this instrument in the medium and long term, including taking into account potential tightening of regulatory requirements and the need for further integration of climate factors into investment activities.

GREENHOUSE GAS EMISSION TARGETS UNDER THE LOW-CARBON DEVELOPMENT CONCEPT OF KTZ NC JSC THROUGH TO 2060

As part of the implementation of the Concept, KTZ NC JSC plans to reduce direct emissions from diesel locomotives from 1.8 million tonnes of CO_2 to 1.3 million tonnes by 2030, representing a 25% reduction from the 2020 level. In the absence of energy transition measures, however, emissions would increase by 16% due to higher diesel fuel consumption for traction operations.

Key Measures for Implementing the Low-Carbon Development Concept of KTZ NC JSC and Its Subsidiaries Through to 2060.

Trend in Carbon Footprint (Scope 1 CO_2 Emissions), million tonnes



Key Measures for Implementing the Low-Carbon Development Concept of KTZ NC JSC and Its Subsidiaries Through to 2060

Sr. No.	Measure	Quantity (units)	Carbon Footprint Reduction (CO_2), thousand tonnes
	By 2030		
1	Renewal of the freight diesel locomotive fleet	150	194.9
2	Electrification of railway lines*	820	165
3	Renewal of the passenger diesel locomotive fleet	99	61
4	Introduction of LNG-/battery-powered locomotives**	77	29
5	Renewal of the shunting diesel locomotive fleet	50	13.3
6	Modernisation of coal-fired boiler houses	124	5.1
7	Conversion of diesel boiler houses to gas	25	0.9
Total			**469**
	After 2030		
8	Introduction of battery-powered vehicles (e.g. Tesla)**	2,377	28.9
9	Introduction of battery-powered shunting locomotives	420	126.7
			155.6

*The electrification measure is relevant subject to electricity generation from nuclear power.
** The LNG measure depends on the outcome and timeline of the pilot project implementation.

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

In 2026, the Company will continue implementing measures within the framework of the Low-Carbon Development Concept, including execution of the Action Plan for 2023–2027, as well as Environmental Protection Action Plans of structural divisions and subsidiaries of KTZ NC JSC.

Key areas include:
- renewal and modernisation of machinery and equipment taking into account environmental requirements;
- implementation of greenhouse gas emission reduction measures;
- development of the environmental management and control system;
- conclusion of contracts with specialised companies for:
  - waste management;
  - instrumental measurements of environmental pollution;
  - development and updating of environmental permitting documentation;
  - training and professional development of personnel in the field of ecology and sustainable development;
  - implementation of landscaping measures and development of environmental infrastructure.

In addition, in order to improve the environmental efficiency of the Company's operations, the following targets have been established:
- reduction of atmospheric pollutant emissions by 2%;
- reduction in waste generation volumes with an increase in the share of recycling and reuse by 2%;
- reduction of the Company's carbon footprint (Scope 1 and Scope 2) by 3%.

ENERGY EFFICIENCY AND ENERGY SAVING

GRI 3-3

The rising cost of energy resources and the steady increase in transportation volumes necessitate a systematic reduction in total energy costs. Under these conditions, improving energy efficiency becomes one of the key factors in ensuring the economic sustainability and competitiveness of KTZ NC JSC. As one of the largest energy consumers in the Republic of Kazakhstan, the Company consistently implements a comprehensive set of measures aimed at the sustainable use of fuel and energy resources, reduction of the carbon footprint and minimisation of environmental impact.

ENERGY MANAGEMENT SYSTEM

The energy management system is an integral part of the Company's integrated management system and covers the main production processes, including operation of the main railway network, organisation of freight and passenger transportation, as well as operation of supporting infrastructure. Its functioning is aimed at fostering a culture of responsible energy consumption, implementation of best energy management practices and achievement of sustainable energy efficiency indicators.

In order to formalise approaches to energy consumption management, the Company has developed and approved the Energy Management System Manual of KTZ NC JSC, which defines unified principles for planning, monitoring, analysis and continuous improvement of energy performance indicators.

KTZ NC JSC undergoes an annual external audit of its energy management system for compliance with the requirements of the international standard ISO 50001:2018, which confirms the Company's commitment to international sustainable development practices and continuous improvement.

In 2025, an external audit was conducted by the international auditing organisation TÜV Thüringen, the results of which confirmed the compliance of the Company's energy management system with the requirements of ISO 50001:2018.

In accordance with the above Manual, the Company approves an energy analysis on a quarterly basis and holds meetings of the Fuel and Energy Commission chaired by the responsible executive manager. During these meetings, issues related to actual energy resource consumption, implementation of energy efficiency improvement measures, as well as low-carbon development initiatives are reviewed, with decisions documented in minutes.

Key results of the 2025 energy analyses: total consumption of fuel and energy resources amounted to 1,420.9 thousand tonnes of coal equivalent valued at approximately KZT 384.4 billion, with the main share (93.3%) attributable to train traction, while non-traction needs accounted for 6.7%. Train traction accounts for 90.8% of electricity consumption and 97% of diesel fuel consumption, which together are equivalent to 93.3% of all consumed fuel and energy resources.

ENERGY EFFICIENCY AND ENERGY SAVING

GRI 302-5

As part of compliance with the requirements of the Law of the Republic of Kazakhstan "On Energy Saving and Energy Efficiency Improvement", KTZ NC JSC conducts mandatory energy audits within the established timeframes. Based on the results of the energy audits, a list of priority measures is developed aimed at optimising energy consumption, reducing specific consumption rates and improving the technological efficiency of production processes.

GRI 302-4

SASB TR-RA-110a.3 (1-3)

In 2025, during implementation of the 2023–2027 Low-Carbon Development Action Plan for the Company and Its Subsidiaries, fuel and energy resources amounting to 111 thousand GJ were saved[22]. The main reduction compared to the base year (2021) was achieved through implementation of the following measures:

- renewal of the locomotive fleet with 50 EVOLUTION series diesel locomotives and 45 KZ series electric locomotives;
- procurement of 27 TE36A series diesel locomotives (FXN3C, PRC) and 107 passenger cars with combined heating systems;
- implementation of the automatic train traction control mode using the Trip Optimizer system installed on 237 diesel locomotive sections;
- modernisation of indoor and outdoor lighting systems with replacement by energy-saving equipment;
- modernisation of heat supply systems and thermal insulation of buildings and engineering networks.

GRI 302-1

SASB TR-RA-110a.3 (1-3)

The Company's total energy consumption for 2025 amounted to 43,661 thousand GJ, which is 4% higher than the 2024 level. The increase in energy consumption was driven by a 6% increase in freight and passenger transportation volumes.

Table 31. Fuel and Energy Consumption, 2024–2025, thousand GJ

	2024	2025
Total electricity and heat consumption, including:	**41,928**	**43,661**
Purchased electricity	12,485	13,005
Coal	1,162	1,006
Natural gas	234	226
Liquefied gas	10	9
Petrol	325	336
Diesel fuel	27,541	28,911
Fuel oil	171	168

The indicators were calculated using the Energy Management System Manual of KTZ NC JSC, the international standard ISO 50001:2018 and the Energy Analysis Methodology of KTZ NC JSC.
Conversion factors were applied in accordance with the methodological guidelines for compiling the Fuel and Energy Balance of the Republic of Kazakhstan and the rules for the formation and maintenance of the State Energy Register.

Detailed information is disclosed in the section "Key ESG Performance Indicators".

[22] The calculation of fuel and energy savings is based on the Methodology for Energy Analysis, approved by Order No. 291-TsZ dated 17 March 2016

Table 32. Reduction in Fuel and Energy Consumption by Energy Type, 2024–2025

GRI 302-4

	2024		2025	
	in physical terms	GJ	in physical terms	GJ
Total fuel and energy consumption, including:	–	163,931.9	–	110,966
Electricity, thousand kWh	30,138.1	108,497.1	18,038.34	64,938
Diesel fuel, tonnes	803.1	34,130.1	194.7	8,273
Coal, tonnes	818.6	18,417.8	1,678	37,755
Natural gas, thousand m³	77.7	2,624.7	0	0
Petrol, tonnes	6.0	262.2	0	0

ENERGY INTENSITY

GRI 302-3

The energy efficiency indicator is based on the specific consumption of fuel and energy resources (FER) in conventional units, calculated per freight turnover (thousand GJ per billion gross tonne-kilometres). According to data obtained from the Automated System for Integrated Route Processing of Locomotive Drivers (AS IRPLD), freight turnover amounted to 508 billion gross tonne-kilometres.

In 2024, the Company's energy intensity totalled 86 thousand GJ per billion gross tonne-kilometres.

The efficiency of FER use within the Company is assessed by measuring the actual consumption of FER per unit of output (or service), measured in thousand GJ. The energy efficiency indicator is defined as the ratio of actual energy consumption to the volume of freight transported.

The calculation of energy efficiency includes all types of FER used by the Company: electricity, diesel fuel, petrol, fuel oil, natural gas, liquefied gas, and coal.

Table 33. Efficiency of Specific FER Consumption per Unit of Work, 2022–2025

Indicator	2022	2023	2024	2025	Change 2024/2023, %	Change 2025/2024, %
Consumption of FER for extraction, transportation and processing of raw materials within the Company, thousand GJ	41,186	41,599	41,928	43,661	0.8	4.1
Transportation, billion gross tonne-km	444	473	478	508	1.1	6.3
Specific energy intensity, thousand GJ/billion gross tonne-km	93	88	88	86	0	–2.3

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

For 2026, implementation of the 2023–2027 Low-Carbon Development Action Plan for the Company and Its Subsidiaries is planned. The Action Plan includes measures aimed at reducing the consumption of fuel and energy resources.

In 2026, as part of the implementation of the hybrid locomotive introduction project jointly with CRRC Corporation Limited (China), acceptance testing of two CKD6(H) series hybrid six-axle locomotives No. 3001 and No. 3002 is planned to be completed in the fourth quarter.

If the acceptance tests are successfully completed, commissioning of the first hybrid locomotives in Kazakhstan is expected. This will mark the beginning of a new stage in the decarbonisation of the country's railway transport.

CLIMATE-RELATED DISCLOSURES (TCFD)

TCFD

Climate Reporting of KTZ NC JSC

GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors plays an important role in the management of climate-related risks and opportunities. The role of the Board of Directors in the management of climate-related risks and opportunities is exercised at the strategic level. In accordance with the Articles of Association of KTZ NC JSC approved by the decision of the Sole Shareholder dated 27 May 2022 (Minutes No. 29/22), the exclusive competence of the Board of Directors includes the approval of:

- the Development Strategy defining the priority areas of activity of KTZ NC JSC, as well as monitoring the implementation of the Development Strategy of KTZ NC JSC;
- the Development Plan (business plan) of KTZ NC JSC and monitoring its implementation;
- the Risk Management and Internal Control Policy, risk appetite, risk register and risk map, quarterly risk reports of KTZ NC JSC;
- key performance indicators for members of the Management Board of KTZ NC JSC and their target values, etc.

COMMITTEES OF THE BOARD OF DIRECTORS

The **AUDIT COMMITTEE** oversees the reliability and effectiveness of the risk management system, including the approval of policies and procedures, assessment of the integration of risks into strategy and business processes, analysis of the dynamics of key risks and the Company's adaptability, as well as oversight of the monitoring of sustainability risks and related reporting.

The **STRATEGY AND FINANCE COMMITTEE** reviews the Company's Development Strategy and Development Plan, strategic initiatives, approves the action plan for their implementation, and also monitors and analyses progress reports on their execution.

The **HEALTH, SAFETY AND ENVIRONMENT COMMITTEE** reviews issues related to environmental protection and sustainable development, including strategic documents, reports, action plans, as well as energy efficiency and low-carbon development projects.

The **NOMINATION AND REMUNERATION COMMITTEE** reviews key performance indicators for members of the Management Board and their target values.

GOVERNANCE

Oversight by the Board of Directors of Climate-related Risks and Opportunities

The Board of Directors reviews

THE BOARD OF DIRECTORS REVIEWS

- Risk Register and Risk Map of KTZ NC JSC, Risk Appetite, Tolerance, Key Risk Indicators, and the Risk Response Action Plan (annually);
- Integrated Annual Report of KTZ NC JSC for 2023 (annually);
- ESG rating results of KTZ NC JSC (annually);
- Report on Health, Safety and Environment Status within KTZ NC JSC (quarterly);
- Consolidated Risk Report of KTZ NC JSC (quarterly).

STRATEGY AND FINANCE COMMITTEE

- Risk Register and Risk Map of KTZ NC JSC, Risk Appetite, Tolerance, Key Risk Indicators, Risk Response Action Plan (annually);
- Consolidated Risk Report of KTZ NC JSC (quarterly).

AUDIT COMMITTEE

- Report on the Progress of the KTZ NC JSC Development Strategy through to 2032.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

- Information on the implementation status of the Low-Carbon Development Roadmap of KTZ NC JSC and Its Subsidiaries Through to 2060 (annually);
- ESG rating results of KTZ NC JSC (annually);
- Results of the sustainability performance evaluation of KTZ NC JSC for 2024 (annually);
- Report on Health, Safety and Environment Status within KTZ NC JSC (quarterly);
- Information from consultants on improving climate corporate governance (September 2025);
- Information on the results of diagnostics of the current level of compliance of KTZ NC JSC with ESG rating criteria in the environmental aspect conducted by an external consultant (October 2025).

STRATEGIC SESSION:

"Key ESG Trends and Their Impact on the Company's Activities. Interim Report on the Climate Strategy" (June 2025).

GOVERNANCE

Integrating climate goals into the reward system

Carbon footprint—a strategic KPI linked to the Chief Engineer's bonus

IMPLEMENTATION OF ESG PRINCIPLES:

- "Environmental sustainability" is one of the key initiatives of the Development Strategy of KTZ NC JSC.
- In the area of climate goals, a "Carbon Footprint" KPI has been established, as outlined in the Company's Strategy and Development Plan, and is also included in the Chief Engineer's (Member of the Management Board) incentive KPI system.
- Progress toward this goal is monitored by the relevant departments: the Department of Industrial Safety and Environmental Protection is responsible for monitoring the "carbon footprint" metric.
- Progress is assessed on an annual basis.
- This objective is incorporated into the KPI system, and its achievement directly impacts the compensation structure, including bonus payments.
- The Board of Directors approves KPIs for members of the Management Board of KTZ NC JSC and their target values, as well as KPIs with actual values and remuneration calculations are submitted for consideration by the Nominating and Awarding Committee and the Board of Directors.

THE RESULT IS 2025:

Reducing the carbon footprint:

FACT	GOAL
-2.7 %	-2.5 %

The efficiency is aimed at gradually reducing greenhouse gas emissions. The implementation of this indicator helps to reduce the negative impact of the Company on the environment, fulfill its obligations in the field of sustainable development and achieve national and international climate goals.

30 % The weight of the indicator in the Efficiency Chart of the Chief Enginee

Target for 2025: –2.5% compared to the previous year

Competencies and training of members of the Board of Directors

Annual assessment and targeted training programs

ASSESSMENT AND TRAINING APPROACH

The assessment and determination of the competencies of members of the Board of Directors are conducted annually as part of the formalised process provided for in the Methodological Recommendations for the Evaluation of the Performance of the Board of Directors and its Committees, the Chairman, members of the Board of Directors and the Corporate Secretary of Samruk-Kazyna JSC entities, approved by the decision of the Management Board of Samruk-Kazyna JSC dated 14 December 2017.

Based on the evaluation results, in accordance with best corporate governance practices, training needs are identified and members of the Board of Directors undergo training on an annual basis.

TRAINING PROGRAM

2023 Training

ESG Corporate Governance

- Climate risk and opportunity management;
- Cross-border regulation of carbon emissions;
- Other important aspects in the field of ESG

2025 Training

Training on «Sustainable development in the railway sector»:

- In-depth understanding of the strategic role of the Board of Directors in overseeing the ESG agenda;
- Climate risk management;
- Development of a long-term strategy for the sustainable development of the Company

GOVERNANCE

MANAGEMENT BOARD

The **Management Board of KTZ NC JSC**, being the collegial executive body of the Company in accordance with the Articles of Association, within its competence approves and submits the Strategy and Development Plan (business plan) for consideration by the Board of Directors, and also ensures their implementation. The Management Board approves internal rules and procedures in the field of the corporate risk management system and ensures the functioning and effectiveness of the risk management and internal control system in accordance with the Risk Management and Internal Control Policy of KTZ NC JSC. Authorities, duties and responsibilities for the implementation of individual procedures in this area are distributed among heads of divisions, business process owners and control procedure owners.

The **CHAIRMAN OF THE MANAGEMENT BOARD** exercises overall management of the activities of KTZ NC JSC with respect to determining strategic priority areas of activity and setting strategic goals and objectives of KTZ NC JSC, improving risk management, internal control and business continuity management systems of KTZ NC JSC.

The **CHIEF ENGINEER** manages the activities of KTZ NC JSC in the following areas: development and implementation of a unified technical policy, as well as policy in the field of safety management and occupational health and safety, fire safety, industrial safety, environmental and energy management across the group of companies of KTZ NC JSC; ensuring, in the prescribed manner, the identification of occupational safety and environmental risks and hazards, implementation of risk assessment measures and responses to hazards and risks; development and implementation of the low-carbon development programme, as well as development, implementation and updating of comprehensive energy saving and energy efficiency programmes within KTZ NC JSC and monitoring of their implementation, etc.

The **MANAGING DIRECTOR** for Finance manages the activities of KTZ NC JSC in the following areas: preparation of the medium-term development plan of KTZ NC JSC and the development plan of the KTZ NC JSC Group, development and implementation of programmes for improving risk management, internal control and business continuity management systems of KTZ NC JSC.

The **MANAGING DIRECTOR FOR STRATEGY** manages the activities of KTZ NC JSC in the following areas: development, monitoring, maintenance and coordination of the implementation of the Development Strategy of KTZ NC JSC, development of motivational key performance indicators for executive and managerial employees of KTZ NC JSC, coordination of matters related to the implementation and application of sustainable development principles within KTZ NC JSC.

STRATEGY

Types of climate-related risks

Impacts caused by climate risks

Physical risks

Risks associated with changes in the physical parameters of the climate:
- The risk of floods, blurring of the roadway, artificial structures and other infrastructure facilities;
- Risk of damage to infrastructure facilities due to extreme heat/severe frost, as well as drought in the regions;
- The risk of changes in the structure and volume of cargo due to natural disasters related to climate change

Shallowing of the Caspian Sea:
- Reducing the operational capabilities of port berths, shipping lanes, port water areas, hydraulic structures and maritime safety

Drought:
- Loss of stability of buildings due to shrinkage of clays, leading to asset depreciation
- Shortage of water supply
- Interruption of activities and loss of productivity due to lack of water

An increase in the average temperature:
- Increased cooling requirements (during transportation and/or storage of goods)
- Inability to meet specific temperature requirements for specific cargoes
- Operating costs due to cooling requirements
- Loss of customers and revenue when transporting temperature-sensitive goods
- Loss of passengers due to the lack of cooling systems in individual wagons

Abnormal heat and extreme temperatures:
- Electrical malfunction, rail expansion and loss of track stability due to overheating
- Loss of stability of buildings as a result of expansion and compression of building material, which leads to asset depreciation
- Risks to the health of employees (heat exhaustion, sunstroke)
- Interruption of activity due to overheating of the equipment
- Capital expenditures on infrastructure monitoring
- Loss of productivity due to employee health conditions

Earthquake and landslides:
- Damage to assets resulting in asset impairment
- Inaccessibility of buildings and paths
- Business interruption due to asset destruction and/or unavailability
- Capital expenditures for damage repair

Short-term Medium-term Long-term

STRATEGY

Types of climate-related risks

Impacts caused by climate risks

Physical risks

Increased probability and severity of forest fires:
- Damage to property as a result of a forest fire occurring near the railway infrastructure
- Interruption of activity due to destruction of assets or interruption of movement due to a nearby forest fire

Floods and heavy rainfall:
- Damage to assets resulting in asset impairment
- Inaccessibility of buildings and paths
- Slippery track, risk of derailment
- Business interruption due to asset destruction, unavailability, or inactivity
- Capital expenditures to repair damage and increase maintenance costs

Storm and increased wind gusts:
- Damage to assets resulting in asset impairment
- Blocking of the track, risk of derailment (for example, falling of a tree on the railway, slippery track due to leaves)
- Work interruption due to difficulties with port cranes and dock operations
- Business interruption due to asset destruction
- Track maintenance costs and capital costs for damage repair

Frost/cold wave:
- Equipment malfunction (for example, icing of wires, freezing of switches, snow drifts on tracks, freezing of automatic locking)
- Interruption of activity due to unavailability of railway track
- Maintenance costs to monitor the condition of infrastructure and equipment, as well as capital costs to repair damage

Snowfall:
- Closure of railway tracks
- Interruption of activity due to unavailability of railway track
- Maintenance costs for clearing paths

Shallowing of the Caspian Sea:
- Operational difficulties and disruption of shipping schedules
- The need for modification of ports and docks, dredging, reconstruction of infrastructure
- Significant capital expenditures
- Delays in the delivery of goods and services

Short-term Medium-term Long-term

STRATEGY

Types of climate-related risks

Impacts caused by climate risks

Transitional risks

GHG emissions price increase:	▪ Higher cost of electricity generation due to carbon taxes ▪ Increased cost of raw materials dependent on fossil fuels (steel, cement) ▪ Increased operating costs for electricity and fuel
Mandatory requirements and regulation of existing products and services:	▪ Ban on future sales of low-performance diesel or gasoline locomotives/vehicles ▪ Reduced activity due to the inability to use existing traction facilities or additional costs for adapting energy-efficient rolling stock
The cost of moving to lower-emission technologies:	▪ Write-off of existing assets ▪ Capital investments in network electrification and additional costs for adaptation and implementation of new processes for the railway network ▪ Additional costs for replacing the fleet for freight and passenger transportation (for example, trains powered by hydrogen or batteries)

Climate opportunities

Switching to low-carbon fuels:	▪ Reducing greenhouse gas emissions ▪ Reducing exposure to carbon costs and rising diesel prices ▪ Contribution to the achievement of national emission reduction goals
Introduction of alternative technologies:	▪ Reducing greenhouse gas emissions ▪ Improving energy efficiency through the use of alternative fuels such as hydrogen, or electricity from renewable sources for locomotives. ▪ Contribution to the achievement of national emission reduction goals
Transition to low-emission projects:	▪ Increasing the competitiveness and attractiveness of the company for passengers and freight customers, who are increasingly aware of the environmental impact ▪ Attracting new customers (freight and passenger) who are increasingly aware of the environmental impact ▪ An opportunity to improve the company's reputation ▪ Contribution to the achievement of national reduction targets

Short-term Medium-term Long-term

RISK MANAGEMENT

Risk management is an integral part of the Company's strategic planning and corporate governance processes, as well as a key element in maintaining its financial sustainability. The core document governing risk management within the Company is the Risk Management and Internal Control Policy of KTZ NC JSC.

Climate-related risk management is integrated into the Company's corporate risk management system and involves the development and implementation of measures aimed at reducing the negative impact and likelihood of losses or ensuring financial compensation in the event of climate-related losses affecting the Company's operations.

Risk identification is an important method for optimising the Company's expenditures, as the early detection of risks, the determination of appropriate mitigation measures, and the elimination of consequences make it possible to plan sources and volumes of financing for such activities, ultimately enhancing the Company's operational efficiency.

Risks are proactively identified both during the annual risk inventory process – when compiling the Risk Register – and on a quarterly basis during the course of the Company's operational activities, as part of the preparation of risk reports.

When a significant risk is identified that has not been previously included in the Risk Register, the risk owner must notify the Risk Department. The Risk Department analyses the information received and, if necessary, adds the new risk to the Company's Risk Register. As part of the inventory process, risk owners also identify potential or actual instances of risk occurrence, negative trends indicating an escalation of risk, analyse the underlying causes, and assess the scale of the potential loss.

On an annual basis, the Risk Register and Risk Map of KTZ NC JSC are developed and approved. The Risk Map is segmented according to impact and probability zones.

Risk assessment is carried out in accordance with each risk's position on the Risk Map:

1 First-priority risks – with potential damage of 90% or more, and exceeding KZT 3 billion

3 Third-priority risks – with potential damage in the range of 40–70% and KZT 0.5–1 billion;

2 Second-priority risks – with potential damage in the range of 70–90% and KZT 1–3 billion

4 Fourth-priority risks – with potential damage in the range of 0-40% and KZT 0.2–0.5 billion.

Climate-related risks are an important component of the corporate risk management system, considering their impact on the Company's activities and achievement of strategic goals.

ESG risk management is integrated into the overall process of the Company's corporate risk management and internal control system.

METRICS AND TARGETS – GHG EMISSIONS (SCOPES 1, 2 AND 3)

See the section "Low-Carbon Development Concept"

METRICS AND TARGETS – CLIMATE TARGETS

In December 2020, Kazakhstan announced its goal to achieve carbon neutrality by 2060, reaffirming its commitments under the Paris Agreement to limit global temperature rise to 1.5–2°C.

In February 2023, the President of the Republic of Kazakhstan approved the "Strategy of the Republic of Kazakhstan for Achieving Carbon Neutrality by 2060". Samruk-Kazyna JSC adopted the Low-Carbon Development Concept and the Fund's Transition Plan to a Low-Carbon Business Model.

To contribute to efforts aimed at reducing greenhouse gas emissions, in 2022, KTZ NC JSC developed its own Low-Carbon Development Concept through to 2060, which focuses on reducing carbon impact through measures such as improving energy efficiency, using renewable energy sources, electrifying railways, and introducing locomotives that run on cleaner fuels.

The goal is to achieve carbon neutrality of the Company by 2060. In general, carbon neutrality does not imply the complete elimination of greenhouse gas emissions – emission volumes that cannot be reduced must be offset.

A substantial reduction in greenhouse gas emissions in railway transport requires fundamental changes in energy resource consumption, a rapid and efficient transition from environmentally harmful fossil fuel combustion to carbon-free technologies, and the implementation of "green" innovations.

To demonstrate the reduction of CO_2 emissions by 2060 as a result of the implementation of relevant measures, **2020 was established as the baseline year**.

Greenhouse Gas Emission Targets under the Low-Carbon Development Concept of KTZ NC JSC through to 2060

As part of the implementation of the Concept's measures, **it is planned to reduce direct emissions from diesel locomotives from 1.8 million tons of CO_2 to 1.3 million tons, or by 25% of the 2020 level, until 2030**.

In addition, reduction of the carbon footprint is a strategic goal of the Company. Accordingly, the Development Strategy of KTZ NC JSC through to 2032 sets out short-term, medium-term, and long-term targets for managing climate-related risks and opportunities under the KPI "Carbon Footprint", with annual reduction targets through to 2032 as follows:

Short-term (by 2025)
[-2.5]%
compared to the previous year

Medium-term (by 2027)
[-3.2]%
compared to the previous year

Long-term (by 2032)
[-3.5]%
compared to the previous year

Strategic Goal	KPI	2023	2024	2025	2026	2027	2028	2029	2032
Integrating ESG Principles	Carbon Footprint, %	–2.5	–2.7	–2.5	–3.0	–3.2	–3.3	–3.4	>-3.5

SOCIAL RESPONSIBILITY

GRI 3-3

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2 Businesses should not be complicit in human rights abuses.

PRINCIPLE 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4 Businesses should eliminate all forms of forced and compulsory labour.

PRINCIPLE 5 Businesses should uphold the effective abolition of child labour.

PRINCIPLE 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.

HUMAN CAPITAL MANAGEMENT

The Company is one of the largest employers in Kazakhstan and places a strong emphasis on human capital development, viewing it as a key driver of high operational performance and sustainable growth.

The Company's Human Resources Policy for 2023–2028[23] is the fundamental document for human capital management. It outlines the principles, priorities, approaches and methods for managing human resources in support of the Company's Development Strategy.

The HR Policy is aimed at increasing the value of human capital, creating a favourable working environment, ensuring competitiveness, proactively planning workforce needs, and allocating and using human resources efficiently.

The Policy is available on the Company's corporate website via the following link: see Human Resources Policy of KTZ NC JSC for 2023–2028.

KTZ NC JSC complies with the Labour Code of the Republic of Kazakhstan, international labour standards, and a comprehensive set of internal regulations on human resources management, including:

- Rules for the formation and development of the talent pool at KTZ NC JSC and its subsidiaries;
- Rules for performance assessment of employees at KTZ NC JSC and its subsidiaries;
- Rules for performance assessment of executives and employees accountable to the Board of Directors, the Corporate Ombudsman, and the Corporate Secretary of KTZ NC JSC;
- Rules for performance certification of employees of the head office of KTZ NC JSC;
- Rules for performance certification of employees of branches and representative offices of KTZ NC JSC;
- Rules for performance certification of employees reporting to the Board of Directors of KTZ NC JSC;
- Rules for professional development and training, and others.

Oversight of the implementation of the HR Policy is carried out by the Board of Directors and the Nomination and Remuneration Committee of the Board of Directors. Each year, a report on HR and social policy is submitted for review as part of the HR Policy implementation process.

This report covers aspects such as social stability, employee engagement, labour productivity, development of corporate culture, improvement of ESG ratings, enhancement of the recognition system, promotion of gender equality, staff assessment and development, and other key areas.

The HR departments of the corporate centre, branches, and subsidiaries of the Company are responsible for the implementation of the HR Policy.

The effectiveness of the HR Policy is measured using the following key performance indicators:

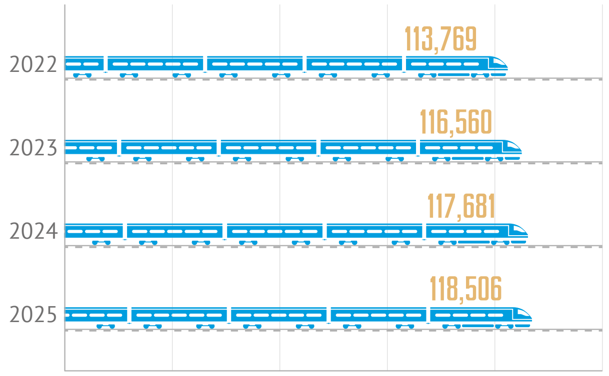
- Social stability and employee engagement;
- Labour productivity;
- Staff turnover rate (target: not exceeding 14%);
- Gender balance in executive and management bodies;
- Percentage of employees trained, and training effectiveness assessments;
- Employee feedback on the well-being management programme;
- Internal customer satisfaction with HR services;
- Number of trained mentors, average number of mentees per mentor per year, etc.

PERSONNEL STRUCTURE

GRI 2-7
SASB TR-RA-000.E (1)

KTZ NC JSC is one of the largest employers in the country. In 2025, the Company's headcount as at 31 December 2025 amounted to 118,506 employees (2024: 117,681 employees). Compared to 2024, the headcount increased by 0.7% due to the introduction of additional positions for new railway lines in KTZ-Freight Transportation LLP, the Mainline Network Directorate branch of KTZ NC JSC, and the Transportation Process Directorate branch of KTZ NC JSC. The average length of service is 14 years. The average age of employees is 42 years.

Headcount of KTZ NC JSC,
2022-2025 (number of employees)



The personnel structure includes members of the Management Board, whose number totals 57 people, administrative and managerial personnel numbering 6,667 people (6%), and production personnel numbering 111,839 people (94%).

Detailed information is disclosed in the section "Key ESG Performance Indicators".

The main age group within the Company consists of employees aged between 31 and 50 years, as well as those over 50 years old, whose shares amount to 59% and 26%, respectively. Young specialists under the age of 30 represent the minority, accounting for 15% of the total workforce.

The vast majority of the Company's employees (98%) work under long-term contracts, while 2% are employed under fixed-term contracts.

Full-time employment accounts for 99.9%, while part-time employment accounts for 0.1%.

The terms of employment contracts and employment conditions are determined in accordance with the labour laws of the Republic of Kazakhstan and the Company's internal regulations.

Detailed information is disclosed in the section "Key ESG Performance Indicators".

GRI 2-8

In 2025, the headcount of workers not classified as employees amounted to 433 people, which is 60% higher than the 2024 indicator. The increase was driven by the establishment of two new branches of KTZ NC JSC – the Station Facilities Modernisation Directorate and the New Projects Construction Directorate. Their activities are focused on the construction of major infrastructure projects, including the Dostyk-Moiynty and Darbaza-Maktaaral projects, as well as reconstruction of railway stations across the Republic of Kazakhstan and other projects. Civil law contracts and outstaffing agreements were concluded with these workers.

[23] Approved by the decision of the Board of Directors of KTZ NC JSC dated 7 September 2023 (Minutes No. 11).

In addition, workers hired under civil law and outstaffing agreements are engaged in the search and selection of candidates for vacant administrative and managerial positions within the Company and its subsidiaries, as well as for editing and translation of documents into the state/English languages and other tasks.

Detailed information is disclosed in the section "Key ESG Performance Indicators".

TALENT ATTRACTION AND RETENTION

One of the key aspects of successful human resource management and the Company's strategic development is the development of internal potential, which fosters loyal and motivated employees while enhancing the Company's image and competitiveness.

The main approaches to talent development and retention include:

- Annual review of the List of Key Positions and Succession Plans, with a focus on operational personnel;
- Identification of high-potential employees based on the results of comprehensive performance assessments;
- Assessment of employee competencies;
- Programmes for the development of professional and personal business skills;
- Promotion of a culture of feedback;
- Selection and training under the 100 Young Faces of KTZ young employee development programme;
- Engagement of young talent through the Zhas Temir young specialist development programme;
- Youth talent pool programme.

In 2025, KTZ NC JSC introduced the Youth Talent Pool programme aimed at identifying and developing the most promising young employees based on the principle of meritocracy. The programme is focused on promoting competent and professionally qualified employees, ensuring continuity of knowledge and experience, as well as developing a new generation of leaders.

Selection for the talent pool was carried out in accordance with the Rules for Formation and Work with the Youth Talent Pool of the Chairman of the Management Board of KTZ NC JSC[24] and included several stages: application submission, assessment of motivational and professional-personal competencies, professional testing and interviews with the selection committee. As a result of the multi-stage selection process, 170 employees were included in the pool.

In 2026, participants of the programme are scheduled to undergo modular training, internships and a mentoring system involving experienced employees.

In addition, in order to provide the Company with young qualified railway specialists, taking into account its development prospects and the implementation of best mentoring practices, KTZ NC JSC is implementing the Zhas Temir young specialist development programme.

During the reporting year, as part of the Zhas Temir programme, a competitive selection process was conducted, following which eight graduates of specialised universities were selected and assigned to industrial internships within the structural divisions of KTZ NC JSC with the possibility of subsequent employment. Following successful completion of the internships, five young specialists were employed by the Company's branches and subsidiaries.

Furthermore, as part of the implementation of the Year of Working Professions Action Plan and the scaling-up of the Zhas Temir programme, an additional competitive selection was conducted. Seven interns – graduates of specialised universities in production-related specialisations – were recruited into subsidiaries. Upon successful completion of the internship, they will be considered for employment in 2026–2027.

[24] Approved by Order No. 851-TsZ dated 26 September 2025 of the Acting Chief of Staff.

RECRUITMENT

The Company has implemented a competitive recruitment process for filling vacant positions. The purpose of this process is to ensure the effective selection of the most suitable candidates who meet the qualification requirements in terms of skills, professional experience and personal competencies. The key principles of recruitment include transparent selection criteria, merit-based decision-making, non-discrimination, and the application of a variety of candidate assessment methods.

KTZ NC JSC places a strong emphasis on inclusiveness and the creation of equal opportunities for all employees, including the recruitment of persons with disabilities. In accordance with the Rules for Recruitment and Transfers to Certain Positions at KTZ NC JSC and Its Subsidiaries, priority in recruitment is given to candidates who demonstrate the best combination of professional and personal competencies required for the vacant position. If several candidates meet the established requirements, preference is given to individuals from the following categories:

1) Successors;
2) Employees included in the Company's talent pool and the Presidential Youth Talent Pool;
3) Employees being or already released from the Company;
4) Young professionals who studied under the Company's educational grants;
5) Graduates of colleges and universities nominated for positions through centralised assignment;
6) Graduates of young specialist development and talent management programmes implemented under the auspices of the Company and Samruk-Kazyna JSC, winners of the 100 Young Faces programme;
7) Persons with disabilities.

During the reporting period, in order to attract candidates for vacant positions, the Company participated in 16 job fairs and career guidance events.

These included events organised at higher education institutions: Nazarbayev University, ESIL University, Mukhamedzhan Tynyshbayev ALT University, Astana IT University, Maqsut Narikbayev University, Kazakh University of Technology and Business and L.N. Gumilyov Eurasian National University.

In addition, the Company participated in job fairs organised by the Zhastar Ruhy Youth Wing under the AMANAT party, Employment Centres, as well as within the framework of the City of Working Professions festival, the 6th Eurasian Security Forum and the 21st Kazakhstan-Russia Interregional Cooperation Forum.

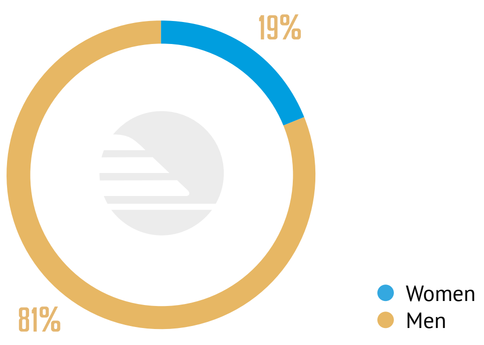
Activities aimed at promoting the employer brand and attracting applicants were also carried out at the platforms of the 6th Eurasian Security Forum and the 21st Kazakhstan-Russia Interregional Cooperation Forum.

GRI 401-1

As part of the implementation of the concluded memorandum, the Company participated in the graduate placement programme of Mukhamedzhan Tynyshbayev ALT University JSC. Following the events held, 117 graduates of specialised higher and secondary vocational educational institutions were employed.

In 2025, the total number of employees recruited amounted to 40,395 people ✓, including 16,713 externally recruited employees and 23,682 internal transfers. The employee structure by category was distributed as follows: 34 top managers, 2,368 managers, 8,301 specialists, 3,740 clerical employees and 25,952 workers.

New Hires by Gender, 2025 (%)



New Hires by Age Group, 2025 (%)

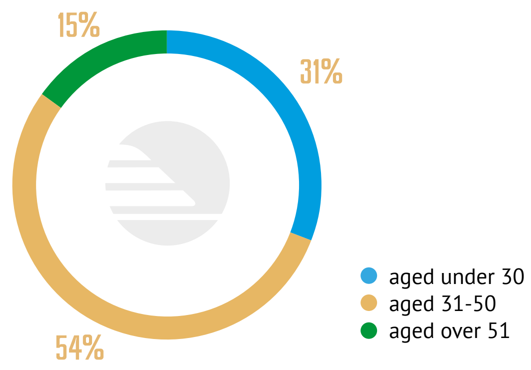


Table 34. **New Hires at KTZ NC JSC, 2022–2025 (persons)**

	2022	2023	2024	2025
Total number of new hires, persons	15,630	18,583	27,543	40,395

Detailed information is disclosed in the section "Key ESG Performance Indicators".

Table 35. **Percentage of Open Vacancies Filled by Internal Candidates, 2022–2025, %**

	2022	2023	2024	2025
Percentage of open vacancies filled by internal candidates (internal employees), %	15.3%	15.8%	37.6%	58.6%

INTERACTION WITH HIGHER EDUCATION INSTITUTIONS

In 2025, the following activities were carried out as part of cooperation with higher and secondary specialised educational institutions:

- 19 new memorandums of cooperation were concluded (the total number of active memorandums amounts to 48), including one international memorandum with Anhalt University of Applied Sciences, aimed at implementing joint objectives for the training of highly qualified specialists for the railway industry of the Republic of Kazakhstan;
- the Action Plan for the Year of Working Professions in the Samruk-Kazyna JSC Group for 2025 was implemented, providing for the organisation of professional internships for students, development of dual education, summer student brigades, career guidance activities (guest lectures, open days), as well as internships for the teaching staff of colleges;
- the activities under the Roadmap for Interaction between the portfolio companies of Samruk-Kazyna JSC and organisations of higher and postgraduate education for 2024–2025 were implemented in terms of developing educational programmes, dual education and students' professional internships; the activities of student brigades were organised; support measures for students in the form of educational grants and scholarships were implemented; internships and advanced training for teachers were conducted; career guidance activities for schoolchildren were organised; and, for the first time, the Republican Professional Skills Championship WorldSkills Kazakhstan 2025 was held in the competence category "Locomotive Operation (by types)".

The Company is also working to update educational curricula to reflect new technologies and technical innovations in the railway sector.

University and college lecturers regularly undertake advanced training courses at the Company's training centres and internships at production facilities.

During the reporting year, experts of KTZ NC JSC delivered 88 guest lectures at

31 educational institutions and participated in attestation commissions and the supervision of graduate diploma projects.

As part of career guidance activities, the Company organises Open Days, excursions to production facilities, museum visits and meetings with industry veterans. These activities help school graduates to become more familiar with the railway profession.

In 2025, around 10,000 schoolchildren from various regions of Kazakhstan participated in these activities.

Representatives of the Company also annually participate in the activities of the Educational and Methodological Association of the Republican Educational and Methodological Council (EMA REMC), operating on the basis of the Academy of Logistics and Transport.

ONBOARDING PROGRAMMES FOR NEW EMPLOYEES

KTZ NC JSC has implemented a structured onboarding system for newly hired employees, in accordance with its internal regulations. The purpose of the programme is to facilitate the swift integration of new personnel into operational processes, and to familiarise them with the corporate culture and key requirements of the Company.

The Company has developed a New Employee's Guide, which provides essential information about the Company, its workflows, corporate values, etc. Additionally, an online onboarding course has been created and is hosted on the Company's e-learning and employee development platform. This course covers the following topics:

- Overview of the Company's activities;
- Occupational health and safety and risk management requirements;
- Anti-corruption principles;
- Code of Ethics and Conduct of KTZ NC JSC employees.

To further streamline the onboarding process, a pilot chatbot project operates on the Telegram platform at Military Railway Security Service LLP. The chatbot provides quick access to internal documents, reference materials, and answers to frequently asked questions.

MENTORSHIP PROGRAMME

In 2025, in order to establish a unified approach to the functioning of the mentorship system within the Company, based on the principle of meritocracy, a new version of the Mentorship Regulations was developed and approved[25].

Mentorship is a form of professional adaptation, training and development of employees and includes the targeted activities of direct supervisors and the most experienced employees (mentors), aimed at transferring knowledge, skills, competencies and corporate values to mentees.

The main objectives of mentorship include:

- accelerated personnel adaptation by reducing the onboarding period for new employees and young specialists;
- ensuring the high-quality transfer of practical experience, specialised knowledge and skills from more experienced employees to less experienced employees;
- improving the level of professional training and developing employee competencies (hard and soft skills);
- fostering employees' commitment to the Company's corporate values, mission and standards;
- reducing staff turnover by increasing personnel loyalty and engagement, especially at the initial stage of employment with the Company;
- formation and development of the talent pool through the identification and preparation of promising employees for further career growth;
- improving the level of occupational safety through the transfer of practical experience in compliance with industrial safety requirements.

Based on the results of 2025, 531 mentors were selected, including 137 mentors assigned to participants of the youth talent pool programme.

[25] Approved by Order No. 852-TsZ dated 13 October 2025 of the Acting Chief of Staff.

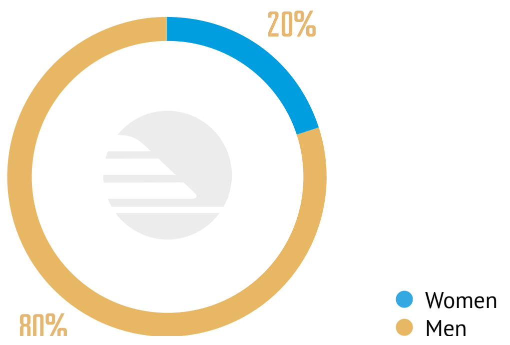
STAFF TURNOVER

GRI 401-1

During the reporting period, employment relationships were terminated with 39,568 employees, of whom 15,758 employees left the Company and 23,810 employees were transferred to other positions within the Company.

Compared to the previous year, this indicator increased by 50%, which was due to the reorganisation and transfer of employees from KTZ-Freight Transportation LLP to the new branch of KTZ NC JSC – Transportation Process Directorate. The total number of employees transferred under the specified reorganisation amounted to approximately 20,000 people.

Dismissed Employees, 2025, by gender (%)



Dismissed Employees, 2025, by age group (%)

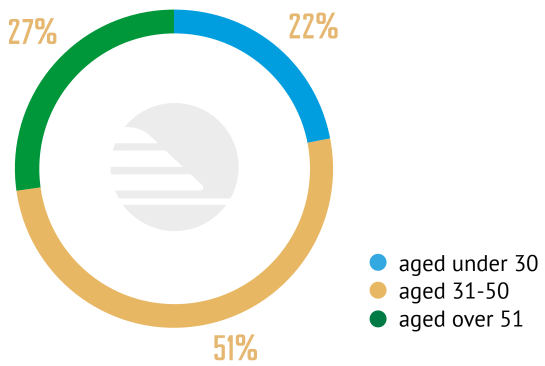


Table 36. **Staff Turnover Rates, 2021–2025 (%)**

	2021	2022	2023	2024	2025
Overall staff turnover rate, %	11.1	12.7	13.5	22.45	33.4 ✓

Note: All cases of termination of an employment relationship are included in the calculation, regardless of the reason for dismissal. The indicator reflects the overall level of staff attrition and is calculated in accordance with the requirements of GRI 401-1.

Detailed information is disclosed in the section "Key ESG Performance Indicators".

Table 37. **Voluntary Staff Turnover, 2021–2025 (%)**

	2021	2022	2023	2024	2025
Voluntary staff turnover rate, % [26]	10.6	7.2	7.5	8.1	8.3

At the same time, the staff turnover rate in 2025 was 8.6% (2024 – 8.4%). The calculation of the coefficient includes dismissals by agreement of the parties (with the exception of employees who have left for industry benefits), on the initiative of the employee, as well as on separate grounds provided for in Articles 52 and 57 of the Labor Code of the Republic of Kazakhstan. The indicator reflects the actual staff turnover in accordance with the Personnel Reporting Instructions of NC KTZ JSC and its subsidiaries, approved by Order No. 781-CZ dated October 28, 2019.

[26] The indicator includes the following grounds for termination of the employment contract: termination of the employment contract by mutual agreement of the parties (Article 50 of the Labour Code of the Republic of Kazakhstan); termination at the initiative of the employee (Article 56 of the Labour Code of the Republic of Kazakhstan).

SOCIALLY RESPONSIBLE WORKFORCE DOWNSIZING

In 2020, KTZ NC JSC introduced a Socially Responsible Workforce Downsizing Programme aimed at facilitating the smooth release of personnel without creating social tension.

The purpose of the Programme is to maintain social stability among teams by applying the most acceptable and economically feasible tools for both employees and the Company in the context of initiatives aimed at improving operational efficiency.

One of the key instruments of the Programme is the Early Retirement Rules. According to these Rules, in the event of headcount or staff optimisation, employees with five years or less remaining until retirement age, who cannot be redeployed within the KTZ NC JSC Group, may opt for early retirement with monthly benefit payments based on their salary level and years of service in the railway industry.

From 2019 to 2023, a total of 1,283 employees were released under these Rules. In 2024, no workforce reductions were carried out under these conditions. As of 31 December 2024, 343 employees continued to receive early retirement benefits.

Starting from 1 January 2024, in accordance with the laws of the Republic of Kazakhstan, a special social benefit was introduced for employees currently or formerly engaged in hazardous working conditions.

Eligibility for this benefit requires meeting two criteria:

- reaching the age of 55;
- having made mandatory professional pension contributions for a minimum of 84 months.

In 2025, 602 employees began receiving this payment.

In total, 2,665 employees benefited from this payment during the period from 2024 to 2025.

To support employees engaged in hazardous working conditions who do not qualify for the state programme, the Chief of Staff of KTZ NC JSC approved the Rules on Sectoral Age-Based Benefits. These apply to track fitters and track supervisors who are within three years of retirement age and meet the following criteria:

- a minimum of 12.5 years of work experience in the railway industry in positions listed under the Railway Transport section of the Register of Industries, Jobs, and Occupations with Hazardous Working Conditions, for which employers are required to make mandatory professional pension contributions using their own funds, in accordance with national legislation;
- no entitlement to professional benefits funded by the employer as provided for under Article 127-3 of the Labour Code of the Republic of Kazakhstan.

In 2025, nine employees began receiving this payment in accordance with the Rules on Sectoral Age-Based Benefits.

FINANCIAL INCENTIVES

During the reporting year, the Company continued its consistent efforts to increase the level of financial incentives for employees aimed at supporting social stability, improving living standards and strengthening employees' socio-economic position.

In 2025, a number of measures aimed at increasing employees' financial motivation were implemented, including:

- From 1 January, wages for line personnel in grades 1 to 5 were revised on a differentiated basis by 8.5%, while wages for other employees increased by 7%; at the same time, wages of key operational personnel increased by 16% in 2025;
- From 1 January, the amount of monthly current bonuses for employees of line enterprises was increased using the labour participation coefficient to up to 15% per month, and from 1 July the increase rose from 15% to 20%;

- One-off payments ranging from KZT 100 thousand to KZT 300 thousand were made to employees of KTZ NC JSC and its subsidiaries for loyalty and long-term service;
- A one-off bonus was paid to female employees of the Company as part of the celebration of International Women's Day on 8 March;
- One-off bonuses were paid on the occasion of Republic Day of Kazakhstan, Independence Day of the Republic of Kazakhstan, Nauryz Meyrami, as well as the professional holiday Transport Workers' Day.

As a result of these initiatives, the average monthly salary across the KTZ NC JSC Group rose by 17% compared to 2024.

Table 38. Average Monthly Salary by Employee Category, KZT

	2021	2022	2023	2024	2025
Administrative and managerial staff	417,192	525,578	690,903	745,336	924,510
Year-on-year growth, %	20.7	26	31	8	24
Operational staff	236,287	329,206	427,367	473,477	549,680
Year-on-year growth, %	22.7	39	30	11	16

Moreover, in accordance with the staffing schedule and internal wage regulations, base salaries are determined in such a way that they are never lower than the minimum wage set by national legislation, ensuring full compliance with statutory pay thresholds.

Table 39. Ratio of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage

GRI 202-1

Minimum wage	
Women, KZT[27]	112,330
Men, KZT[28]	112,330
Local minimum wage, KZT[29]	85,000
Ratio of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage	1.32

HUMAN RIGHTS

The Company places high importance on the protection and promotion of human rights in all aspects of its operations. As a participant of the UN Global Compact, we uphold key principles, including: support and respect for the protection of internationally proclaimed human rights; upholding the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; and the effective abolition of child labour, among others.

In 2024, KTZ NC JSC adopted the Human Rights Policy[30], developed in accordance with the Constitution of the Republic of Kazakhstan, the Labour Code of the Republic of Kazakhstan, the Code of Ethics and Conduct of KTZ NC JSC, the ILO Convention on Discrimination in Employment and Occupation, and the ILO Declaration on Fundamental Principles and Rights at Work.

[27] Basic salary of a cleaner of industrial and office premises (Grade 2) at Temirzholsu JSC.
[28] Basic salary of a cleaner of industrial and office premises (Grade 2) at Temirzholsu JSC.
[29] The minimum wage set by Law No. 43-VIII dated 5 December 2023 of the Republic of Kazakhstan "On the Republican Budget for 2024–2026".
[30] Approved by Order No. 780-TsZ dated 14 October 2024 of the Chief of Staff of KTZ NC JSC.

The Company adheres to the following key principles in the field of human rights:
- Ensuring a working environment free from physical, psychological and verbal abuse, aggression, harassment, and threats;
- Respecting employees' rights to freedom of assembly, association, collective bargaining, and freedom of expression;
- Preventing all forms of discrimination on the basis of age, gender, ethnicity, religion, disability, nationality, or social status;
- Ensuring equal opportunities and equal pay for women and men;
- Prohibiting child labour, forced or bonded labour, and human trafficking;
- Ensuring a safe and healthy working environment across all workplaces;
- Respecting the rights, cultural characteristics and traditions of local communities in the regions where the Company operates;
- Maintaining a zero-tolerance policy towards corruption and corrupt practices.

The Company conducts regular monitoring of human rights compliance by analysing feedback and complaints received from employees, suppliers, and other stakeholders. Various communication channels are in place to facilitate the submission and review of such feedback, including the Company's administrative office, a dedicated hotline, the E-Otinish information system, and other tools. Every submission undergoes a thorough review process in accordance with the Company's internal procedures.

In 2025, the Company conducted an employee survey on labour relations issues covering 40,218 people (35% of the total workforce).

According to the survey results, the "Human Rights" section showed that:
- 89% of employees believe that the Company observes labour rights;
- 86% note equal access to career advancement;
- 91% confirm equal access to training;
- 80% of employees do not encounter discrimination;
- 87% know where to report violations of rights;
- 28% of employees indicated the existence of cases involving violations of labour rights.

The survey results indicate an overall high level of respect for human rights, while identifying certain areas requiring additional attention.

To raise employee awareness of human rights and diversity principles, during the reporting year, as part of the corporate development programme for the "Leaders of Professions" pool, 88 programme participants completed training on the topic "Human Rights and Diversity Principles".

In addition, a meeting was held on preventive work related to the protection of the rights and interests of women and children, aimed at preventing offences in the sphere of family and domestic relations, with the participation of officers from the Police Department of the Yesil District of Astana; more than 350 employees took part.

The implementation of these activities contributes to fostering a culture of respect for human rights and reducing the risks of human rights violations.

DIVERSITY AND EQUAL OPPORTUNITY

KTZ NC JSC consistently develops a corporate culture based on the principles of diversity, equal opportunity and respect for human rights. The Company ensures equal access to employment, professional development and career advancement for all employees regardless of gender, age, nationality, religion, disability or other characteristics.

The Company has adopted the Policy on the Prevention of Harassment and Discrimination at KTZ NC JSC[31], aimed at establishing standards and behavioural rules that promote a working environment free from any form of discrimination or harassment, while fostering an atmosphere conducive to the development of employees' professional skills.

All forms of discrimination are strictly prohibited within the Company, in line with the principles set out in the Code of Ethics and Conduct of KTZ NC JSC. The Company's commitment to non-discrimination starts with the Board of Directors, which oversees compliance with the provisions of the Code of Ethics and Conduct.

[31] Approved by Order No. 779-TsZ dated 14 October 2024 of the Chief of Staff of KTZ NC JSC.

In addition, in 2025, the Diversity and Inclusion Policy was adopted at KTZ NC JSC and its subsidiaries[32]. The document is aimed at developing an inclusive corporate environment, increasing employee engagement and defining key values reflecting diversity and equality.

The Policy is based on the following key principles:

- equality and non-discrimination – elimination of any forms of discrimination based on gender, age, ethnicity or other characteristics;
- inclusion and participation – ensuring equal opportunities for participation in all areas, including professional development and training, work, culture and social activities;
- equal rights and opportunities – every employee must have equal opportunities for self-realisation and participation in the corporate life of the Company.

The Policy contributes to:

1) adopting ethically grounded decisions and preventing, in management practice, actions that may damage the personal dignity and legitimate interests of employees;
2) preventing manifestations of discrimination in employment based on origin, social, official or property status, gender, race, language, age or physical disabilities, nationality, attitude to religion and/or other individual distinguishing characteristics unrelated to an employee's professional qualities;
3) guaranteeing equal treatment of all employees in all aspects of employment activities, including recruitment and hiring, career advancement, training, labour discipline, disciplinary liability and termination of employment relationships;
4) preventing infringements on human dignity, including any forms of violence and harassment;
5) excluding any forms of patronage and interference of personal, friendly or family relationships in the implementation of the principle of equal opportunity;
6) ensuring every employee's right to receive and provide regular feedback;
7) creating a culturally and socially diverse workforce by positioning diversity and inclusion as a competitive advantage;
8) developing, where necessary, mentorship programmes related to ensuring diversity, equal opportunities and prevention of discrimination in order to support employees, partners and other stakeholders, and conducting, where necessary, training sessions on workforce diversity issues for employees and management.

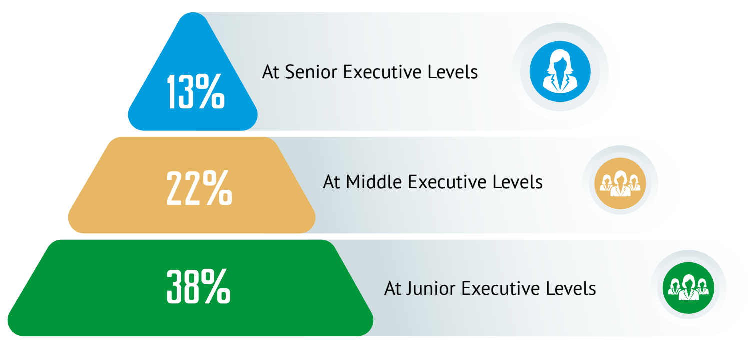
GENDER EQUALITY

KTZ NC JSC pays particular attention to the advancement of gender equality, considering gender diversity to be an important element of sustainable development and effective corporate governance. Ensuring equal participation of men and women in various areas of the Company's activities contributes to the development of more effective management through diversity of opinions and approaches.

To promote the principles of gender equality and develop the professional community of women in the railway industry, the Company operates the Railway Ladies Club women's association, as well as a dedicated Telegram channel bringing together women railway employees from various regions of Kazakhstan.

Taking into account the operational specifics of the railway industry, the Company's workforce structure is traditionally characterised by a predominance of men, whose share accounts for 78% of the total number of employees. At the same time, women, representing 22%, play an important role in the Company's activities, holding administrative and managerial positions.

Proportion of Women at Each Executive Level within KTZ NC JSC



Women in income-generating positions – **41%**

Women in STEM[33] positions – **64%**

Women in managerial positions – **22%**

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[32] Approved by the decision of the Management Board of KTZ NC JSC dated 9 December 2025 (Minutes No. 02/35).
[33] Positions requiring knowledge in science, technology, engineering, and mathematics.

Table 40. Base Salary Level by Gender, 2025

GRI 405-2

	Administrative staff[34]	Operational staff[35]
Base salary		
Women, KZT	209,707	117,574
Men, KZT	209,707	117,574

GRI 202-1

There are no gender-based differences in base salary or remuneration systems within the Company. Salaries are determined based on position, and both men and women in the same roles receive equal pay and other compensation in accordance with the Company's remuneration policies.

Accordingly, there is no gender-based pay differentiation at KTZ NC JSC.

In line with the principles of gender balance and the requirements of the Corporate Governance Code, the Company reviewed the composition profiles of the Boards of Directors (BoD) and Supervisory Boards (SB) of its subsidiaries.

As a result of this work, the proportion of women on the Boards of Directors/Supervisory Boards across the KTZ NC JSC Group remained at the 2024 level in 2025 – 30%.

EMPLOYMENT OF PERSONS WITH DISABILITIES

GRI 405-1

As a participant of the UN Global Compact, KTZ NC JSC continues to implement the principles of the ILO conventions, ensuring respect for human rights, equality in employment, inclusiveness, and workforce diversity. The Company is committed to creating a supportive environment for all employees, including by providing employment opportunities for persons with disabilities.

IN TOTAL, THE COMPANY EMPLOYS 1,187 PERSONS WITH DISABILITIES, INCLUDING BY DISABILITY GROUP:

GROUP 1
14 employees

GROUP 2
188 employees

GROUP 3
985 employees

Detailed information is disclosed in the section "Key ESG Performance Indicators"

The primary positions held by employees with disabilities include electromechanics, level crossing attendants, etc.

In accordance with the Labour Code of the Republic of Kazakhstan, employees with Group 1 and Group 2 disabilities are entitled to reduced working hours – not more than 36 hours per week. Summarised working time accounting is not permitted for employees with Group 1 disabilities.

Employment of persons with disabilities during night shifts is allowed only with their written consent, provided such work is not contraindicated for health reasons as confirmed by a medical certificate.

Employees with Group 1 and Group 2 disabilities are granted an additional paid annual leave of at least six calendar days.

Under the Collective Bargaining Agreement for 2024–2026, persons with Group 1 and Group 2 disabilities are entitled to reduced working hours with full pay: 36 hours per week for a six-day workweek and 35 hours per week for a five-day workweek.

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[34] Base salary of an HR specialist (Grade 8) at Temirzholsu JSC.
[35] Base salary of a courier (Grade 1) at KTZ–Freight Transportation LLP.

Table 41. **Number of Employees with Disabilities by Category, 2022–2025, persons**

GRI 405-1

	2022			2023		
	Senior management	Administrative and managerial staff	Operational staff	Senior management	Administrative and managerial staff	Operational staff
Number of employees with disabilities, persons	0	78	968	0	87	1,005
	2024			2025		
	Senior management	Administrative and managerial staff	Operational staff	Senior management	Administrative and managerial staff	Operational staff
	0	102	1,120	0	89	1,098

TALIMGER PROJECT

As part of the Year of Working Professions declared by the Head of State, Samruk-Kazyna JSC implemented the Talimger project aimed at supporting the employment by the end of 2025 of 100 orphans and graduates of orphanages completing their studies at educational institutions.

For the implementation of the project, employment quotas were allocated among the Fund's portfolio companies. The quota for the KTZ NC JSC Group amounted to 45 people.

By the end of 2025, KTZ NC JSC had actually employed 59 people, exceeding the established quota.

NATIONAL DIVERSITY

KTZ NC JSC adheres to the principles of non-discrimination on the basis of nationality. The Company ensures equal working conditions for all employees regardless of their national and ethnic origin, religion and beliefs. The Company's workforce includes specialists of various nationalities and cultural backgrounds, which contributes to the development of an open and respectful working environment.

Table 42. **Headcount of KTZ NC JSC Employees by Nationality, 2025,** persons

	Nationality					
Total, including:	Kazakh	Russian	Ukrainia	Tatar	German	Other
Women	21,477	2,955	453	257	191	437
Men	82,305	6,794	1,109	560	526	1,442
Share of total workforce, %	87.6%	8.2%	1.3%	0.7%	0.6%	1.6%
Total in managerial positions, including:	10,395	586	123	52	41	138
Women	2,142	208	32	17	13	47
Men	8,253	378	91	35	28	91
Share of total managerial positions, %	91.7%	5.2%	1%	0.5%	0.4%	1.2%

EMPLOYEE SUPPORT

GRI 401-2

COLLECTIVE BARGAINING AGREEMENT

A Collective Bargaining Agreement for 2024–2026 has been concluded between KTZ NC JSC and the workforce, providing for a comprehensive range of employee social support measures.

The Agreement provides financial assistance to employees in a number of cases, including childbirth, marriage registration and funerals, in the event of exceptional life circumstances requiring unforeseen expenses, as well as to young railway specialists assigned to work placements. In addition, payments are provided for certain significant dates, such as Children's Day, 1 September, Family Day, Day of Persons with Disabilities and others.

The agreement also provides for:

- reimbursement of travel expenses by rail once a year;
- Provision of subsidised vouchers for health resort treatment;
- Reimbursement of dental prosthetic treatment once every two years;
- Incentives for employees on jubilee anniversaries (55 years for women, 60 years for men);
- Payments to women on the occasion of International Women's Day;
- Organisation of summer health recreation and New Year events for employees' children, as well as other social support measures.

Under the Collective Bargaining Agreement, KTZ NC JSC provides medical services to employees. For this purpose, within the approved budget, the Company annually insures employees through the procurement of voluntary medical insurance (VMI) services in the event of illness.

To ensure social stability and implement a unified employee social support policy across the Group, a unified insurance programme is in place. Employee insurance is aimed at expanding the social benefits package and provides employees and their family members with access to qualified medical care in the event of health problems.

By the end of 2025, expenses on social support for employees of KTZ NC JSC amounted to KZT 20.6 billion, including:

- KZT 826.6 million – pension supplement payments and one-off benefits to employees retiring from service;
- KZT 1,509.8 million – assistance to pensioners to maintain and improve their health condition;
- KZT 5,764.7 million – financial assistance to employees, including payments related to childbirth, funerals, marriage registration and health improvement.

In addition, in 2025 additional measures amounting to KZT 7.6 billion were implemented, including:

- KZT 5.1 billion – cultural, educational, recreational and other social activities;
- KZT 2.5 billion – payment of additional compensation to redundant employees exceeding the amounts established by the laws of the Republic of Kazakhstan.

GRI 402-1

In accordance with the Collective Bargaining Agreement, the Company is obligated to notify employees and their representatives about significant changes in operations affecting working conditions (e.g. at least 15 calendar days in advance of downtime, and at least one month before the closure of a structural division). In the event of staff expansion, employees dismissed due to redundancy within the past six months are informed of available vacancies.

To raise employee awareness about the Collective Bargaining Agreement, its guarantees and benefits, and to establish more transparent and effective communication in HR matters, the Company maintains ongoing communication with staff.

HR stands are being installed at regional and linear production units of the Company's branches and subsidiaries, HR info sessions are held, and mobile HR audits and meetings with teams are organised. In addition, guides and brochures on HR-related matters are being developed for employee convenience.

GRI 2-30

By the end of 2025, 100% of employees were covered by collective bargaining agreements.

For employees not covered by such agreements, working conditions are governed by the Labour Code of the Republic of Kazakhstan. Terms of employment and remuneration are regulated by the employer's internal regulations. Differences mainly relate to access to certain social benefits not specified in the internal regulations.

Table 43. **Number of Employees Covered by Collective Bargaining Agreements, 2025**

Total number of employees	118,506
Number of employees covered by collective bargaining agreements	118,506
Share of employees covered by collective bargaining agreements, %	100

Non-material incentives are a key motivation tool, fostering employee engagement, improving productivity and contributing to the achievement of KTZ NC JSC's strategic goals.

Additional non-material incentives for employees of KTZ NC JSC is provided through awards and recognitions for contributions to the development of the railway industry.

By the end of 2025, more than 82 thousand employees of the KTZ NC JSC Group had received various forms of awards and recognitions, including:

- 166 employees received state awards of the Republic of Kazakhstan;
- 65 employees were awarded the Honorary Railway Worker badge of the Ministry of Transport of the Republic of Kazakhstan;
- 46 employees received departmental awards from Samruk-Kazyna JSC;
- 81,723 employees received corporate awards of KTZ NC JSC in connection with professional and public holidays, including more than 77 thousand employees awarded long-service distinction badges.

TRADE UNIONS

The Company maintains close cooperation with "Kazakhstan Sectoral Trade Union of Railway, Automobile, Aviation and Water Transport Workers" Public Association.

In 2023, a Sectoral Agreement on social and labour issues was signed for the period 2024–2026 between the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan, KTZ NC JSC, other railway transport organisations, and "Kazakhstan Sectoral Trade Union of Railway, Automobile, Aviation and Water Transport Workers" Public Association.

This Sectoral Agreement defines minimum social guarantees for employees, their families and pensioners, which are mandatory for inclusion in collective bargaining agreements. However, the parties to the Agreement do not limit the rights of employers and employees to expand upon these guarantees.

"Kazakhstan Sectoral Trade Union of Railway, Automobile, Aviation and Water Transport Workers" Public Association and the Company recognise this Agreement as the fundamental document of social partnership. It sets out the general principles for implementing a coordinated social and labour policy aimed at improving the efficiency of railway sector organisations, raising living standards, and strengthening the protection of employees' socio-economic and labour rights.

The obligations and guarantees relating to the activities of "Kazakhstan Sectoral Trade Union of Railway, Automobile, Aviation and Water Transport Workers" Public Association are also stipulated in the Company's Collective Bargaining Agreement.

PARENTAL LEAVE

GRI 401-3

The Company provides equal opportunities for men and women. In particular, parental leave is granted to all employees regardless of gender, although in practice, women are more likely to take advantage of this opportunity. In 2025, 232 men and 2,805 women exercised their right to take parental leave.

In accordance with Article 99 of the Labour Code of the Republic of Kazakhstan, the Company provides social guarantees to employees in connection with childbirth and adoption of children. Employees are granted maternity leave of 126 calendar days (70 days before childbirth and 56 days after childbirth), extended to 140 calendar days in the event of complicated childbirth or the birth of two or more children, as well as leave related to the adoption of newborn children. In addition, upon the employee's request, unpaid parental leave is granted until the child reaches the age of three years. Such leave may be taken by the mother, father or other relatives actually caring for the child.

Table 44. **Total Number of Employees Eligible for Parental Leave, 2025, persons**

	Total	Men	Women
Total number of employees eligible for parental leave	118,506	92,736	25,770
Total number of employees who took parental leave	3,037	232	2,805
Total number of employees who returned to work after parental leave in 2025	1,321	129	1,192
Total number of employees who returned to work after parental leave (in 2024) and remained employed for 12 months	634	45	589
Number of employees expected to return from parental leave in 2025	1,359	132	1,227
Number of employees who returned from parental leave in 2024	1,922	178	1,744
Return-to-work rate, %	**97**	**98**	**97**
Retention rate, %	**33**	**25**	**33.7**

SOCIAL STABILITY

Conducting employee surveys makes it possible to monitor the level of employee social well-being, the degree of satisfaction with working conditions, as well as the psycho-emotional climate within labour collectives. The results obtained enable the analysis of the level of social stability within organisations and allow necessary measures to be taken in a timely manner.

In 2025, two types of surveys were conducted within the Company:

- surveys at the premises of Samruk Research Services, conducted by Samruk-Kazyna JSC;
- surveys conducted by the Company itself as part of industrial relations monitoring.

Samruk Research Services surveys are conducted twice a year among operational staff and cover issues related to employee engagement, social well-being and the social stability index.

These surveys cover around 15,000 employees across the KTZ NC JSC Group, representing at least 15% of operational staff.

Based on the survey results, corrective action plans and key performance indicators (KPIs) for the Company's top management are developed. In addition, the survey results are annually presented by representatives of Samruk-Kazyna JSC to the members of the Company's Board of Directors.

The industrial relations monitoring survey is also conducted twice a year and covers both operational and administrative staff.

In 2025, each survey reached at least 35,000 employees (over 25% of the total workforce).

The questionnaire includes questions covering the following areas: occupational health and safety, sanitary and welfare conditions and quality of medical services, provision of special clothing and personal protective equipment, uniforms, internal communications, awareness of the social package, training and corporate culture, as well as respect for human rights.

Since 2024, the survey has been supplemented with the "Goals" section, reflecting the level of understanding of the Company's mission and objectives, and the "Happiness" section, assessing the level of employee satisfaction and sense of well-being in the workplace.

In 2025, the questionnaire was additionally supplemented with the "Human Rights" section, enabling assessment of employees' general awareness of their rights, as well as identification of possible instances of discrimination in the workplace. The expanded survey covers issues related to ensuring equal access to professional training programmes, transparency of career development processes, and compliance with the principles of ethical treatment and inclusiveness in the working environment.

The survey results help the relevant structural divisions of the Company and its subsidiaries identify problem areas and determine priority areas for improving working conditions.

Based on the survey results, the Company implements a programme for improving working conditions, under which repairs of buildings and sanitary and welfare facilities were carried out at line enterprises, and sanitary and welfare modular buildings, furniture and household appliances were procured.

Table 45. **Social stability index at JSC NC KTZ, 2021–2025**

	UOM	2021	2022	2023	2024	2025 Target	2025 Actual	2026 Target
Social stability index	%	72	65	66	69	71	73	75
Survey coverage	% of employees participated in survey	10	10	13	10	10	15	15

INDUSTRIAL RELATIONS

Measures to Improve Employee Working Conditions

Since 2022, KTZ NC JSC has been systematically implementing measures to improve sanitary and welfare conditions at line enterprises. This work includes the renovation of buildings and premises, as well as the renewal of furniture and household appliances.

In 2025, KZT 20 billion was allocated as part of the implementation of industrial relations standards (in 2022 – KZT 3.5 billion, in 2023 – KZT 20 billion, in 2024 – KZT 16.2 billion).

The funds were allocated to:

- renovation of buildings and premises;
- installation of modular buildings;
- major repairs of locomotive crew rest houses;
- purchase of small machinery and tools;
- procurement of office equipment and furniture;
- procurement of household appliances.

Similar initiatives are planned for 2026, including renovation of buildings and premises, locomotive crew rest houses, procurement of modular buildings and other activities.

Employee Engagement and Feedback Mechanisms

The Company operates the Nysana hotline integrated into the Fund's unified database of complaints and appeals.

Since 2023, a stable downward trend in the number of complaints and appeals has been observed. In the reporting year, the total number of appeals decreased by 25% compared to 2024, including a 30% reduction in individual appeals and a 15% reduction in collective appeals. A noticeable decline was also recorded in complaints related to interpersonal relations within teams.

The reduction in the number of appeals indicates a stable environment within teams and the development of effective corporate communications.

To improve the efficiency of handling employee appeals, guidelines and standard document templates have been developed for working groups travelling to regions to review submitted complaints and appeals.

Furthermore, the Company applies the Rules for Establishing Internal Communications on Social and Labour Relations in Regional and Line Subdivisions of KTZ NC JSC and its Subsidiaries (No. 894-TsZ dated 7 December 2021). In accordance with these Rules, managers and trade union leaders regularly hold meetings with teams.

In 2025, more than 1,691 meetings were held, involving over 49 thousand employees.

EMPLOYEE DEVELOPMENT

GRI 404-2

Employee training and development are key elements in ensuring the effective performance of the Company. These activities encompass the development of professional skills, personal attributes, and leadership capabilities, all of which support career progression and increase employees' professional value.

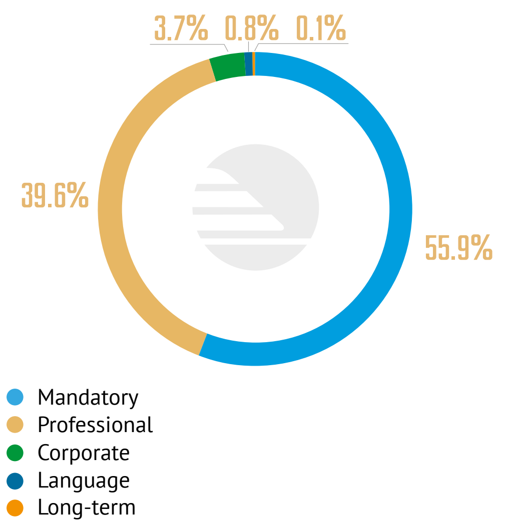
KTZ NC JSC views investment in training as a strategic tool for enhancing employee productivity and loyalty, which in turn positively impacts the Company's overall performance.

The Company regularly undertakes initiatives to develop professional, behavioural-business, and managerial competencies among its staff. KTZ NC JSC operates dedicated training centres for production personnel located in Astana, Pavlodar, Taraz, Karaganda, and Aktobe.

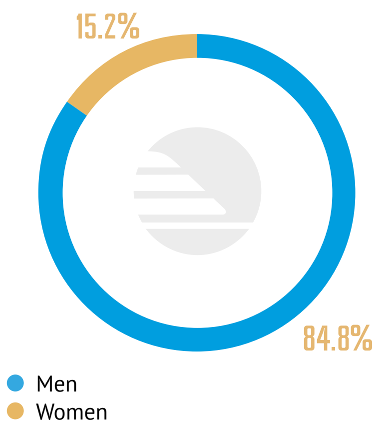
In 2025, 23,616 employees were trained at these centres (2023 – 22,034 employees; 2024 – 23,105 employees). The total number of employees trained during the reporting period amounted to 61,274 employees (2023 – 38,918 employees; 2024 – 50,961 employees), at a total cost of KZT 2.4 billion (2023 – KZT 1.9 billion; 2024 – KZT 2.1 billion).

THE AVERAGE TRAINING AND DEVELOPMENT COST PER EMPLOYEE WAS KZT 20,000

Employee Training by Focus Area, 2025, %



Employee Training by Gender, 2025, %



GRI 404-2

The Company employs over 70 highly qualified internal trainers, each of whom is an expert in their respective field.

In 2025, a total of 3,800 employees were trained by internal trainers, including through the mobile internal training school Bilim Express, focusing on key behavioural-business competencies such as conflict management, stress resilience, leadership, effective communication, customer focus, digital skills, performance management, lean production, emotional intelligence, and others.

Table 46. **Average Annual Training Hours per Employee by Category, 2025**

GRI 404-1

Employee Training	Total	Senior Management and Administrative Staff	Operational staff
Total training hours	2,200,918	196,475	2,004,443
Total employees	118,506	6,667	111,839
Average hours per employee	18,6	29	18

Table 47. **Average Annual Training Hours per Employee by Gender, 2025**

Employee Training	Total	Women	Men
Total training hours	2,200,918	249,756	1,951,162
Total employees	118,506	25,770	92,736
Average hours per employee	18,6	9,7	21

CORPORATE PROGRAMMES

In 2025, in order to create a professional community, develop professional competencies and improve employee qualifications aimed at enhancing traffic safety and reducing occupational injuries, modular corporate development programmes were implemented for 161 employees of the freight, locomotive and locomotive operations divisions of KTZ-Freight Transportation LLP, as well as the Uzdikter Alany development programme for 113 employees of the track maintenance, power supply, signalling and communications divisions of the Main Railway Network Directorate, Branch of KTZ NC JSC.

The Leaders of the Profession corporate development programme was implemented for 88 managers and employees at regional and line levels. Six of the best production employees from the track maintenance, signalling and communications, and power supply divisions were sent for internships abroad at Mittweida University (Germany).

To promote blue-collar professions, a competition on best practices in railway traffic safety was held among 60 employees at line and regional levels.

The training programmes were developed based on a professional competency matrix tailored to the functional roles of employees.

Key methods included engaging external providers and in-house trainers and experts, delivering interactive sessions and practical exercises, as well as fostering networking and expert feedback.

Upon completion, participants were awarded certificates of professional development.

Programme Title	Corporate development programme for employees of the freight, locomotive and locomotive operations divisions of KTZ-Freight Transportation LLP.	Modular pool programme: "Leaders of the Profession" for core railway industry professions; Corporate development programme for managers of power supply divisions: Railway Mainline Energy Professionals; Corporate development programme for managers of track maintenance divisions: Track Professional; Corporate development programme for managers of signalling and communications divisions: Signalling and Communications Professional on the Railway Mainline.
Programme Objective	Improving the operational efficiency of employees of KTZ-Freight Transportation LLP. Programme objectives: ensuring railway traffic safety, occupational health and safety; reducing injury cases and moving towards "zero injuries"; improving the quality of work performed; developing professional and leadership competencies.	Improving industrial safety, personal and team effectiveness through the development of professional and personal-business competencies, as well as forming a pool of highly qualified specialists capable of solving non-standard and highly complex production tasks. Improving production processes through the introduction of new approaches and technologies. Developing strategic thinking, the ability to create and coordinate teams, build relationships and evaluate the performance of employees.
Business Benefits of the Programme	The implementation of training programmes for Company employees delivers significant benefits, including improved service quality through enhanced staff qualifications, increased employee satisfaction and reduced staff turnover, effective risk management reducing the likelihood of accidents and associated losses, as well as promoting innovation, thereby strengthening the Company's competitiveness. The programmes involve training middle management through the application of a hybrid learning method (online/offline, modular learning, development of hard and soft skills) through intensive collaboration, case study analysis, practical application of new knowledge, networking and expert feedback.	
Share of Staff Covered	161 heads of production and technical departments and heads of car maintenance sections of KTZ-Freight Transportation LLP (0.15%)	40 heads of communications sections, 30 heads of production and technical departments and senior power dispatchers of power supply divisions, 97 heads of production and technical departments and deputy heads of track maintenance divisions, 88 leaders of the profession (0.23%)

GRI 404-2

In addition, the Company has implemented the Mumkindik development programme, designed to support employees affected by workforce reductions. The programme is available through the remote learning and testing system and comprises three modules aimed at developing key competencies and facilitating adaptation to new professional opportunities. The course covers the following topics: Government support tools for starting a business and the e-services portal; Public procurement: from registration to signing the first contracts; Personal growth as a foundation for success in life; Practical negotiation skills; Basics of legal literacy for entrepreneurs; Career guidance and choosing a profession; Taxation for aspiring entrepreneurs; Financial literacy: managing and growing capital; Writing an effective CV and others.

EMPLOYEE PERFORMANCE EVALUATION

GRI 404-3

Employee performance evaluation at the Company is conducted throughout the calendar year and comprises several key stages: goal setting, regular monitoring, performance review, comprehensive assessment, and the provision of regular, constructive feedback based on performance outcomes.

Evaluation and feedback processes are continuous and integral components of human resource management. Line managers are required to consistently track employees' progress towards achieving their goals, provide timely and meaningful feedback on performance, and identify areas for further development.

There are three types of formal employee performance evaluations:

1) Regular comprehensive evaluation – an assessment of employee achievements against set goals/KPIs and competencies over the reporting period. The results of this evaluation form the basis for the talent mapping process, which defines the next steps in human capital management.
2) Regular goal achievement monitoring – a semi-annual process that systematically tracks progress towards established goals.
3) Ad hoc assessment of competencies/skills and knowledge – an evaluation of employees' professional competencies, carried out using internal resources and/or external providers. This method is applied on an as-needed basis and may include evaluation /development centres, 360/270/180-degree feedback, and professional testing.

Comprehensive performance evaluation involves employees covered by the Company's and its subsidiaries' grading-based remuneration system.

Based on the evaluation results, line managers provide feedback covering work effectiveness, strengths, learning and development needs, and potential adjustments to remuneration following the performance evaluation.

Flexible conversations form an important part of the evaluation process, offering deeper exchanges between managers and employees. These conversations foster a better understanding of individual needs, support personal development, and enhance motivation for learning and growth.

During the reporting year, the Rules for Performance Evaluation of Employees of the Company and Its Subsidiaries were updated. The main changes concerned the procedure for setting employee goals, the evaluation process stages, the provision of feedback throughout the evaluation period as a development tool, and its integration into the Company's corporate culture.

In 2025, a total of 3,274 employees were covered by the comprehensive performance evaluation (compared to 3,439 employees in 2024).

Table 48. Number of Employees Covered by Comprehensive Performance Evaluation by Gender, 2021–2025, persons

	2021		2022		2023		2024		2025	
	Women	Male	Women	Male	Women	Male	Women	Male	Women	Male
Total number of employees receiving regular performance and career development evaluations	1,730	1,416	1,456	1,665	1,819	1,566	1,815	1,624	1,726	1,548
Total number of employees by gender	26,400	86,181	26,350	87,419	26,083	90,477	26,056	91,625	25,770	92,736
Percentage of employees receiving regular performance and career development evaluations	7%	2%	6%	2%	7%	2%	7%	1.8%	7%	2%

Table 49. **Number of Employees Covered by Comprehensive Performance Evaluation by Category, 2021–2025, persons**

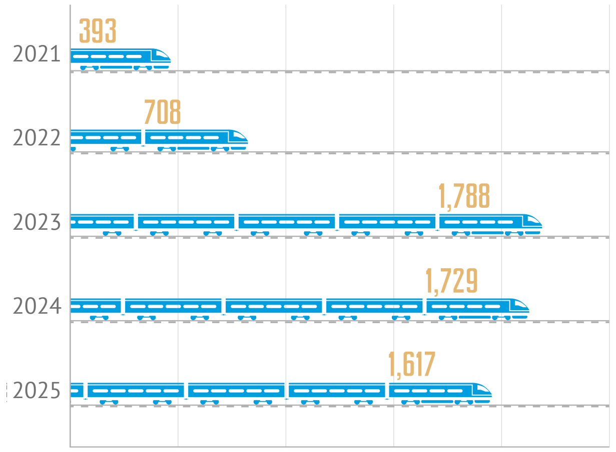
	2021			2022			2023		
	Senior management	Administrative and managerial staff	Operational staff	Senior management	Administrative and managerial staff	Operational staff	Senior management	Administrative and managerial staff	Operational staff
Total number of employees receiving regular performance and career development evaluations	45	3,146	0	44	3,121	0	59	3,385	0
Total number of employees by category	116	7,771	104,694	110	6,998	106,661	108	6,876	109,576
Percentage of employees receiving regular performance and career development evaluations	39%	40%	0%	40%	45%	0%	55%	49%	0%

	2024			2025		
	Senior management	Administrative and managerial staff	Operational staff	Senior management	Administrative and managerial staff	Operational staff
Total number of employees receiving regular performance and career development evaluations	65	2,717	722	55	2,508	766
Total number of employees by category	108	7,017	110,664	99	6,667	111,839
Percentage of employees receiving regular performance and career development evaluations	60%	39%	0,7%	55%	38%	1%

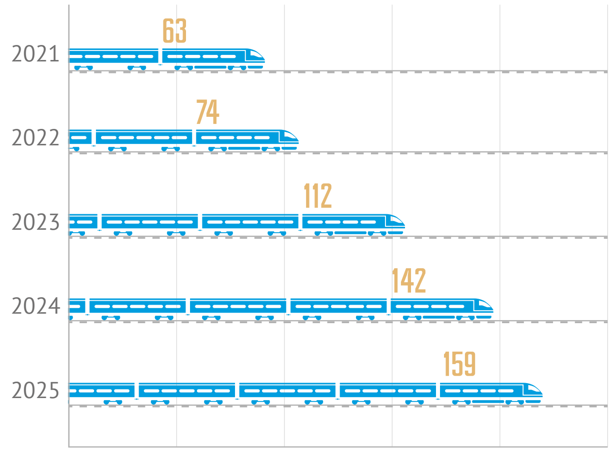
In accordance with the Rules for the Formation of the Talent Pool of KTZ NC JSC, strategic and functional Succession Plans were approved for 916 employees across the Company, its branches and subsidiaries.

As a result of the regular comprehensive performance evaluation conducted for the reporting period of 2025, 701 high-potential employees (positions 8-9 on the talent map) were included in the talent pool.

Number of employees included in the talent pool



Number of employees promoted or appointed from the talent pool



In 2025, the List of Key Positions was updated to include heads of structural divisions of the corporate centre and critical operational personnel positions influencing the Company's strategic development and operational performance.

CHARITABLE AND SPONSORSHIP ACTIVITIES

The implementation of a unified charitable activities policy across the Samruk-Kazyna JSC Group is carried out through the Samruk-Kazyna Trust Corporate Foundation.

The Company, in turn, actively develops corporate volunteering by creating conditions for employee participation in charitable and social initiatives. This activity is aimed at supporting socially vulnerable groups of the population and also contributes to the development of a culture of mutual assistance, strengthening team interaction and increasing employee engagement in social development and environmental protection.

In 2025, the Company's corporate volunteers participated in the implementation of a number of charitable and social projects. Key activities included:

- organisation of festive events dedicated to state and national holidays, as well as Transport Workers' Day;
- organisation of events dedicated to Children's Day, Knowledge Day and Older Persons' Day;
- organisation of festive events dedicated to Children's Day, Knowledge Day and Older Persons' Day;
- implementation of the annual "Let's Prepare Children for School" campaign, under which 700 school kits were prepared and delivered to children from large families living at remote stations and sidings;
- implementation of the "Children's Wish Tree" campaign for 75 children with special needs ahead of the New Year within the framework of the 13th Republican Youth Forum of KTZ NC JSC in Astana;
- participation in the "Wish Tree" campaign organised by Samruk-Kazyna JSC for children with special needs from among employees of the Foundation Group;
- implementation of the "Food Basket" and "Domestic Coal for Winter" campaigns aimed at supporting single veterans and pensioners of the railway industry.

In addition, in 2025, in response to requests from employees of the KTZ NC JSC Group for financial assistance related to illnesses, accidents and other difficult life circumstances, a voluntary donation campaign was organised. Information support was provided through corporate email newsletters and publications in the Kazakhstan Temirzholshysy newspaper. Owing to the response from the Company's employees, significant funds were raised to provide targeted assistance to employees in need.

To further develop the corporate volunteering movement, the "Corporate Volunteer of KTZ NC JSC" competition was held in 2025. Based on the competition results, winners were identified in five categories: Caring for the Elderly, Caring for Children, Caring for Nature, Community and Environmental Development, Sports and Well-being.

In addition, three young employees of the Company became participants in the Samruk Umiti project of Samruk-Kazyna JSC, acting as mentors for children from a children's village in Pavlodar. Another three employees obtained accreditation and became UNICEF volunteers.

The total contribution of the Company's corporate volunteers in 2025 exceeded 30 thousand man-hours.

KTZ NC JSC did not independently incur financial expenditures on charity and sponsorship. All charitable activities of the Samruk-Kazyna JSC Group are carried out through the Samruk-Kazyna Trust Social Projects Development Foundation in accordance with the Charity Policy of Samruk-Kazyna JSC.

At the same time, 400 employees of KTZ NC JSC participated in the Samruk-Kazyna JSC charity marathon. The Company provided a contribution of KZT 10,000 per person, transferring a total of KZT 4 million to the Samruk-Kazyna Trust Corporate Foundation. The funds raised are allocated to the construction of inclusion classrooms in general education schools.

SUPPORTING PENSIONERS

Support for labour veterans and pensioners is an important area of the social policy of KTZ NC JSC and reflects the Company's commitment to the principles of social responsibility and sustainable development. The Company maintains a sustainable system of interaction with former employees, recognising their contribution to the development of the railway industry.

As of 2025, more than 45 thousand pensioners are registered with the Company, including 22,798 men and 23,085 women. Among them are five veterans of the Great Patriotic War, 1,092 home front workers, and 902 Honourable Railway Workers.

The Company implements a comprehensive range of measures aimed at improving the quality of life of veterans and ensuring their social protection. Support programmes provide for financial assistance on significant dates, such as Older Persons' Day, professional holidays and other important events, free or subsidised medical examinations, assistance in purchasing medicines, as well as provision of vouchers for sanatorium and resort treatment.

In addition, non-working pensioners are provided with a social benefits package, which includes annual free railway travel; health resort treatment; one-time financial assistance upon reaching the milestone ages of 70, 80, 90, and 100; additional support provided based on decisions of the Commission on Social and Living Issues and during holidays such as Transport Workers' Day and Victory Day.

In addition to providing financial assistance, KTZ NC JSC actively involves veterans in corporate life. Veterans participate in various events, meetings and anniversary celebrations, enabling them to maintain contact with colleagues, feel part of the Company and remain active.

SUPPORTING YOUNG EMPLOYEES

The Company pays particular attention to developing the human capital potential of young employees by implementing a systematic corporate youth policy.

The Company has adopted the Youth Policy Programme for 2023–2026 aimed at creating favourable socio-economic, organisational and legal conditions for the social formation and development of young employees, as well as their effective self-realisation in the interests of the Company.

The implementation of the Programme is focused on developing young people's professional competencies, strengthening corporate values and team spirit, improving the system for attracting and adapting young specialists, involving them in solving production tasks, as well as supporting initiatives aimed at moral development and promoting healthy lifestyles and sports.

As part of the youth policy, the Company implements a number of corporate projects, including the "100 Young Faces of KTZ" young specialists development programme, the "Zhas Uzdik Maman" professional skills competition, the KVN movement, the Temirzhol Bilgirleri Intellectual Games League, the Corporate Volunteering School, and the GalstukOFF media project on the Company's YouTube channel.

"100 Young Faces of KTZ" Young Specialists Development Programme

The Company implements the "100 Young Faces of KTZ" young specialists development programme aimed at promoting the principles of ethics, meritocracy, professionalism and active employee engagement based on best practices and examples of successful young employees of the Company.

Since 2025, the educational programme for participants of the third intake, whose selection took place in 2024, has commenced.

More than 1,000 candidates participated in the competitive selection process and underwent a multi-stage assessment procedure consisting of seven stages, including testing, an assessment centre, business case solving, competency-based interviews and expert selection.

Throughout 2025, participants completed four training modules covering 20 thematic areas focused on the development of soft skills.

Following the results of 2025, 20 employees participating in the Programme received career advancement.

In 2026, it is planned to continue the training modules, as well as the preparation and defence of project initiatives by Programme participants aimed at improving the efficiency of the Company's operations.

"Zhas Uzdik Maman" Professional Skills Competition

To enhance the prestige of blue-collar professions, increase labour productivity and strengthen the motivation of young employees, the Company conducts the "Zhas Uzdik Maman" professional skills competition.

The competition is held in two stages – regional and republican – among five mass blue-collar professions in the railway industry.

In 2025, more than 350 employees participated in the regional stage of the competition across five professions: track master, station duty officer, passenger car attendant, speed recorder tape decoding engineer, and transportation document processing operator.

Following the regional selection, 50 participants advanced to the final republican stage held in Astana. Winners and prize-winners of the competition receive financial incentives in accordance with the terms of the Company's Collective Bargaining Agreement.

Furthermore, the winners and prize-winners of the 2025 competition participated in the 14th Republican Youth Forum of KTZ NC JSC, as well as in the "Best in Profession" panel session of the Samruk-Kazyna JSC forum.

Promoting a Healthy Lifestyle

The Company pays particular attention to the development of sports and the promotion of a healthy lifestyle among employees. Approximately 400 regional and 9 republican sports events are held annually.

The necessary conditions have been created for railway athlete employees to participate in various competitions. Employees of KTZ NC JSC demonstrate a high level of athletic training, representing not only the Company but also the country on the international stage.

KTZ NC JSC is a member of the International Railway Sports Association (USIC), which unites 16 countries.

In 2025, in order to promote a healthy lifestyle and develop physical culture, 409 sports events were held across all regions of the Company with the participation of more than 18.6 thousand people. In addition, 3.6 thousand employees participated in 310 sports events organised by third-party companies.

Approximately 1,500 employees regularly attend the Company's sports sections.

Following the results of the 3rd Charity Samruk Marathon (May 2025), representatives of KTZ NC JSC won 4 gold, 2 silver and 4 bronze medals.

In August 2025, the KTZ NC JSC football team became the winner of the QAZAQSTAN QYZMET CUP: BIRLIK 2025 and also took first place in the International Corporate Cup 2025 tournament in Turkey.

At the 7th Open Swimming Championship, employees of KTZ NC JSC won 7 gold, 1 silver and 2 bronze medals. As part of the Astana Triathlon Half competition, the KTZ NC JSC team took first place in the men's relay.

Following the results of the 10th Anniversary Spartakiad of Samruk-Kazyna JSC, the Company's team won first place overall, securing 28 medals, including 11 gold, 8 silver and 9 bronze medals.

As part of the 1st Winter Spartakiad of Samruk-Kazyna JSC, the KTZ NC JSC team won a bronze medal in hockey, as well as 1 gold, 2 silver and 4 bronze medals in cross-country skiing.

SUPPORTING CHILDREN

The Company, as a socially responsible employer, pays particular attention to the children of railway workers. Caring for employees' families is an important part of the corporate social policy.

KTZ NC JSC annually organises New Year children's parties for employees' children aged from 1 to 10 years. In 2025, more than 5 thousand children of employees based in Astana participated in the New Year celebrations.

During the summer holidays, more than 7 thousand children of KTZ NC JSC employees aged from 7 to 13 years were provided with recreation in children's health camps. The Company provides railway transportation and medical support during travel. The procedure for organising recreation is regulated by the Rules for Distribution, Issuance and Payment of Vouchers to Children's Health Centres.

To develop children's creative potential, increase their interest in the railway industry and strengthen family dynasty traditions, the Company systematically conducts corporate, cultural and sports events involving employees' children.

In 2025, the following events were held:
- 4,500 children participated in events dedicated to Children's Day;
- 600 children participated in the Balausa Bolashaq children's and youth drawing competition;
- 80 children participated in the mini-football tournament among employees' children in Astana.

As part of social support for employees with children, the following types of financial assistance were provided in 2025:
- 31,150 employees with three or more school-age children received financial assistance for 1 September;
- 29,478 employees living at Class 1-5 stations and sidings received financial assistance for the New Year;
- 10,671 employees received financial assistance in connection with the birth of a child;
- 10,633 employees with large families received financial assistance for Family Day;
- 4,266 employees (single mothers, widows and widowers) received financial assistance for Children's Day;
- 1,605 employees raising children with special needs received financial assistance.

These social support measures are implemented in accordance with the Company's Collective Bargaining Agreement and are aimed at improving the well-being of employees and their families.

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

In 2026, the social policy priorities of KTZ NC JSC will focus on increasing the Social Stability Rating (SRS) to 75%, developing digital analytics for key processes related to social policy, including work with youth, employees' children and industry pensioners, as well as introducing AI tools into the Company's business processes.

Particular attention will be paid to the development of youth policy. In 2026, it is planned to launch the selection process for the fourth cohort of the "100 Young Faces of KTZ" programme, update the Company's Youth Policy Programme, and further develop corporate volunteering, including the creation of a specialised "KTZ Volunteers" website and the implementation of charitable initiatives, including the "Children's Dreams Train" campaign.

In terms of human capital management, in 2026 KTZ NC JSC plans to improve employee qualifications, develop human resource potential and enhance working conditions within the framework of the Company's strategic course. Priority will be given to the implementation of initiatives under the Year of Digitalisation and Artificial Intelligence, declared by the President of the Republic of Kazakhstan.

Priority objectives include:
- launching the KTZ Alem mobile application based on SAP Fiori;
- automating the competency matrix for all production positions to develop a training calendar plan;
- introducing AI into HR processes.

In addition, in 2026 a new Collective Bargaining Agreement for 2027–2029 will be developed, aimed at expanding the employee social package and improving working conditions.

In the medium-term perspective, the Company will continue implementing programmes aimed at increasing the attractiveness of railway industry professions, introducing advanced educational technologies and developing the talent pool, including:
- long-term partnerships with educational institutions to train highly qualified specialists;
- implementation of dual education programmes and industrial internships;
- development of a continuous professional training and employee certification system;
- enhancement of medical insurance, accessibility of sanatorium-and-spa treatment, and support for employee housing programmes.

GOAL 6. ENSURING RAILWAY SAFETY

Ensuring railway traffic safety, safe working conditions, and the protection of the health and lives of employees is a key priority for the Company.

The strategic initiative set out in the Strategy of KTZ NC JSC is aimed at improving safety management within the transportation process and achieving the goal of zero injuries.

TRAFFIC SAFETY

The fundamental document governing traffic safety – the Railway Traffic Safety Management System Manual – outlines the requirements for planning, implementation, monitoring and continuous improvement of the Company's safety management system. The Manual has been developed in accordance with the legislative and regulatory acts of the Republic of Kazakhstan, the international standard ISO 9001:2015, and the Company's internal regulations related to traffic safety.

The Company's top priorities in the field of railway traffic safety include:
- ensuring the protection of human life and health;
- ensuring the safety of cargo, rolling stock and infrastructure facilities;
- ensuring the required level of traffic safety;
- minimising the consequences of transport incidents.

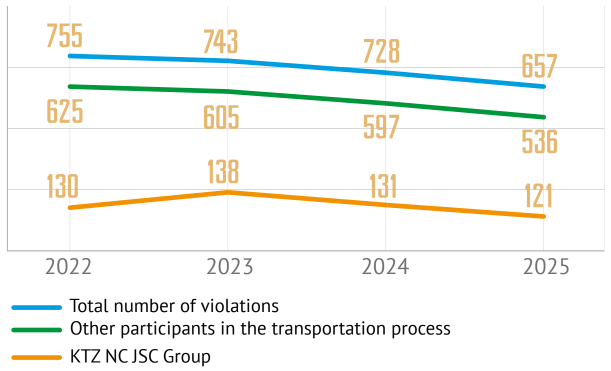
GRI 2-4

In 2025, violations of traffic safety across the main railway network committed by all participants in the transportation process decreased by 71 cases compared with 2024. The total number of violations amounted to 657 cases (2024: 717 cases[36]).

SASB TR-RA-540A.1.

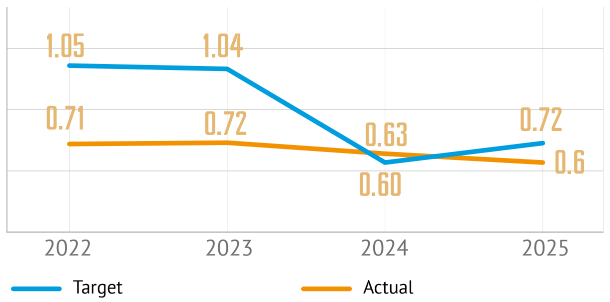
The number of traffic safety violations across the KTZ NC JSC Group decreased by 7.6% compared with the 2024 level, amounting to 121 cases (2024: 131 cases), or 18% of the total number of violations.

Railway Traffic Safety Violations by All Transportation Process Participants, Number of Cases



The "Railway Traffic Safety Level" indicator improved in 2025, with the target set by the Board of Directors of KTZ NC JSC achieved.

Target Railway Traffic Safety Level,
Number of Incidents per Million Train-Kilometres



[36] The 2024 data, compared with the data disclosed in the 2024 Integrated Annual Report of KTZ NC JSC, were adjusted due to the identification of previously unreported safety violations and additional investigations, where KTZ NC JSC entities were found to be at fault.

In 2025, the Company continued implementing measures aimed at railway traffic safety, which made it possible to maintain a positive trend in traffic safety performance indicators:

- more than 11 thousand employees completed training;
- distinguished employees were recognised with awards and cash bonuses;
- repairs and maintenance were carried out on more than 12 thousand units of rolling stock;
- major overhaul of 512.4 km of track was completed.

Systematic measures were introduced in the Company's structural divisions and subsidiaries aimed at enhancing the railway traffic safety management system, developing human resources, and improving the reliability of infrastructure and rolling stock systems.

SASB TR-RA-540A.4.

In addition, in accordance with the Rules for Railway Track Diagnostics[37], inspections are conducted to maintain a high level of traffic safety.

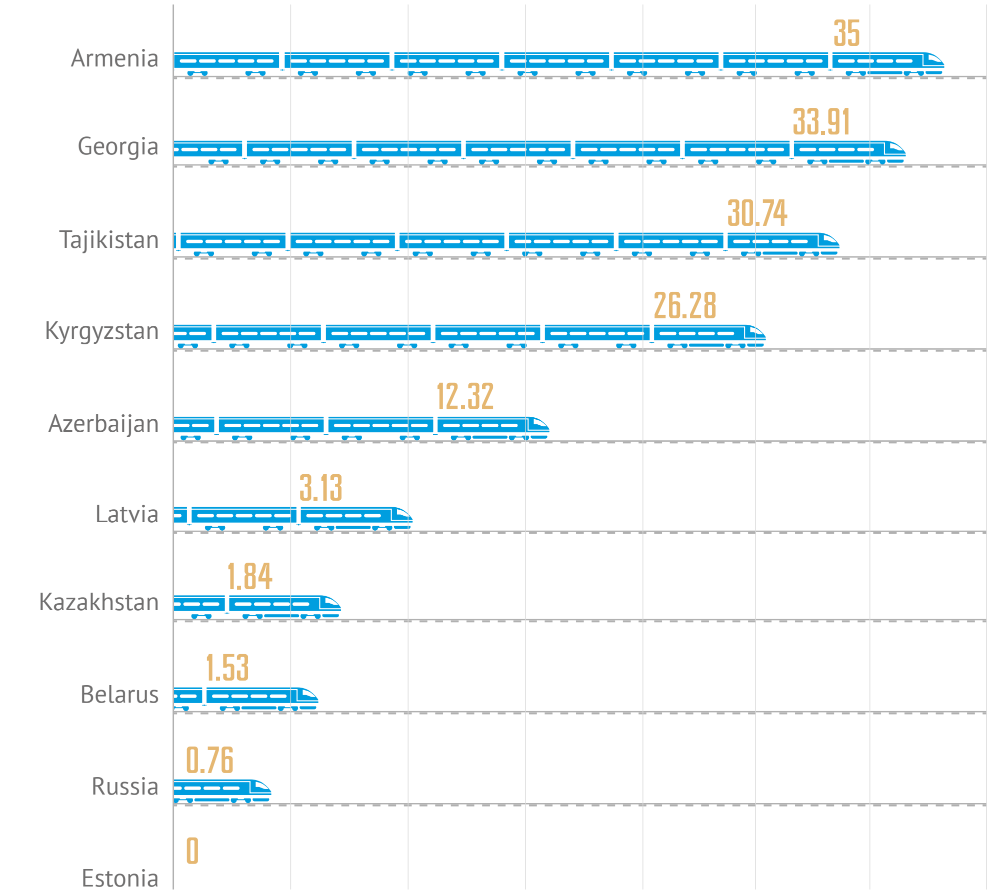
Track diagnostics include continuous monitoring of the technical condition, identifying and determining the causes of defects that pose a threat to traffic safety, disrupt the transportation process, or require urgent or planned preventive maintenance.

The frequency of inspections of rails laid in the track, welded joints, and metal components of turnouts is determined by the above-mentioned Rules.

In 2025, 477,434 km of track were inspected using diagnostic equipment.

A comparative analysis of railway safety indicators among international rail administrations of the Commonwealth of Independent States (CIS) for 2025 showed that the number of safety violations per million train-kilometres recorded by the Company was lower than that of other rail administrations under review, except for Belarus, Russia and Estonia.

Rate of Railway Traffic Safety Violations, Total per Million Train-Kilometres [38]



[37] Approved by Order No. 1125 dated 29 December 2017 of the Chief Engineer of KTZ NC JSC.
[38] Source: Directorate of the Council for Rail Transport of the CIS Member States.

OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3, 403-1, 403-8, 403-10

The Company's employees are its greatest value. In this regard, ensuring safe working conditions and protecting the lives and health of employees are regarded as an unconditional priority and one of the Company's most important objectives.

Occupational health and safety processes are managed in accordance with the Occupational Health and Safety Management System Manual[39]. The Manual has been developed in compliance with the requirements of ISO 45001:2018 and GOST 12.0.230 and serves as the principal document regulating occupational health and safety management across the KTZ NC JSC Group.

The occupational health and safety management system is designed to ensure the protection of the health and safety of the Company's employees, contractors, and other stakeholders who may be exposed to risks associated with the activities of the Company and its subsidiaries.

The Manual is applicable to the Company and its subsidiaries and is mandatory for all employees.

The Manual is available on the Company's corporate website via the following link: Occupational Health and Safety Management System Manual.

COMPLIANCE OF THE MANAGEMENT SYSTEM WITH INTERNATIONAL STANDARDS

The Company undergoes external audits on an annual basis to confirm compliance with international and national standards in the fields of industrial safety, occupational health and safety, and environmental protection.

In 2025, KTZ NC JSC successfully completed an external audit. Compliance with the principles of ISO 45001:2018 is confirmed by a certificate issued by international auditors from TÜV Thüringen Kazakhstan LLP.

HAZARD IDENTIFICATION AND RISK ASSESSMENT

GRI 403-2

Hazard identification, risk assessment and incident investigation are key elements in ensuring occupational safety. In this context, the Company regularly assesses risks and identifies potential hazards, conducts audits and inspections, and develops action plans in the event of accidents and incidents.

Incident investigations play a vital role in identifying root causes and preventing recurrence. To ensure effective hazard identification and risk assessment, employees receive regular training and information on safety procedures, the use of personal protective equipment (PPE), and safe work practices.

The Company has adopted the Standard on the Identification of Hazards and Environmental Aspects, Risk Assessment and Occupational Safety Risk Management at KTZ NC JSC and Its Subsidiaries[40]. The purpose of the Standard is to ensure a unified approach to hazard and environmental aspect identification, risk assessment, and management in the field of occupational safety across KTZ NC JSC.

In the reporting year, scheduled hazard identification was carried out by working groups from the network, regional, and line-level management units as part of the ongoing risk assessment process.

[39] Approved by the decision of the Management Board of KTZ NC JSC dated 24 October 2022 (Minutes No. 02/29).
[40] Approved by Decision No. 614-TsZ dated 01 September 2023 of the Management Board of KTZ NC JSC.

In units where accidents occurred, unscheduled risk and hazard assessments were conducted.

As a result of the hazard identification process conducted across the Company, six significant risks were identified within the red and yellow zones of the occupational safety risk map. These include: collisions involving locomotives and rolling stock, loading and unloading operations, service vehicles, electrical installations, falls of employees from height, and falls of employees.

To mitigate these risks, the Company has adopted and is implementing Action Plans that include the following activities:
- implementation of the Fund's Occupational Safety Plan;
- implementation of activities to prevent fatal accidents for 2024–2026;
- implementation of activities to prevent electrical injuries for 2024–2026.

The Company systematically monitors the use of proactive tools aimed at preventing accidents and occupational injuries. The key mechanisms include conducting behavioural safety audits and observations, registration and investigation of hazardous conditions, unsafe acts and near misses, as well as implementation of the right to stop unsafe work. The resulting data are used to develop corrective measures, improve existing procedures and eliminate formalistic approaches, including through the submission of reliable information to the "Leading Indicators" log of the Reporting Management System of Samruk-Kazyna JSC.

Based on the results of 2025, 68,886 Behaviour-Based Safety Dialogues were conducted, 25,445 unsafe actions were prevented, 34,886 unsafe conditions were eliminated, and 2,326 unsafe work stoppages were carried out.

The Behaviour-Based Safety Dialogue (BBSD) is an important proactive measure implemented by the Company to prevent workplace injuries. During these dialogues, employees identify hazardous conditions and unsafe behaviours while performing operational tasks.

To raise employee awareness, the Company ensures regular communication to employees regarding hazardous production factors and situations through various communication channels. These include familiarisation with job descriptions, targeted and unscheduled safety briefings, technical training sessions, placement of informational materials ("Flash Notices", "Bulletins", posters) in the "Safety Minute" module of the Integrated Occupational Safety System, as well as distribution through the electronic document management system and corporate e-mail.

VISION ZERO

In January 2019, KTZ NC JSC joined the International Social Security Association (ISSA), which promotes the Vision Zero approach to safety.

The core principle of Vision Zero is that workplace accidents have identifiable causes that can be eliminated through a strong culture of prevention. By fostering such a culture, it is possible to prevent workplace accidents, injuries, and occupational diseases.
Today, the iOSH mobile application enables responses to all types of incidents, including accidents, environmental events, near-misses, occupational diseases, and health deterioration.
As part of the implementation of the international Vision Zero programme, Talgat Aldybergenov, Chairman of the Management Board of KTZ NC JSC, signed the Right to Stop Unsafe Work commitment. This grants every employee the right to stop work if it poses a direct threat to life or health.

RIGHT TO STOP UNSAFE WORK

Since 2019, in accordance with the Behaviour-Based Safety Dialogue Guidelines, KTZ NC JSC has introduced a mechanism empowering employees to stop unsafe work if its continuation poses a threat to life and health.

In 2025, 2,326 employees exercised this right (2023: 1,675 employees; 2024: 1,058 employees).

OCCUPATIONAL HEALTH AND SAFETY MEASURES

In 2025, the Company implemented 768 measures aimed at improving working conditions and preventing occupational injuries and diseases.

Total expenditure on improving working conditions and occupational health and safety amounted to KZT 13.660 million.

Table 50. **Occupational Health and Safety Expenditure, 2021–2025,** KZT million

	2021	2022	2023	2024	2025
Total	**4,417.4**	**4,685.2**	**7,854.6**	**14,475**	**13,659.92**
Occupational health and safety	2,927.0	3,317.9	5,026.6	6,885	9,307
Fire safety	576.6	613.6	512	670	1,071
Industrial safety	414.4	523.1	2,067.3	6,616	3,280
Training	438.3	227.7	245.5	301	1.42
Other	61.1	2.9	3.2	3	0.50

In 2025, average expenditure on improving working conditions and occupational health and safety per employee of KTZ NC JSC amounted to KZT 112.6 thousand (2023: KZT 67.4 thousand; 2024: KZT 132.1 thousand).

OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

GRI 403-4

The Company operates Occupational Health and Safety Committees, which are an integral part of its occupational health and safety management system. These Committees represent a key form of employee participation in managing occupational health and safety. Their primary purpose is to continuously improve working conditions and occupational health and safety through the enhancement of technological processes, upgrading of equipment, staff training, and timely provision of personal protective equipment. They also aim to foster employee engagement in safety initiatives, reduce the number of workplace injuries, and prevent fatalities.

A total of 250 Committees operate within KTZ NC JSC and its subsidiaries.

To identify hazardous working conditions, technical inspectors are included in the Committees. The total number of trained occupational health and safety technical inspectors within the Company stands at 1,395. Their responsibilities include inspecting working conditions, proposing improvements to occupational safety and health, and having the authority to suspend specific production processes, workshops, worksites, or the operation of machinery and equipment if deemed unsafe.

In 2025, technical inspectors conducted 6,760 inspections and identified 8,054 violations.

OCCUPATIONAL INJURIES

GRI 403-9, 2-4

In 2025, 18 recordable occupational injury cases occurred (2024: 21 cases[41]). The number of affected employees totalled 27 (2024: 27), including:
- fatalities – 5 (2024: 9);
- high-consequence injuries – 18 (2024: 13);
- temporary disability injuries – 4 (2024: 5).

[41] The 2024 data, compared with the data disclosed in the 2024 Integrated Annual Report of KTZ NC JSC, were adjusted based on a court decision recognising the case as work-related (November 2025); previously, the case had been classified as a non-recordable case.

Table 51. Occupational Injuries at KTZ NC JSC (Recordable Cases), 2024–2025

Indicator	2024		2024 (revised)*		2025	
For all employees	quantity	rate	quantity	rate	quantity	rate
Number and rate of fatalities as a result of work-related injuries	8	0.04	9	0.04	5	0.02
The number and rate of high-consequence work-related injuries (excluding fatalities)	11	0.05	13	0.06	18	0.09
Number and rate of recordable work-related injuries	24	0.12	27	0.13	27	0.13
Number of hours worked	206,835,446	-	206,835,446	-	208,936,741	-
LTIR (Lost Time Injury Rate)	24	0.12	27	0.13	27	0.13

Detailed information is disclosed in the section "Key ESG Performance Indicators".

In the reporting year, 18 non-recordable[42] cases were registered. The number of injured employees totalled 19, including:
- fatalities – 3;
- severe injuries – 2;
- temporary disability injuries – 14.

Table 52. Occupational Injuries at KTZ NC JSC (Non-recordable Cases), 2024–2025

Indicator	2024		2024 (revised)*		2025	
For all employees	quantity	rate	quantity	rate	quantity	rate
Number and rate of fatalities as a result of work-related injuries	6	–	5	–	3	–
The number and rate of high-consequence work-related injuries	8	–	6	–	2	–
Number and rate of recordable work-related injuries	28	–	25	–	19	–

[42] The classification of incidents as recordable or non-recordable is based on official investigation reports and special investigations into work-related accidents. The Company follows incident classification criteria in accordance with the Labour Code of the Republic of Kazakhstan (Article 186).

The average Lost Time Injury Rate (LTIR)[43] for recordable cases amounted to 0.13. At the same time, the target indicator for 2025 had been set at 0.16.

Material damage amounted to KZT 481.480 million (2023: KZT 555.140 million; 2024: KZT 461.983 million).

SASB TR-RA-320A.1. (1)

In 2025, the total number of hours worked amounted to 208,936,741 man-hours, while TRIR[44] equalled 0.026 and FAR[45] amounted to 0.005.

Table 53. TRIR and FAR Indicators, 2023–2025

Indicator	2023	2024	2025
TRIR	0.034	0.026	0.026
FAR	0.006	0.009	0.005

Main types of occupational injuries:
- Railway transport incidents (collisions);
- Contact with moving, flying, or rotating objects and parts;
- Falls from height;
- Collapses, cave-ins, falling objects, materials, soil, etc.;
- Electric shock.

TRANSPORT SAFETY

In 2024, four road traffic accidents were recorded, resulting in injuries to eight employees, including two fatalities.

In 2025, 2 road traffic accidents were recorded, resulting in injuries to three employees.

To reduce accident rates and minimise transport-related risks, the Company implements a set of preventive measures:
- annual employee training under the Defensive Driving programme (80 employees completed the training in 2025);
- implementation of internal transport safety control in accordance with the Occupational Health and Safety Instruction for the Operation of Motor Vehicles and Tractor Equipment (Order No. 491-TsZ dated 19 August 2020), including the prohibition introduced in 2025 on the use of private vehicles and passenger transportation services for business purposes;
- establishment of mandatory safety requirements in bus lease agreements, including the use of vehicles manufactured no earlier than 2019 and equipped with heating and air conditioning systems, anti-lock braking systems (ABS), seat belts, GPS monitoring systems, fire extinguishing equipment and first-aid kits;
- ensuring mandatory daily medical examinations of drivers, technical inspections of vehicles and completion by drivers of the Defensive Driving training programme;
- operation of an automated GPS-based vehicle monitoring system for tracking the movement of passenger and freight transport.

In addition, the Company systematically identifies and assesses risks associated with operational activities, working conditions and the impact of the human factor.

Management of risks associated with fatigue and psycho-emotional stress is implemented within the framework of the 2023–2025 Action Plan to Prevent Workplace Stress and Improve Employees' Mental Health at KTZ NC JSC (approved by Order No. TsZ-1/7361 dated 30 November 2023).

In accordance with the Plan, the Company conducts mental health training sessions, surveys to assess psycho-emotional well-being, as well as informational and corporate initiatives aimed at promoting a healthy lifestyle.

[43] Calculated per 1,000,000 hours worked.
[44] Total Recordable Incident Rate. Calculated per 200,000 hours worked.
[45] Fatal Accident Rate. Calculated per 200,000 hours worked.

In accordance with the Plan, the Company implements the following activities:

- conducting training sessions on mental health issues;
- surveying employees to assess their psycho-emotional condition;
- implementation of informational and corporate initiatives aimed at promoting healthy lifestyle principles;
- organisation of healthy lifestyle activities (competitions, team-building events, informational sessions on psychological topics, etc.).

Specialised psychological support programmes for specific categories of employees (including locomotive drivers and vehicle drivers) have not been established separately; however, the Company has implemented a system of pre-trip and post-shift medical examinations providing for a comprehensive assessment of employees' physical, psycho-emotional and psychological condition.

In accordance with the applicable regulatory documents, including the Rules on the Procedure for Organising Pre-shift and Post-trip Medical Examinations of Employees of KTZ-Freight Transportation LLP (approved by Order No. 8-GP dated 25 January 2022), the examinations take into account employee complaints, psychologically traumatic situations, as well as sleep and rest duration indicators.

In addition, systematic monitoring is ensured: testing for alcohol and narcotic substances is conducted as part of pre-trip and pre-shift medical examinations, including for locomotive crews. The procedures provide for identification of signs of substance use, notification of management and random checks using specialised technical devices (breathalysers and drug tests). Medical personnel record the relevant signs and take measures in strict accordance with established regulations.

FIRE SAFETY

In 2025, 69 fires were recorded, including 23 fires within the KTZ NC JSC Group (19 in 2024); assistance was provided to Emergency Situations Department (ESD) units in 26 cases (19 in 2024), while another 20 fires occurred at facilities of third-party companies (13 in 2024).

The total material damage exceeded KZT 532 million, while the prevented damage (saved material assets) amounted to more than KZT 4.300 billion.

Analysis of the causes of fires within the KTZ NC JSC Group shows that the largest share resulted from careless handling of fire by unauthorised persons (30%), short circuits (22%), and the spread of fire from steppe areas and territories of third-party companies (17%). Cases related to technical malfunctions and arson (9% each), as well as violations of fire safety requirements during the operation of stove heating systems, welding works and the use of electric heating devices (4% each), were also recorded.

Fire trains and fire service vehicles of KTZ NC JSC were deployed to extinguish fires in accordance with the interaction algorithm and the force and resource mobilisation plan approved by territorial authorised bodies for firefighting in populated areas, forest and steppe zones, as well as at facilities of third-party companies in support of ESD units.

In 2025, the Company implemented a set of measures aimed at fire prevention and enhancement of fire safety amounting to more than KZT 1.071 million, including:

- conducting more than 54 thousand fire-technical inspections;
- identifying over 24 thousand fire safety violations and issuing 1,492 warnings;
- organising 903 fire-technical minimum training sessions (covering more than 8 thousand employees);
- conducting more than 13 thousand briefings (covering more than 37 thousand employees);
- identification of facilities with increased fire hazard risk and development of corrective actions.

As part of cooperation with government authorities, the Company participated in specialised seminars, conferences and more than 60 meetings involving local executive bodies, ESD units and farming enterprises.

Participation was also ensured in the republican command-and-staff exercises of the Ministry for Emergency Situations of the Republic of Kazakhstan: 284 joint exercises with ESD units.

Special attention is paid to awareness-raising activities: more than 60 materials were published on corporate resources and approximately 40 publications in mass media aimed at fire prevention.

Action plans and exercises aimed at further improving the level of fire safety in the Company's structural divisions and subsidiaries have been approved for 2026.

OCCUPATIONAL INJURY PREVENTION

In 2025, the Company consistently implemented a comprehensive set of systemic measures aimed at reducing the level of occupational injuries.

Key results and initiatives of the reporting period:

- implementation of the 2025 Industrial Safety Action Plan approved by Samruk-Kazyna JSC was ensured (Order No. 136-P dated 26 December 2024);
- strategic sessions involving line managers (475 participants) were conducted to develop a clear understanding of the importance of safety culture and define specific steps to strengthen it;
- implementation of the 2024–2026 Action Plan to Combat Fatal Occupational Accidents (approved by Order No. TsZ-1/7661 dated 27 December 2023) and the 2024–2026 Action Plan to Prevent Electrical Injuries (approved by Order No. TsZ-1/7662 dated 27 December 2023) was ensured;
- measures under the Action Plan to Prevent Cardiovascular Diseases, as well as Workplace Stress and Improve Employees' Mental Health were implemented;
- updating of 655 process maps for injury-hazardous types of work was completed, and the Company's internal documents were updated accordingly.

The following projects are also being implemented:

- introduction of a hardware and software system for ADM railcars (91 sets) aimed at preventing unsafe actions by employees during maintenance of the overhead contact system and power supply equipment;
- equipping locomotives with video recorders (251 sets in total, including 47 installed in 2025) to prevent collisions involving employees and to ensure automatic recording of incidents;
- deployment of 2,500 body camera sets for employees working in high-risk areas in order to strengthen monitoring and identify unsafe actions;
- pilot implementation of the "Person on Track" railway worker safety system, providing employees with warnings about approaching rolling stock through voice notifications transmitted via radio signal and signals sent to wearable devices (wristbands and walkie-talkies);
- implementation of the Asia NETCOM station video surveillance system, including continuous monitoring cameras and software for video stream processing and analysis, enabling monitoring of employees working in high-risk areas.

In addition, a permit-to-work system for the performance of technological processes has been introduced to monitor the activities of track and communications maintenance crews, strengthen dispatch control and subsequently transition the procedure into a digital format. This measure is aimed at improving safety through enhanced technical and organisational preparation for upcoming work.

As part of the development of a safety culture, the following corporate campaigns were conducted:

- the month-long campaign "Occupational Safety – Everyone's Responsibility!", aimed at assessing the compliance of production facilities with safety requirements;
- the two-month campaign "Manager – Guarantor of Occupational Safety!", focused on strengthening the role of managers in ensuring compliance with technological discipline.

During the reporting period, a new corporate standard for technical requirements for special protective clothing was also developed.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN CONTRACTING ORGANISATIONS

GRI 403-7

The Company systematically manages occupational health and safety issues in contractor organisations, ensuring the integration of the requirements of the laws of the Republic of Kazakhstan and internal corporate standards on industrial safety, fire safety, occupational health and safety, and environmental protection into procurement and work performance processes.

To ensure a high level of safety, the corporate standard "Safety Management in the Performance of Work by Contractor Organisations at KTZ NC JSC and its Subsidiaries" has been adopted, providing for mandatory kick-off meetings and introductory safety briefings, as well as continuous monitoring of compliance with occupational health and safety requirements.

In 2025, the coverage of control activities increased: the number of audits conducted rose from 4,107 to 8,713. At the same time, the number of identified violations decreased from 1,268 to 820 cases, reflecting a positive trend in compliance with safety requirements. All identified violations were eliminated within the established deadlines.

Work on developing a safety culture among contractor organisations continued. The number of managers and specialists from contractor and outstaffing organisations trained under the "Occupational Safety Culture" course increased from 335 to 6,359 people. This progress became possible due to the use of the internal trainer institution.

To ensure regular interaction with contractor organisations, 741 kick-off meetings were held throughout the year in accordance with the approved schedule.

GRI 403-9

In 2025, with a total number of hours worked by contractor organisations amounting to 16,498,512 man-hours, no ✓ occupational accidents were recorded (the Lost Time Injury Rate (LTIR) equalled 0✓).

Detailed information is disclosed in the section "Key ESG Performance Indicators".

EMPLOYEE TRAINING

GRI 403-5

One of the key preventive measures within the occupational health and safety management system aimed at reducing the number of workplace incidents is the training of specialists, employees and managers in safety rules in accordance with the requirements of the Labour Code, competent authorities, and internal regulations of Samruk-Kazyna JSC and KTZ NC JSC.

By the end of 2025, the total number of trained personnel amounted to 36,043 people, of whom 17,939 completed training within the framework of legislative requirements (including industrial, fire and electrical safety), while 18,104 people completed programmes exceeding mandatory standards, with the highest coverage achieved by the "Occupational Safety Culture" course (15,438 people).

Detailed information is disclosed in the section "Key ESG Performance Indicators".

OCCUPATIONAL HEALTH AND SAFETY FORUM

On 27 November 2025, the 7th Occupational Health and Safety Forum of KTZ NC JSC was held in Shymkent with the participation of representatives of the Samruk-Kazyna Group and international experts. During the event, issues related to the integration of occupational health and safety principles into key business processes were discussed. Participants also exchanged experience in achieving zero injuries, recognised outstanding employees with awards and "certificates of trust", and emphasised the need to make safety a systemic part of production planning and management decision-making.

Following the Forum, a set of practical recommendations was developed aimed at strengthening corporate culture and integrating labour protection measures into all stages of the Company's operational activities.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL OLYMPIAD

On 10 September 2025, KTZ NC JSC held a corporate Olympiad among specialists in industrial safety, occupational health and safety, and environmental protection. Following the event, winners and prize holders demonstrating a high level of professional training and competencies were determined.

The Olympiad included testing, situational case-solving and a rapid-fire quiz and brought together participants from various regions of the country. The event contributed to experience exchange, professional skills development and enhancement of the prestige of professions in the field of industrial safety and environmental protection.

Table 54. **Number of Employees Covered by the Occupational Safety and Health Management System, 2024–2025,** persons

GRI 403-8

		2024	2025
All employees	**Total number**		
	Number of employees covered by the OSHMS	117,681	118,506 ✓
	Percentage of employees covered by the OSHMS	100%	100% ✓
	Number of employees covered by the OSHMS that underwent internal audit	117,681[46]	118,506[46] ✓
	Percentage of employees covered by the OSHMS that underwent internal audit	100%	100% ✓
	Number of employees covered by the OSHMS that underwent external audit or third-party certification	5,100	4,968 ✓
	Percentage of employees covered by the OSHMS that underwent external audit or third-party certification	4%	4% ✓
All workers who are not employees but whose work and/or workplace is controlled by the Company	**Total number**	**262**	**433** ✓
	Number of workers covered by the OSHMS	0	0 ✓
	Percentage of workers covered by the OSHMS	0%	0% ✓
	Number of workers covered by the OSHMS that underwent internal audit	0	0 ✓
	Percentage of workers covered by the OSHMS that underwent internal audit	0%	0% ✓
	Number of workers covered by the OSHMS that underwent external audit or third-party certification	0	0 ✓
	Percentage of workers covered by the OSHMS that underwent external audit or third-party certification	0%	0% ✓

[46] The number of employees is provided according to the Recertification Audit Report for ISO 9001, ISO 14001, ISO 45001, and ISO 50001 standards.

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

In 2026, the Company will continue the consistent implementation of priority occupational safety initiatives aimed at reducing injuries and developing a culture of safe work, including:

- implementation of occupational safety measures approved by Samruk-Kazyna JSC;
- execution of action plans for the prevention of fatal injuries, electrical injuries, falls from height, as well as the prevention of cardiovascular diseases and stress management;
- development of a safety culture through employee training involving internal trainers, including employees with experience of occupational injuries;
- further use of the permit-to-work system to strengthen control over work performance;
- strengthening production control, including the introduction of digital verification tools (QR codes) during behaviour-based safety dialogues;
- introduction and development of technical solutions aimed at preventing collisions with employees, including equipping locomotives with video recorders, piloting the "Person on Track" system and developing video surveillance systems with analytics.

HEALTH PROTECTION AND MEDICAL SUPPORT

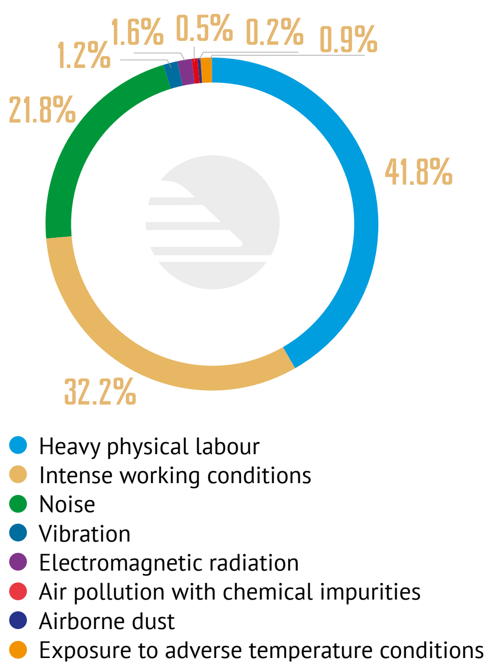
GRI 403-3, 403-10

Railway operations are associated with an increased risk of occupational injuries, threats to train traffic safety, as well as the possible development of chronic diseases among employees. In this regard, protecting employees' health and ensuring medical support are important components of the social policy of KTZ NC JSC.

Based on the results of the certification of production facilities by working conditions in 2025, the Company identified 23,891 workplaces with harmful, hazardous, strenuous and high-intensity working conditions, employing 52,152 workers.

The main harmful and hazardous occupational factors include elevated noise levels, strenuous and heavy physical labour, vibration, electromagnetic radiation and other factors affecting employees' health.

Employees Engaged in in Hazardous Working Conditions by Factor, %



SICK LEAVE AND MEDICAL INSURANCE

In 2025, 91,014 employees received voluntary medical insurance in the amount of KZT 5,642 million.

The number of sick leave days amounted to 1,197,339 days (2024: 1,287,136 days).

The most common causes of temporary disability were acute respiratory viral infections, acute pharyngitis, hypertension and spinal osteochondrosis.

Mental Health Survey

The Company regularly assesses the psycho-emotional condition of employees as part of the 2023–2025 Action Plan to Prevent Workplace Stress and Improve Employees' Mental Health at KTZ NC JSC.

In April 2025, an anonymous survey on mental health and stress resilience was conducted, involving 15,050 employees (15.3%).

The purpose of the survey was to assess employees' mental health and stress resilience, as well as to develop effective measures for employees' psychological well-being based on the survey results.

The survey results showed that the majority of employees maintain a stable psycho-emotional condition (39.1% of respondents), while some employees experience periodic stress mainly associated with high workloads and stressful situations (15.3% of respondents).

To improve the situation, 60% of respondents noted the appropriateness of holding corporate events (competitions, sports contests, team-building activities, etc.), while 12.3% of respondents supported the establishment of psychological relief rooms at facilities with the opportunity to receive professional psychological support.

SUDDEN DETERIORATION IN HEALTH

GRI 403-6

Sudden deterioration of health at the workplace is considered an unrecorded case of industrial injury caused by an underlying disease.

In 2025, 29 cases of sudden deterioration in health (SDH) were registered within the KTZ NC JSC Group (2024: 42), including 11 fatal cases (2024: 16). Overall, there was a 31% reduction in the total number of cases and fatalities compared to the previous year.

The main cause of sudden deterioration in health remains cardiovascular diseases (86% of cases), including myocardial infarction, coronary heart disease and arterial hypertension. Other causes – kidney diseases, respiratory diseases (pneumonia), circulatory and endocrine system disorders – each accounted for 3.5% of cases.

Cardiovascular diseases accounted for the majority of fatalities (73%), while 9% of cases each were associated with pneumonia, renal failure and diabetes mellitus.

The highest number of cases occurred among employees aged 41-60 years (90%).

Measures to Prevent Sudden Deterioration in Health

In 2025, the following measures were implemented to reduce SDH cases among KTZ NC JSC employees:

- a meeting was held with medical service providers on the topic "High-Quality Medical Examinations as a Tool for Preventing SDH", attended by 20 representatives of health organisations and 80 Company employees. During the meeting, SDH cases were analysed and recommendations were provided regarding high-quality medical examinations;
- a training seminar was held jointly with Archimedes Medical Group LLP for Company employees on disease prevention and the promotion of a healthy lifestyle (540 participants in total); the training included informing employees about recognising signs of cardiovascular diseases;
- an event dedicated to World Heart Day was organised, including preventive medical examinations, rapid testing of blood pressure, glucose and cholesterol levels, ECG examinations, consultations with cardiologists, as well as a seminar and training on first aid and cardiopulmonary resuscitation.

In addition, an analysis of SDH cases for 2020–2024 was conducted, with recommendations aimed at reducing morbidity rates distributed to Company divisions; "Safety Minutes" on first aid for heart attacks and strokes were developed and published in news bulletins; employees were surveyed regarding the quality of medical examinations, and continuous monitoring of registered SDH cases is carried out.

MEDICAL EXAMINATIONS

The Company conducts mandatory medical examinations to determine employees' fitness for work and to timely identify health risks.

In 2025, 6.56 million pre-shift medical examinations were conducted, of which 1,354 employees (0.02%) were suspended from work due to health issues, mainly arterial hypertension and cardiovascular diseases (43.2%), acute respiratory viral infections (26%), gastrointestinal diseases (5.2%) and others.

IN 2025, 98.5% OF EMPLOYEES UNDERWENT PERIODIC MEDICAL EXAMINATIONS. BASED ON THE EXAMINATION RESULTS, 645 EMPLOYEES WERE TEMPORARILY SUSPENDED FROM WORK:

30.4 %

DUE TO CARDIOVASCULAR DISEASES

27.7 %

DUE TO ACUTE RESPIRATORY VIRAL INFECTIONS

14.3 %

DUE TO GASTROINTESTINAL DISEASES

9.8 %

DUE TO NERVOUS SYSTEM DISORDERS

3.2 %

DUE TO EYE DISEASES

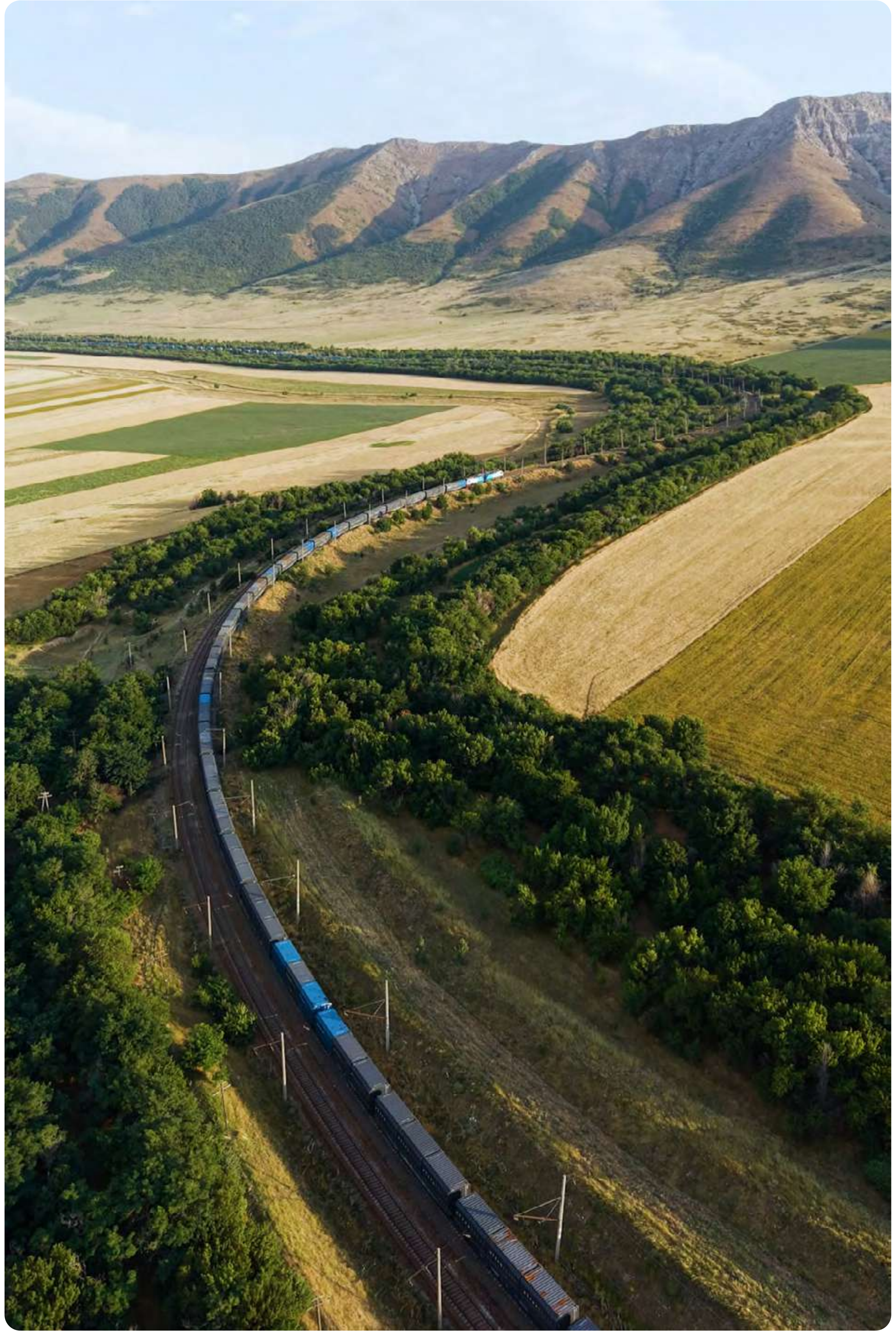
14.6 %

DUE TO OTHER ILLNESSES

THE AVERAGE AGE OF SUSPENDED EMPLOYEES WAS 50 YEARS.

Based on the examination results, the following recommendations were issued:

- medical supervision for 1,196 employees (1.5%),
- sanatorium-and-spa treatment for 220 employees (0.2%),
- outpatient treatment for 268 employees (0.2%),
- inpatient treatment for 51 employees (0.05%),
- and additional examinations for 197 employees (0.2%).



ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

04

CORPORATE GOVERNANCE REPORT

KTZ NC JSC considers corporate governance as one of the key factors in ensuring sustainable development and long-term operational efficiency of the Company. Effective interaction between the shareholder, governing bodies and employees is an important part of implementing the Development Strategy and contributes to the establishment of an open, responsible and transparent corporate culture.

The Company consistently adheres to the principles of transparency, accountability and fairness in the decision-making process and is also focused on implementing international corporate governance best practices.

Overall, for KTZ NC JSC, corporate governance is a strategic component contributing not only to sustainable growth, but also to strengthening the trust of investors, partners and other stakeholders.

CORPORATE GOVERNANCE SYSTEM

KTZ NC JSC views corporate governance as an integral part of its operations, ensuring sustainable development and stable growth for the Company. An effective governance system enhances transparency, strengthens trust, and facilitates the achievement of strategic priorities.

The Corporate Governance Code of KTZ NC JSC defines the principles of corporate governance and the set of processes ensuring the management and oversight of the Company's activities, as well as the system of relationships between the executive body, the Board of Directors, the sole shareholder, and other stakeholders.

CORPORATE GOVERNANCE STRUCTURE

The two-tier corporate governance system of KTZ NC JSC consists of two main levels of management: the Board of Directors and the executive body – the Management Board.

GRI 2-9

As of 31 December 2025, the Board of Directors of KTZ NC JSC comprises 9 members, including 8 non-executive members, of which 4 are independent directors, 4 represent the sole shareholder, and 1 is an executive member – the Chairman of the Management Board of KTZ NC JSC.

The Management Board of KTZ NC JSC consists of 10 members.

SOLE SHAREHOLDER

The highest governing body is the Sole Shareholder – the Fund. The Sole Shareholder has the rights defined by the laws and the Articles of Association. The Sole Shareholder may revoke any decision made by other bodies of the Company concerning internal Company matters.

BOARD OF DIRECTORS

The governing body of KTZ NC JSC that oversees the overall management of the Company, except for issues that are reserved by the Joint Stock Companies Act and the Articles of Association to the exclusive competence of the Sole Shareholder.

COMMITTEES OF THE BOARD OF DIRECTORS

The aim of the Committees under the Board of Directors is to enhance the effectiveness of the Board's work and improve the corporate governance system. The following Committees operate under the Board of Directors:

- Nomination and Remuneration Committee
- Strategy and Finance Committee
- Health, Safety and Environment Committee
- Audit Committee

INTERNAL AUDIT SERVICE

The Internal Audit Service aims to assist the Board of Directors and the executive body of KTZ NC JSC in improving the effectiveness of governance, financial, and operational activities of the Company. This is achieved through a systematic and consistent approach to analysing and assessing risk management systems, internal control, and corporate governance as tools to ensure reasonable assurance in achieving the Company's objectives.

COMPLIANCE SERVICE

The Compliance Service ensures compliance with regulatory requirements related to anti-corruption measures and the implementation of mechanisms to prevent corruption risks, in line with the anti-corruption laws of the Republic of Kazakhstan and best international practices.

CORPORATE SECRETARY

The Corporate Secretary ensures that the bodies and officers of the Company comply with the rules and procedures of corporate governance, ensuring the realisation of the rights and interests of the Sole Shareholder. The Office of the Corporate Secretary operates under the Corporate Secretary and is responsible for building the corporate governance system of KTZ NC JSC and implementing leading corporate governance best practices.

CORPORATE OMBUDSMAN

The main functions of the Corporate Ombudsman include providing advice to employees and assisting in the resolution of labour disputes, conflicts, and socially-labour issues, as well as ensuring compliance with business ethics principles by Company employees.

MANAGEMENT BOARD

The collegial executive body of KTZ NC JSC, which is responsible for making decisions on Company activities not reserved by the Joint Stock Companies Act, other legislative acts of the Republic of Kazakhstan, or the Articles of Association to the competence of other bodies and officers of the Company.

COMMITTEES OF THE MANAGEMENT BOARD

To improve the effectiveness of decision-making, four committees operate under the Management Board:

- Development Committee
- Investment Committee
- Budget Committee
- Loan Committee

CORPORATE GOVERNANCE CODE

The Corporate Governance Code of KTZ NC JSC[47] has been developed in accordance with the laws of the Republic of Kazakhstan and the internal documents of Samruk-Kazyna JSC. The Code reflects both national and international best practices in corporate governance and sets out the principles on which the Company's corporate governance system is based.

The Code is available on the Company's corporate website via the following link: see the Corporate Governance Code of KTZ NC JSC.

The objectives of the Code are to improve corporate governance, ensure transparency of governance, and confirm adherence to standards of good corporate governance. The Code enshrines the key principles underlying the Company's governance system. The Board of Directors is responsible for overseeing the implementation of the Code's provisions within the Company.

The Code aims to promote the development of corporate governance, enhance the transparency of governance processes, and demonstrate the Company's commitment to sound corporate governance principles. It defines the fundamental principles of the corporate governance system, and the Board of Directors monitors the implementation of the Code's provisions across the Company.

In 2025, the Corporate Governance Code of KTZ NC JSC was updated and approved by decision No. 33/25 dated 3 July 2025 of the Sole Shareholder. The new version was prepared taking into account international best practices, including the provisions of the UK Corporate Governance Code and the OECD Principles.

The Code was substantially optimised in terms of content, and its structure was simplified. Certain provisions were supplemented with standards relating to the appointment of a Senior Independent Director, regulation of the activities of the Compliance Service, integration of ESG principles into business processes, as well as strengthening the role of independent directors and committees of the Board of Directors.

COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Corporate Secretary conducts an annual assessment of the Company's compliance with the principles and requirements of the Corporate Governance Code using the "Comply or Explain" approach.

The Board of Directors of KTZ NC JSC oversees the Code's compliance.

According to the report on compliance with the principles and provisions of the Corporate Governance Code of KTZ NC JSC for 2025, approved by the Board of Directors[48], the Company complies with 89.41% of the provisions of the Code, another 4.7% of the provisions of the Code are partially complied with, 0.4% are not complied with, and 5.5% of the provisions of the Code are not applicable to the Company.

Table 55. **Compliance with the Principles and Provisions of the Corporate Governance Code of KTZ NC JSC, 2025**

	Interaction between the Fund and organisations		Shareholders' rights and equitable treatment of shareholders		Performance of the Board of Directors and the Executive Body		Risk management, internal control and audit		Transparency	
	Company evaluation, %	Number of provisions	Company evaluation, %	Number of provisions	Company evaluation, %	Number of provisions	Company evaluation, %	Number of provisions	Company evaluation, %	Number of provisions
Total number of provisions	**–**	**30**	**–**	**23**	**–**	**128**	**–**	**45**	**–**	**10**
Complied with	100	30	61	14	93	121	82	37	100	10
Partially complied with	–	0	–	0	4	5	14	6	–	0
Not applicable	–	0	39	9	3	3	2	1	–	0

In 2026, KTZ NC JSC will continue efforts to further implement and comply with the provisions of the Corporate Governance Code.

[47] Approved by the decision of the Sole Shareholder dated 3 July 2025 (Minutes No. 33/25).
[48] Decision of the Board of Directors dated 15 May 2026 (Minutes No. 10/2026).

STRENGTHENING THE CORPORATE GOVERNANCE SYSTEM

The Company is consistently strengthening its corporate governance system. Taking into account the recommendations of independent consultants, members of the Board of Directors and other stakeholders, the 2025 Corporate Governance Improvement Plan of KTZ NC JSC was approved. Oversight over its implementation is exercised by the Board of Directors of KTZ NC JSC.

In 2025, the following initiatives were implemented as part of the Plan:

- strategic sessions were held with participation of members of the Board of Directors and the Management Board of KTZ NC JSC;
- an external evaluation of the Board of Directors' performance for 2024 was conducted with the involvement of an independent consultant;
- the 2025–2026 Action Plan of KTZ NC JSC for the preparation and implementation of the anti-bribery standard ST RK ISO 37001 "Anti-briberY Management Systems. Requirements with Guidance for Use" was approved.

In 2026, the Company plans to continue improving the corporate governance system in KTZ NC JSC and its subsidiaries, including the approval of an updated action plan.

SOLE SHAREHOLDER

The highest governing body of the Company is its Sole Shareholder – Samruk-Kazyna JSC (hereinafter referred to as the "Fund"). As 100% of the shares in KTZ NC JSC are owned by the Sole Shareholder, all decisions within the competence of the general meeting of shareholders, as defined by the laws and the Company's Articles of Association, are made unilaterally by the Sole Shareholder.

The Sole Shareholder manages the Company in accordance with the laws of the Republic of Kazakhstan, including the Laws "On Joint Stock Companies" and "On the National Welfare Fund", as well as the Company's Articles of Association. Within the established framework, the shareholder takes key decisions relating to strategic development, approval of financial and operational plans, profit distribution, formation and oversight of governance bodies, and the appointment of members of the Board of Directors and the Chairman of the Management Board.

The Sole Shareholder plays a key role in the governance of the Company, ensuring compliance with established corporate standards. Additionally, the Sole Shareholder is instrumental in maintaining effective interaction with public authorities and in monitoring the Company's performance indicators in accordance with the approved strategy and policies, which is vital for the Company's success.

The Company has introduced accountability and reporting mechanisms that enable the Sole Shareholder to receive timely and relevant information to support informed decision-making.

In 2025, the Sole Shareholder reviewed matters relating to the composition of the Board of Directors of KTZ NC JSC, approved the updated Corporate Governance Code of KTZ NC JSC and approved the annual financial statements of KTZ NC JSC for 2024.

BOARD OF DIRECTORS

The Board of Directors provides overall management of the activities of KTZ NC JSC and adopts decisions in accordance with the laws of the Republic of Kazakhstan and the Company's Articles of Association. The Board of Directors plays a key role in ensuring the Company's sustainable long-term development and in enhancing shareholder value.

Its remit includes approving the Company's Development Strategy, defining strategic priorities, endorsing long-term plans and key programmes, and establishing overarching principles and approaches to risk management.

The activities of the Board of Directors are governed by the Company's Articles of Association, the Corporate Governance Code, and the Regulations on the Board of Directors. Its work is organised in accordance with the annual plan and meeting schedule, while extraordinary matters are considered as necessary.

The Report on the Activities of the Board of Directors for 2025, reflecting the performance of the Board and its committees, the key matters considered, the number and formats of meetings held, as well as the participation of members of the Board of Directors, was approved by the decision of the Board of Directors dated 18 February 2026. Key information from this report is included in this Report.

COMPOSITION OF THE BOARD OF DIRECTORS

GRI 2-10, 2-11

The election of members of the Board of Directors and its Chairman is carried out in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Corporate Governance Code, and the Company's Articles of Association.

In accordance with the Corporate Governance Code, it is recommended to ensure diversity in terms of professional experience, personal qualities, age and gender composition, which contributes to enhancing the effectiveness of the Board and creating long-term value in line with ESG principles.

It is essential to maintain a balance of skills, experience, and expertise to ensure independent, objective, and effective decision-making in the interests of the Company and with consideration for the principles of sustainable development.

Members of the Board of Directors are elected by the Sole Shareholder through transparent procedures, taking into account the competencies, professional experience, achievements and business reputation of each candidate on an individual basis. When re-electing individual members of the Board of Directors or its full composition for a new term, their contribution to the effectiveness of the Company's Board of Directors is taken into account.

Only individuals may serve as members of the Board of Directors. Members of the Management Board, with the exception of the Chairman of the Management Board, may not serve on the Board of Directors, while the Chairman of the Management Board may not simultaneously hold the position of Chairman of the Board of Directors.

The composition of the Board of Directors is balanced and includes representatives of the shareholder, independent directors and the head of the executive body (Chairman of the Management Board), which contributes to objective decision-making in the interests of the Company and its shareholder.

As at 31 December 2025, the Board of Directors consists of 9 directors, including:
- Four independent directors (44.5% of the total): Alexander Andreas Schierhuber; John (Ian) McKay; Ulf Wokurka; Natalia Godunova;
- Four representatives of the Sole Shareholder (44.5% of the total): Aidar Ryskulov; Kuat Irubayev; Mirat Utepov; Elzhas Otynshiev;
- Chairman of the Management Board: Talgat Aldybergenov (11% of the total).

One member of the Board is a woman (11% of the total).

The Chairman of the Board of Directors is a representative of the Sole Shareholder.

None of the Board members hold shares in the Company or ownership interests in its affiliated entities, nor do they hold shares or interests in the authorised capitals of the Company's suppliers or competitors.

In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", members of the Board of Directors are required to monitor and, where possible, eliminate potential conflicts of interest at the level of officers and shareholders, including the misuse of the Company's assets and abuse in related-party transactions.

Board members dedicate sufficient time to participating in meetings of the Board and its committees, as well as in preparing for them. In line with the Corporate Governance Code, a director may not simultaneously serve on the boards of more than four legal entities, may chair the board in no more than two, and may hold other positions in legal entities only with the approval of the Board of Directors.

As at 31 December 2025, the following members of the Board also hold positions and/or board memberships in other legal entities in Kazakhstan or abroad: 1) Aidar Ryskulov; 2) Alexander Andreas Schierhuber; 3) John (Ian) McKay; 4) Kuat Irubayev; 5) Ulf Wokurka; 6) Mirat Utepov; 7) Elzhas Otynshiev. At the same time, membership in other legal entities is in compliance with the Corporate Governance Code.

Chairman of the Board of Directors and His Role

GRI 2-11

The Chairman of the Board of Directors plays a key role in ensuring effective governance of the Company.

The Chairman leads the Board of Directors, ensuring the fulfilment of its key functions and fostering constructive interaction between the members of the Board, the Sole Shareholder, and the Management Board.

The main tasks of the Chairman of the Board of Directors include:
- Ensuring the efficient functioning of the Board, including setting priorities, overseeing the implementation of decisions, and organising meetings;
- Fostering a collegial and professional approach to company management, promoting open dialogue and exchange of opinions among Board members;
- Representing the interests of the shareholder and ensuring transparency in the activities of the Board of Directors;
- Facilitating strengthened cooperation between the Board, the Management Board, and the Sole Shareholder to achieve common goals;
- Ensuring adherence to corporate governance principles and ethical standards in the Company's activities.

The Chairman of the Board of Directors contributes to the sustainable development of the Company, enhancing its investment attractiveness and strengthening trust among shareholders and other stakeholders.

As of 31 December 2025, the Chairman of the Board of Directors is Aidar Ryskulov, the Representative of the Sole Shareholder.

Independent Directors and Their Role

The Company complies with the requirements of the Law of the Republic of Kazakhstan "On Joint Stock Companies" regarding the number of independent directors on the Board of Directors, which stipulates that the number of independent directors should constitute at least 30% of the total number of Board members.

When selecting independent directors, the Sole Shareholder and the Company adhere to the requirements of the laws of the Republic of Kazakhstan, the Corporate Governance Code, the Company's Articles of Association, and the local regulations of the Sole Shareholder, which define the procedure for searching and selecting candidates for independent director positions through a competitive process.

According to the Law of the Republic of Kazakhstan "On Joint Stock Companies", at least thirty percent of the members of the Board of Directors must be independent directors.

The requirements for the independence of a member of the Board of Directors are defined by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Corporate Governance Code.

The independence of an independent director is determined by the following criteria:
- The director has not been and is not an employee of the Company or the Group for the past three years;
- The director has not been an executive or affiliated person of the Company for the three years prior to their election to the Board of Directors (except for their position as an independent director);
- The director does not have and has not had any material business relationship with the Company, either directly or as a partner, shareholder, director, or senior manager, or maintain such a relationship with the Company;
- The director is not an affiliated person with the Company's affiliated persons;
- The director does not receive and has not received any remuneration from the Company other than the director's remuneration;
- The director is not subordinate to any officers of the joint stock company or the affiliated organisations of the joint stock company and has not been subordinate to such persons in the three years preceding their election to the Board of Directors;

- The director does not participate in the Company's audit as an auditor working within an audit firm and has not participated in such an audit in the three years prior to their election to the Board of Directors, etc.

An independent director monitors the potential loss of their independence and informs the Chairman of the Board of Directors in advance if such situations arise. If circumstances arise that affect the independence of a Board member, the Chairman of the Board of Directors promptly informs the shareholders to make a corresponding decision.

Independent directors John (Ian) McKay, Ulf Wokurka, Alexander Andreas Schierhuber, and Natalia Godunova meet the independence criteria defined by the laws of the Republic of Kazakhstan. Therefore, there are no relationships or circumstances that influence or may influence the decisions made by these independent directors.

In accordance with the employment agreements concluded with independent directors, requirements are established regarding the minimum level of participation in meetings of the Board of Directors. If an independent director participates in less than half of the in-person and absentee meetings of the Board of Directors during the reporting period (except for absence for valid reasons, including illness), fixed remuneration shall not be paid.

Competencies of the Board of Directors Members

CThe Company's Board of Directors possesses the aggregate professional knowledge, experience and competencies necessary for effective strategic leadership and supervision of the Company's activities. The composition of the Board of Directors is formed taking into account the principles of balance, diversity of professional expertise, industry knowledge and managerial experience.

Members of the Board of Directors have significant managerial and industry experience in key areas relevant to the Company's operations, including railway transport and infrastructure, strategic and corporate governance, finance and investment, risk management, HR policy and human capital development, as well as sustainable development and ESG matters.

The broad range of competencies enables the Board of Directors to comprehensively consider issues relating to strategic development, investment policy, enhancement of operational efficiency and improvement of the Company's corporate governance system.

The balanced combination of professional experience and competencies of the members of the Board of Directors contributes to the formation of an objective and effective decision-making process aimed at strengthening financial sustainability and ensuring the Company's long-term sustainable development.

Training and Development of Members of the Board of Directors

GRI 2-17

In line with best corporate governance practices, members of the Board of Directors undergo annual training aimed at enhancing their professional qualifications. The need for upskilling is identified based on the outcomes of the self-evaluation process. Additionally, training programmes for members of the Board of Directors are developed on the basis of recommendations received following corporate governance diagnostics and ESG assessment.

ESG Practice Training

In December 2025, training on "Sustainable Development in the Railway Sector" was conducted for members of the Board of Directors. The training programme was aimed at developing an in-depth understanding of the strategic role of the Board of Directors in overseeing the ESG agenda, managing climate risks and developing the Company's long-term sustainable development strategy.

Evaluation of the Board of Directors' Performance

GRI 2-18

At KTZ NC JSC, an annual evaluation of the performance of the Board of Directors, its committees and individual members is conducted. In accordance with the requirements of the Corporate Governance Code, an independent evaluation involving an external organisation is conducted at least once every three years.

The evaluation is aimed at determining the contribution of the Board of Directors and its members to the creation of long-term value and ensuring the Company's sustainable development, as well as identifying areas for further improvement of the Board's performance. The evaluation results are taken into account when making decisions on the re-election or early termination of the powers of members of the Board of Directors.

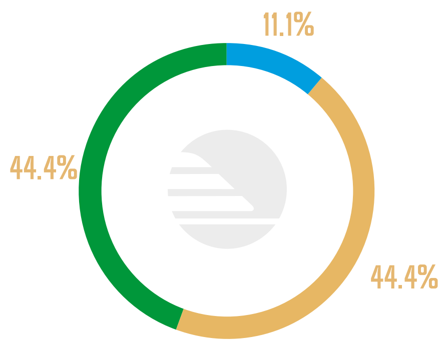
In 2025, for the purpose of conducting an independent evaluation of the performance of the Board of Directors based on the results of 2024, an independent consultant, KPMG in Central Asia and the Caucasus (KPMG Tax and Advisory LLP), was engaged in accordance with the methodological recommendations of Samruk-Kazyna JSC.

As part of the evaluation, internal documents and minutes of meetings of the Board of Directors and its committees were analysed, reports of the Board of Directors were reviewed, questionnaires were completed by members of the Board of Directors, and individual interviews of members of the Board of Directors and the Corporate Secretary were conducted by consultants. During the questionnaires and interviews, issues relating to the roles and functions of the Board of Directors, the composition and structure of the Board and its committees, the priorities of their activities, as well as the interaction between the Board of Directors and the Company's management were considered.

The evaluation results confirmed the high level of professional competence of the members of the Board of Directors, the significant coordinating role of the Chairman of the Board of Directors, as well as the effective organisational and methodological support provided by the Corporate Secretary's Office in interaction with the shareholder and members of the Board of Directors.

According to the conclusion of the independent consultants, the activities of the Board of Directors as a whole demonstrate a high level of effectiveness and comply with the requirements of the laws of the Republic of Kazakhstan, the Company's internal regulatory documents and the principles of advanced international corporate governance practice in most key areas.

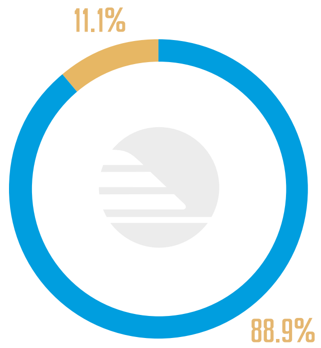
Structure of the Board of Directors, %



- Chairman – 1
- Sole Shareholder's Representatives – 4
- Independent Directors – 4

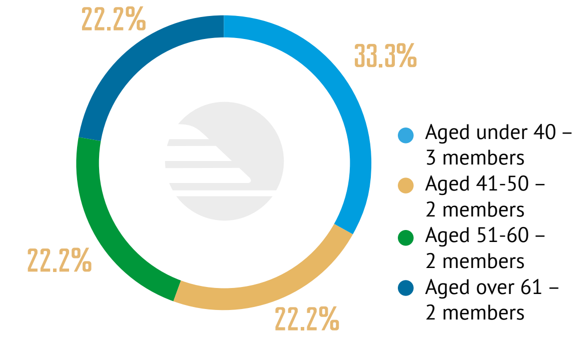
Gender Diversity of the BoD Members, %

GRI 2-9



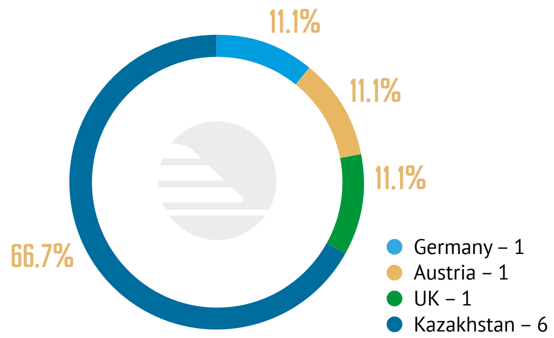
- Men – 8
- Women – 1

Age Distribution of the BoD Members, %

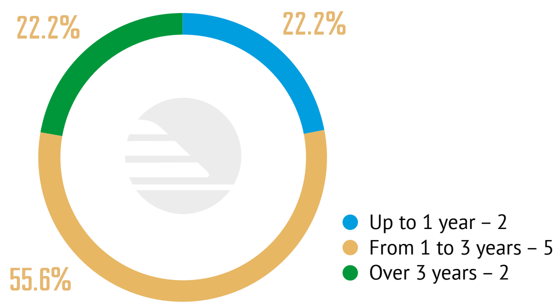


Average Age of the BoD Members

49 years



Term of Office of the BoD Members, %



CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS

During the reporting period, the following changes took place in the composition of the Board of Directors:
- By decision of the Management Board of Samruk-Kazyna National Welfare Fund JSC dated 26 June 2025, the powers of Ernat Berdigulov were terminated and Mirat Utepov was elected;
- By decision of the Management Board of Samruk-Kazyna National Welfare Fund JSC dated 30 September 2025, the powers of Nurlan Sauranbayev were terminated;
- By decision of the Management Board of Samruk-Kazyna National Welfare Fund JSC dated 3 July 2025, Talgat Aldybergenov was elected.

As of the end of 2025, the composition of the Board of Directors of KTZ NC JSC was as follows:

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Name	Date of Election	Term of Office
	Independent Directors	
John (Ian) McKay	26 September 2024	3 years
Ulf Wokurka	26 September 2024	3 years
Alexander Andreas Schierhuber	26 September 2024	3 years
Natalia Godunova	26 September 2024	3 years
	Representatives of the Sole Shareholder	
Aidar Ryskulov	26 September 2024	3 years
Kuat Irubayev	26 September 2024	3 years
Mirat Utepov	26 June 2025	until the expiry of the term of office of the Board of Directors
Elzhas Otynshiev	26 September 2024	3 years
	Chairman of the Management Board	
Talgat Aldybergenov	3 July 2025	3 years

The average term of office of the independent directors (John (Ian) McKay, Ulf Wokurka, Alexander Andreas Schierhuber and Natalia Godunova) is 2 years and 9 months.
The current term of office of the Board of Directors expires on 26 September 2027.

AIDAR RYSKULOV

Chairman of the Board of Directors, Representative of the Sole Shareholder

Member of the Board of Directors since 2023

Year of Birth: ***1981***

Nationality: Republic of Kazakhstan

Education:
- Buketov Karaganda State University, degree in Finance and Credit;
- Nazarbayev University, Executive MBA (joint programme with Duke University).

Professional Experience:
- Over the years, Aidar Ryskulov held various positions in the banking sector. He served as Deputy Director of the Investment Projects Department at KazAgro National Management Holding JSC, and as Director for Management of Financial Assets at Samruk-Kazyna JSC. He has extensive experience as a member of Boards of Directors of various organisations.
- From 2019 to 2023 – Managing Director for Economy and Finance at Samruk-Energo JSC;
- Since August 2023 – Managing Director for Economy and Finance at Samruk-Kazyna JSC

He does not hold shares in the Company, its suppliers, or competitors.

TALGAT ALDYBERGENOV

Member of the Board of Directors, Chairman of the Management Board

Member of the Board of Directors since 2025

Year of Birth: ***1970***

Nationality: Republic of Kazakhstan

Education:
- Almaty Institute of Railway Transport Engineers, degree in Organisation of Transportation and Management in Railway Transport;
- Russian Presidential Academy of National Economy and Public Administration, Master's Degree in Economics;
- Kazakh Academy of Transport and Communications, PhD in Economics.

Professional Experience:
- From 1992 to 1998 – held various positions at the West Kazakhstan Railway, including freight cashier, cargo and baggage acceptance officer, deputy station manager, and senior railway commercial inspector.
- From 1998 to 2007 – Head of Centre for Corporate Transport Services Aktobe Branch of the State Enterprise of Temir Zholy Republican State Enterprise Kazakhstan, Director of Kaztransservice State Enterprise, Director of the Transport Logistics Department of KazMunayGas Trading House JSC.
- From 2008 to 2019 – President of Kedentransservice JSC, Chief Executive Officer of AutoGazAlmaty LLP, Chairman of the Management Board of Kazakhmys Maker LLP.
- From 2024 to 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.
- Since 3 July 2025 – Chairman of the Management Board of KTZ NC JSC

He does not hold shares in the Company, its suppliers, or competitors.

KUAT IRUBAYEV

Member of the Board of Directors, Representative of the Sole Shareholder

Member of the Board of Directors since 2023

Year of Birth: ***1979***

Nationality: Republic of Kazakhstan

Education:
- Buketov Karaganda State University, degree in Finance and Credit;
- Nazarbayev University, Executive MBA (joint programme with Duke University).

Professional Experience:
- Over the years, Kuat Irubayev held various positions at the National Bank of the Republic of Kazakhstan, BRK-Leasing JSC, and SAPF Accumulative Pension Fund JSC, with a focus on risk management across various industries.
- From 2006 to 2008 – Head of Risk Management Department at SAPF Accumulative Pension Fund JSC.
- From 2008 to 2015 – Director of Risk Management Department and Member of the Risk Committee at KTZ NC JSC.
- Since 2018 – Representative of Marsh in Astana

He does not hold shares in the Company, its suppliers, or competitors.

MIRAT UTEPOV

Member of the Board of Directors, Representative of the Sole Shareholder

Member of the Board of Directors since 2025

Year of Birth: ***1989***

Nationality: Republic of Kazakhstan

Education:
- Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP), degree in Economics;
- City University London, United Kingdom, Master of Science in Business Economics;
- The University of Warwick, United Kingdom, Master of Business Administration (MBA).

Professional Experience:
- From 2010 to 2018 – held positions as Chief Specialist in the Business Administration Department at Semizbay-U LLP; Project Manager at the Management Reporting System Project Office at Samruk-Kazyna JSC; Advisor to the Chairman of the Management Board on Financial and Economic Affairs; Director of Analytical Support, Strategic Development, and Project Management Departments at Samruk-Energo JSC.
- From 2018 to 2019 – Analyst at the Asset Management Directorate of Samruk-Kazyna JSC.
- From 2019 to 2021 – Project Manager at Whiteshield Partners international consulting company.
- From 2021 to February 2022 – Co-Managing Director for Strategy, Sustainable Development and Digital Transformation at Samruk-Kazyna JSC.
- From February 2022 to April 2025 – Managing Director for Strategy and Asset Management at Samruk-Kazyna JSC

He does not hold shares in the Company, its suppliers, or competitors.

ELZHAS OTYNSHIEV

Member of the Board of Directors, Representative of the Sole Shareholder

Member of the Board of Directors since 2024

Year of Birth: ***1987***

Nationality: Republic of Kazakhstan

Education:
- Moscow Institute of Physics and Technology, Russia, degree in Applied Mathematics and Physics, Bachelor and Master of Sciences.

Professional Experience:
- Started his career in October 2007 as an Analyst at Ernst & Young (Moscow, Russia).
- From 2009 to 2012 – Manager and then Director of the Investment Projects Department at Tau-Ken Samruk Mining Company.
- From 2012 to 2019 – various positions in the Investment Block of Samruk-Kazyna Sovereign Wealth Fund JSC.
- From 2019 to 2023 – senior positions in private holding companies and in the management company of the KIDF private equity fund.
- Since April 2023 – Co-Managing Director for Strategy and Asset Management at Samruk-Kazyna JSC. Chairman of the Board of Directors of QazaqGaz NC JSC, member of the Board of Directors of KazMunayGas NC JSC and Kazatomprom NAC JSC

He does not hold shares in the Company, its suppliers, or competitors.

ULF WOKURKA

Member of the Board of Directors, Independent Director

Member of the Board of Directors since 2021

Year of Birth: ***1962***

Nationality: Federal Republic of Germany

Education:
- Martin Luther University, Germany;
- Moscow State Institute of International Relations (MGIMO), USSR Ministry of Foreign Affairs, Faculty of International Relations.

Professional Experience:
- Ulf Wokurka has worked for Deutsche Bank AG, Samruk Kazakhstan Holding for the Management of State Assets JSC, and Metzler Asset Management GmbH.
- Over the years, held various positions, including Chairman of the Board of Directors at Kazpost JSC; Chairman and Board Member of the Foreign Investors' Council Association under the President of the Republic of Kazakhstan; Chairman of the Management Board and Member of the Board of Directors at Kazkommertsbank JSC; and Chairman of the Management Board at Tsesnabank JSC.
- Since 2019, he has been a Member of the Board of Directors at Nurbank JSC, and an Independent Director at both AIFC Authority JSC and KAZAKH INVEST NC JSC

He does not hold shares in the Company, its suppliers, or competitors.

ALEXANDER ANDREAS SCHIERHUBER

Member of the Board of Directors, Independent Director

Member of the Board of Directors since 2023

Year of Birth: ***1988***

Nationality: Republic of Austria

Education:
- Lauder Business School, Austria – Master's degree in International Management and Business Administration;
- London School of Economics and Political Science, United Kingdom – Master of Science in Global Management;
- Research projects on infrastructure development and logistics at Vienna University of Economics and Business, Institute of Transport and Logistics.

Professional Experience:
- From 2017 to 2018 – Sales Manager for West Africa at GAZ Group (Nizhny Novgorod, Russia);
- From 2018 to 2022 – Managing Director of Breitspur Planungsgesellschaft mbH (BPG) at ÖBB Infrastruktur AG (Austria);
- From February to December 2022 – Managing Director of Rail Cargo Logistics Russia; Senior Expert – Eurasia at ÖBB Rail Cargo Austria;
- Since 2023 – Director of Business Development – Global Markets at Superfund Asset Management Company GmbH and Member of the Executive Board at Superfund Japan Co., Ltd

He does not hold shares in the Company, its suppliers, or competitors.

JOHN (IAN) MCKAY

Member of the Board of Directors, Independent Director

Member of the Board of Directors since 2021

Year of Birth: ***1955***

Nationality: United Kingdom

Education:
- University of Stirling – Education and English Language;
- Certificate in Mediation and Conflict Resolution, Core Solutions, Edinburgh;
- Honorary Professor at the University of Stirling Management School.

Professional Experience:
- He has extensive experience (dating back to 2006) serving on the boards of directors of various companies, including in ESG matters. He has served on the boards of Lothian Buses Ltd., Critiqom Ltd., the NHS UK Pay Review Body, Colleges Scotland, Edinburgh College, the Ofcom Advisory Committee for Scotland, the Security Industry Authority, and others.
- Since 2012 – Founding Director of Otherhand Ltd.;
- Since 2015 – Member of the International Advisory Board of the University of Stirling Management School; Independent Chair of the Police Negotiating Board & SPCF

He does not hold shares in the Company, its suppliers, or competitors.

NATALIA GODUNOVA

Member of the Board of Directors of KTZ NC JSC, Independent Director

Member of the Board of Directors since 2024

Year of Birth: ***1972***

Nationality: Republic of Kazakhstan

Education:
- West Kazakhstan Agricultural Institute
- Financial University under the Government of the Russian Federation.

Professional Experience:
- From December 2015 to December 2017 – Secretary of the Nur Otan party;
- From December 2017 to February 2018 – Member of the Central Election Commission of the Republic of Kazakhstan;
- From February 2018 to November 2022 – Chair of the Accounts Committee for Control over Execution of the Republican Budget;
- From November 2022 to April 2024 – Chair of the Supreme Audit Chamber of the Republic of Kazakhstan

She does not hold shares in the Company, its suppliers, or competitors.

ACTIVITIES OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors are held in accordance with an approved schedule. The schedule outlines a list of key issues for consideration and the timing of meetings. Matters of strategic importance and significance are discussed exclusively at in-person meetings of the Board of Directors.

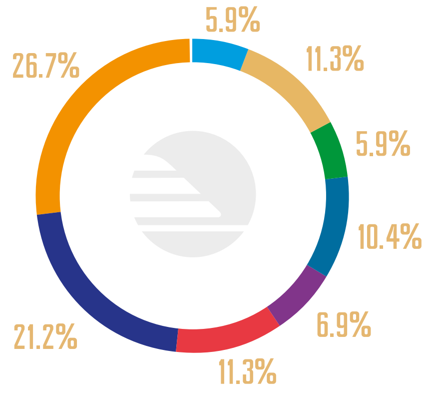
In 2025, against a planned 7 meetings, the Board of Directors held 19 meetings, including 17 in-person meetings and 2 meetings in the form of absentee voting.

The average attendance rate at meetings of the Board of Directors in 2025 was 90.7%.

Table 56. **Attendance of Members of the Board of Directors, 2025**

	Reporting Period	Attendance	Attendance Rate
Aidar Ryskulov	01.01.2025-31.12.2025	19 из 19	100%
Talgat Aldybergenov	03.07.2025-31.12.2025	10 из 11	90%
Mirat Utepov	26.06.2025-31.12.2025	10 из 11	90%
Kuat Irubayev	01.01.2025-31.12.2025	14 из 19	73,6%
Elzhas Otynshiev	01.01.2025-31.12.2025	12 из 19	63%
Alexander Andreas Schierhuber	01.01.2025-31.12.2025	19 из 19	100%
Ulf Wokurka	01.01.2025-31.12.2025	19 из 19	100%
John (Ian) McKay	01.01.2025-31.12.2025	19 из 19	100%
Natalia Godunova	01.01.2025-31.12.2025	19 из 19	100%

At the meetings of the Board of Directors held in 2025, 202 matters were considered, including:



- Strategic issues
- Reporting
- Corporate governance
- Transaction approvals
- Approval of internal documents
- HR issues
- Issues related to the activities of services reporting to the Bod
- Other issues

As part of the quarterly reporting in 2025, the Board of Directors reviewed:
- Report on the Activities of the Internal Audit Service of KTZ NC JSC;
- Report on Integrated Occupational Safety and Health System (iOSH) at KTZ NC JSC;
- Consolidated Risk Report of KTZ NC JSC.

The Board of Directors also regularly reviewed:
- Report of the Chairman of the Management Board of KTZ NC JSC;
- Report on the Implementation of Major Investment Projects of KTZ NC JSC;
- Report on the Status of the Corporate Governance Improvement Plan of KTZ NC JSC;
- Report on the Progress of the KTZ NC JSC Development Strategy through to 2032;
- Report of the Managing Director for Finance of KTZ NC JSC.

COMMITTEES OF THE BOARD OF DIRECTORS

To ensure the effectiveness of the Board of Directors and improve the corporate governance structure, four committees have been established under the Board:
- Audit Committee;
- Strategy and Finance Committee;
- Nomination and Remuneration Committee;
- Health, Safety and Environment Committee.

The main objective of the committees is to conduct a thorough preliminary review of matters within their remit and to develop recommendations for the Board of Directors to support well-informed and balanced decision-making.

The committees are composed of members of the Board of Directors who possess the requisite professional knowledge, competencies and skills to participate effectively in committee work.

The activities of the committees are governed by relevant internal regulations. According to these regulations, the Chairmen of the committees of the Board of Directors are independent directors.

Regular attendance of representatives from Samruk-Kazyna JSC at committee meetings, by invitation, further enhanced the committees' effectiveness by enabling a deeper understanding of the interests of all stakeholders and contributing to more informed and balanced decisions.

Functions and Objectives of the BoD Committees

Committee	Objectives
Nomination and Remuneration Committee	Consideration of matters related to HR policy, nomination, performance evaluation, remuneration, and corporate social responsibility
Strategy and Finance Committee	Consideration of matters related to strategic development, financial sustainability, investment strategy, and asset management
Health, Safety and Environment Committee	Consideration of matters related to to occupational health and safety, operational and production activities, environmental protection, traffic safety, sustainable development, and ESG
Audit Committee	Consideration of matters related to financial reporting, external audit, risk management and internal control systems, corporate governance, internal audit, compliance, as well as the Company's cybersecurity

NOMINATION AND REMUNERATION COMMITTEE

The Committee's responsibilities and powers are defined in the Regulations on the Nomination and Remuneration Committee.

The Regulations are available on the Company's corporate website via the following link: see the Regulations on the Nomination and Remuneration Committee of the Board of Directors of KTZ NC JSC.

Committee Membership	Reporting Period	Attendance	Attendance Rate, %
John (Ian) McKay Independent Director, Chairman of the Committee	01.01.2025-31.12.2025	14 out of 14	100%
Ulf Wokurka	01.01.2025-31.12.2025	14 out of 14	100%
Elzhas Otynshiev	01.01.2025-31.12.2025	5 out of 14	36%
Natalia Godunova	01.01.2025-31.12.2025	14 out of 14	100%

Activities of the Committee in 2025

In 2025, 14 meetings of the Committee were held (planned – 7 meetings), during which 102 matters were reviewed.

ISSUES REVIEWED BY THE COMMITTEE, 2025, %

HR ISSUES	OTHER ISSUES	PERFOMANCE EVALUATION	REMUNERATION
50 %	24 %	17 %	9 %

In 2025, the Nomination and Remuneration Committee reviewed and issued relevant recommendations on the following matters:
- Review of the HR Report as part of the implementation of the Company's HR Policy;
- Review and analysis of proposed changes to the organisational structure of the Company's head office;
- Amendments to the composition of the Boards of Directors and Supervisory Boards of KTZ NC JSC's subsidiaries;
- Consideration of nomination of senior executives of KTZ NC JSC and chief executives of subsidiaries of KTZ NC JSC;
- Review of the 2024 Social Stability Index Report by Samruk-Research Services.

In 2025, the Committee also reviewed and approved the following documents:
- Rules for the Performance Evaluation of Senior Executives and Employees Accountable to the Board of Directors of KTZ NC JSC in the Course of Their Activities;
- Amendments and Supplements to the Rules for the Formation of Boards of Directors/ Supervisory Boards and Payment of Remuneration and Reimbursement of Expenses to Members of Boards of Directors/Supervisory Boards of Subsidiaries of KTZ NC JSC;
- Amendments and Supplements to the Rules on Remuneration and Bonuses for Senior Executives, Officers of the Corporate Ombudsman's Office, the Corporate Secretary's Office, the Internal Audit Service, and the Compliance Service of KTZ NC JSC;
- Motivation Key Performance Indicator (KPI) Maps forSenior Executives of KTZ NC JSC for 2026;
- Organisational Structure of the Head Office of KTZ NC JSC;
- Report on the Activities of the Corporate Ombudsman of KTZ NC JSC for 2024;
- Report on the Activities of the Nomination and Remuneration Committee and the Board of Directors for 2024.

STRATEGY AND FINANCE COMMITTEE

The competencies and powers of the Committee are set out in the Regulations on the Strategy and Finance Committee.

The Regulations are available on the Company's corporate website via the following link: see the Regulations on the Strategy and Finance Committee of KTZ NC JSC.

Committee Membership	Reporting Period	Attendance	Attendance Rate, %
Alexander Andreas Schierhuber Independent Director, Chairman of the Committee	01.01.2025-31.12.2025	13 out of 13	100%
Aidar Ryskulov	01.01.2025-31.12.2025	3 out of 13	23%
Kuat Irubayev	01.01.2025-31.12.2025	10 out of 13	77%
Ernat Berdigulov	01.01.2025-27.03.2025	0 out of 2	0%
Ulf Wokurka	01.01.2025-31.12.2025	13 out of 13	100%
John (Ian) McKay	01.01.2025-31.12.2025	13 out of 13	100%

Activities of the Committee in 2025

In 2025, 13 meetings of the Committee were held (planned – 7 meetings), during which 95 matters were reviewed.

ISSUES REVIEWED BY THE COMMITTEE, 2025, %

STRATEGIC AND FINANCIAL SUSTAINABILITY — 75%

ASSET MANAGEMENT — 4%

OTHER ISSUES — 5%

BUSINESS TRANSFOR-MATION — 1%

IMPLEMENTATION OF INVESTMENT PROJECTS — 15%

In 2025, the Strategy and Finance Committee of the Board of Directors reviewed a number of matters and provided recommendations to the Board of Directors in the following key areas:

- Strategy and financial sustainability:
  - reports of the Managing Director for Finance were reviewed and discussed, including the Company's financial and economic performance indicators for 2024 and for the first 10 months of 2025;
  - matters relating to the execution of major transactions between Passenger Transportation JSC and Stadler Kazakhstan LLP, as well as related transactions for the supply of TE33AS and TE33AT series mainline freight locomotives between KTZ-Freight Transportation LLP and Locomotive Kurastyru Zauyty JSC, were reviewed and analysed;
  - the matter of concluding a contract by Aktau International Sea Commercial Port NC JSC for dredging of the Aktau Port water area was reviewed;
  - hearings were conducted and recommendations were provided regarding cooperation between KTZ NC JSC and Deutsche Bahn AG;
  - information was reviewed regarding the ECM (Entity in Charge of Maintenance) concept proposed by DB Engineering & Consulting GmbH as part of improving the operational efficiency of Passenger Transportation JSC;
  - the establishment of KTZ Air Cargo JSC was reviewed and preliminarily approved;
  - the work performed and plans for further cooperation with PSA were reviewed, and relevant recommendations were provided.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The competencies and powers of the Committee are set out in the Regulations on the Health, Safety and Environment Committee.

The Regulations are available on the Company's corporate website via the following link: see the Regulations on the Health, Safety and Environment Committee of KTZ NC JSC.

Committee Membership	Reporting Period	Attendance	Attendance Rate, %
Alexander Andreas Schierhuber Independent Director, Chairman of the Committee	01.01.2025-31.12.2025	7 out of 7	100%
Kuat Irubayev	01.01.2025-31.12.2025	7 out of 7	100%
Ulf Wokurka	01.01.2025-31.12.2025	7 out of 7	100%

Activities of the Committee in 2025

In 2025, 7 meetings of the Committee were held (planned – 7 meetings), during which 45 matters were reviewed.

ISSUES REVIEWED BY THE COMMITTEE, 2025, %

INTEGRATED OCCUPATIONAL SAFETY AND HEALTH SYSTEM — 42%

OTHER ISSUES — 33%

SUSTAINABLE DEVELOPMENT — 14%

OPERATIONAL ACTIVITIES — 11%

In 2025, the Health, Safety and Environment Committee of the Board of Directors reviewed a number of matters and provided recommendations to the Board of Directors in the following key areas:

- Occupational safety and health:
  - instructions were issued to complete the audit of the occupational safety and health status of KTZ NC JSC with the involvement of an external auditor;
  - oversight is being exercised over the implementation of projects aimed at preventing rolling stock collisions with employees of KTZ NC JSC in accordance with the 2024–2027 Roadmap of IT Projects in the Field of Occupational Safety and Health;
  - regular benchmarking against railway administrations in the region was recommended in order to identify areas for improvement in occupational safety and health performance;
  - oversight is being exercised over the process of conducting technical audits of contractor organisations supplying units, components and services for railway infrastructure and rolling stock, etc.
- Sustainable development:
  - following the review of the 2024 ESG rating of KTZ NC JSC, and in accordance with the Committee's recommendation, the annual strategic session involving members of the Board of Directors and the Management Board was devoted to matters related to improving the Company's ESG rating;
  - as part of the annual review of the Low-Carbon Development Roadmap of KTZ NC JSC and its Subsidiaries through to 2060, the Committee reviewed the issue of determining the share of investments planned to be allocated to the implementation of ESG initiatives, including low-carbon development initiatives;
  - the Committee interacted with an external consultant engaged with the support of the European Bank for Reconstruction and Development under the Memorandum of Cooperation on Reform of Kazakhstan's Railway Sector, on matters relating to the improvement of the corporate governance system;

- together with the external consultant, the results of the diagnostic assessment of the current level of compliance of KTZ NC JSC with ESG rating criteria, conducted as part of the preparatory work for the Company's IPO, were reviewed;
- following the annual review of the sustainable development performance evaluation results of KTZ NC JSC for 2024, an analysis of the Company's facilities was carried out in order to identify buildings and structures where the installation of photovoltaic panels would be most appropriate;
- particular attention was paid to issues of gender equality, stakeholder engagement and the social aspects of the Company's activities, including matters relating to social support and payments provided to the families of employees injured at work.

AUDIT COMMITTEE

The competencies and powers of the Committee are set out in the Regulations on the Audit Committee.

The Regulations are available on the Company's corporate website via the following link: see the Regulations on the Audit Committee of KTZ NC JSC.

Committee Membership	Reporting Period	Attendance	Attendance Rate, %
Ulf Wokurka Independent Director, Chairman of the Committee	01.01.2025-31.12.2025	11 out of 11	100%
John (Ian) McKay	01.01.2025-31.12.2025	11 out of 11	100%
Alexander Andreas Schierhuber	01.01.2025-31.12.2025	11 out of 11	100%

Activities of the Committee in 2025

In 2025, 11 meetings of the Committee were held (planned – 8 meetings), during which 116 matters were reviewed.

ISSUES REVIEWED BY THE COMMITTEE, 2025, %

INTERNAL AUDIT AND COMPLIANCE FUNCTIONS	RISK MANAGEMENT AND INTERNAL CONTROL	FINANCIAL REPORTING	CORPORATE GOVERNANCE
53 %	18 %	19 %	26 %

In 2025, the Audit Committee of the Board of Directors reviewed a number of matters and provided recommendations to the Board of Directors in the following key areas:

- Control over the reliability of financial statements:
  - discussions were held with the Chief Accountant of KTZ NC JSC and the external auditor regarding the applied principles for the preparation of financial statements, material estimates and adjustments;
  - the annual separate and consolidated financial statements of KTZ NC JSC for the year ended 31 December 2024 were preliminarily approved;
  - the report on the internal assessment of the financial reporting preparation process for the year ended 31 December 2024 was reviewed.
- Ensuring the independence and objectivity of the external audit:
  - regular meetings were held with the external auditor to discuss audit matters and observations related to the issuance of the audit opinion as part of the audit process;
  - the scope of audit and non-audit services provided by the external auditor, as well as the amount of remuneration payable to the external auditor for 2024, were reviewed;
  - the Report on the Implementation of the 2024 Action Plan for the Fulfilment of the External Auditor's Recommendations, the External Auditor's Audit Plan for the separate and consolidated financial statements of KTZ NC JSC for 2025, etc. were reviewed.
- Oversight of the effectiveness of risk management and internal control systems:
  - consolidated risk management reports for the first three quarters of 2025 were reviewed and preliminarily approved;
  - meetings were held with the heads of subsidiaries of KTZ NC JSC and risk owners on risk management matters, during which risk management reports were discussed in detail and relevant recommendations were provided.
- Ensuring the development of the corporate governance system:
  - the 2024 Report on Compliance with the Principles and Provisions of the Corporate Governance Code of KTZ NC JSC, the Action Plan for the Implementation of the Corporate Governance Code of KTZ NC JSC, the 2024 Integrated Annual Report, including the Sustainability Report, and the 2025 Corporate Governance Improvement Plan were reviewed and preliminarily approved;
  - reports for the first, second and third quarters of 2025 on the key activities for improving the corporate governance system of KTZ NC JSC for 2025, etc. were reviewed.

ENGAGEMENT OF MEMBERS OF THE BOARD OF DIRECTORS WITH STAKEHOLDERS

KTZ NC JSC ensures open and transparent engagement with stakeholders, including the shareholder, employees, partners, government authorities and the public. To safeguard their interests, the Company discloses information on key aspects of its operations in a timely and reliable manner on its corporate website and other official information resources.

The Board of Directors includes representatives of the Sole Shareholder who participate in the consideration and discussion of matters during meetings of the Board of Directors.

In 2025, at the initiative of members of the Board of Directors and the Management Board, working meetings and consultations were regularly held, including with the heads of subsidiaries.

By decision of the Board of Directors of KTZ NC JSC dated 12 June 2025 (Minutes No. 7), an IPO Working Group was established, comprising members of the Board of Directors and the Management Board of KTZ NC JSC

On 13 June 2025, a strategic session on ESG improvement, "Climate Strategy and Its Aspects within the Management System", was held with the participation of members of the Board of Directors, the Company's top management, heads of structural divisions and subsidiaries, as well as invited representatives of the Fund

As part of the external audit process, three meetings were held with representatives of the external auditor Deloitte LLP

On 5 September 2025, members of the Board of Directors of KTZ NC JSC visited the Nurly Zhol railway station and inspected the new Burabay Express electric train, as well as the automated transportation management centre

On 4 September, 23 October and 11 December 2025, meetings of the IPO Working Group were held with the participation of representatives of KPMG and the financial conglomerates J.P. Morgan, Societe Generale and Citi, during which issues related to the planned IPO in 2026 were discussed

On 11 December 2025, the strategic session "IT Strategy of KTZ NC JSC for 2026–2030" was held with the participation of members of the Board of Directors and the Management Board, as well as representatives of the Fund, focusing on the priority areas of digitalisation of KTZ NC JSC

PLANS FOR 2026 AND THE MEDIUM-TERM OUTLOOK

To further improve the corporate governance system and enhance the efficiency of the governing bodies of KTZ NC JSC, the following key activities are planned for 2026 and the medium-term outlook:
- conducting an evaluation of the performance of the Board of Directors of KTZ NC JSC based on the results of 2025 (self-evaluation);
- implementation of activities to adopt the new Corporate Governance Code of KTZ NC JSC;
- development and implementation of the 2026 Corporate Governance System Improvement Plan of KTZ NC JSC;
- updating the composition of the boards of directors and supervisory boards of major subsidiaries of KTZ NC JSC in accordance with the terms of office of their members and other instructions pursuant to the internal documents of KTZ NC JSC;
- implementation of initiatives to enhance corporate governance efficiency in KTZ NC JSC's subsidiaries;
- updating internal documents of KTZ NC JSC in line with best corporate governance practices and the Company's internal application experience.

MANAGEMENT BOARD

GRI 202-2

As the collective executive body, the Management Board is responsible for overseeing the day-to-day operations of the organisation and ensuring that the Company's activities align with its established strategic goals, Development Plan, and the decisions of the Sole Shareholder and the Board of Directors.

The main responsibilities of the Management Board include developing proposals for the Company's Strategy, implementing financial and business policies, making decisions on key matters related to current operations, coordinating the work of departments, enhancing the effectiveness of the control and risk monitoring systems, and safeguarding the rights and legitimate interests of the Sole Shareholder.

The Management Board is committed to increasing the long-term value and ensuring the sustainable development of the Company.

COMPOSITION OF THE MANAGEMENT BOARD

According to the Articles of Association of KTZ NC JSC, matters relating to the determination of the number of Management Board members, their term of office, election and early termination fall within the competence of the Board of Directors of KTZ NC JSC. The appointment and early termination of the Chairman of the Management Board are within the competence of the Sole Shareholder.

CHANGES IN THE MANAGEMENT BOARD COMPOSITION

As at the end of 2025, the Management Board of KTZ NC JSC was composed as follows:

Talgat Aldybergenov – Chairman of the Management Board (appointed by decision of the Management Board of Samruk-Kazyna JSC dated 03 July 2025, Minutes No. 33/25);
Erlan Amandykov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 30 October 2025, Minutes No. 15);
Anuar Akhmetzhanov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 15 March 2024, Minutes No. 3);
Erlan Koishibayev – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 15 March 2024, Minutes No. 3);
Dair Kusherov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 15 March 2024, Minutes No. 3);
Baurzhan Urynbassarov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 15 March 2024, Minutes No. 3);
Alexandra Smolina – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 15 March 2024, Minutes No. 3);
Murat Toregeldin – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 25 July 2025, Minutes No. 9);
Marat Shakenov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 30 October 2025, Minutes No. 3);
Ramazan Sadyrkulov – Member of the Management Board (appointed by decision of the Board of Directors of KTZ NC JSC dated 17 October 2024, Minutes No. 15).

In 2025, the composition of the Management Board was changed as follows:
- on 14 March 2025, by decision of the Board of Directors of KTZ NC JSC (Minutes No. 3), the powers of Ersaiyn Nagaspayev were terminated early;
- on 3 July 2025, by decision of the Management Board of Samruk-Kazyna JSC (Minutes No. 33/25), Talgat Aldybergenov, was appointed Chairman of the Management Board of KTZ NC JSC;
- on 25 July 2025, by decision of the Board of Directors of KTZ NC JSC (Minutes No. 9), Murat Toregeldin was elected to the Management Board;
- on 8 August 2025, by decision of the Board of Directors of KTZ NC JSC (Minutes No. 10), the powers of Serik Keulimzhayev were terminated early;
- on 30 October 2025, by decision of the Board of Directors of KTZ NC JSC (Minutes No. 15), Erlan Amandykov and Marat Shakenov were elected to the Management Board.

TALGAT ALDYBERGENOV

Member of the Board of Directors, Chairman of the Management Board

Member of the Management Board since 2024

Year of Birth: ***1970***

Nationality: Republic of Kazakhstan

Education:
- Almaty Institute of Railway Transport Engineers, degree in Organisation of Transportation and Management in Railway Transport;
- Russian Presidential Academy of National Economy and Public Administration, Master's Degree in Economics;
- Kazakh Academy of Transport and Communications, PhD in Economics.

Professional Experience:
- From 1992 to 1998 – held various positions at the West Kazakhstan Railway, including freight cashier, cargo and baggage acceptance officer, deputy station manager, and senior railway commercial inspector.
- From 1998 to 2007 – Head of Centre for Corporate Transport Services Aktobe Branch of the State Enterprise of Temir Zholy Republican State Enterprise Kazakhstan, Director of Kaztransservice State Enterprise, Director of the Transport Logistics Department of KazMunayGas Trading House JSC.
- From 2008 to 2019 – President of Kedentransservice JSC, Chief Executive Officer of AutoGazAlmaty LLP, Chairman of the Management Board of Kazakhmys Maker LLP.
- From 2024 to 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.
- Since 3 July 2025 – Chairman of the Management Board of KTZ NC JSC.

ANUAR AKHMETZHANOV

Member of the Management Board

Member of the Management Board since 2021

Year of Birth: ***1975***

Nationality: Republic of Kazakhstan

Education:
- Buketov Karaganda State University, degree in International Economic Relations;
- Johns Hopkins University, degree in International Finance.

Professional Experience:
- Over the years, held senior positions at KazMunayTeniz JSC, KazMunayGas NC JSC, Samruk-Kazyna Holding JSC, and Kazgermunai JV LLP. He also served as Deputy Akim of Karaganda Region for Industry, SME Development, Industrialisation, and Investment; Inspector of the Presidential Administration of the Republic of Kazakhstan; Executive Secretary of the Ministry of Defence and Aerospace Industry, and the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan.
- From 2020 to 2021 – First Vice Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan.
- From July 2021 to February 2022 – First Deputy Chairman of the Management Board for Transformation and Digitalisation of KTZ NC JSC.
- From February 2022 to November 2023 – Deputy Chairman of the Management Board for Strategy of KTZ NC JSC.
- Since November 2023 – Deputy Chairman of the Management Board of KTZ NC JSC.

MARAT SHAKENOV

Member of the Management Board

Member of the Management Board since 2025

Year of Birth: ***1964***

Nationality: Republic of Kazakhstan

Education:
- Kazakh Academy of Transport and Communications named after M. Tynyshpayev, degree in Locomotives.
- Kazakh University of Railway Transport, Candidate of Technical Sciences degree.
- Russian Presidential Academy of National Economy and Public Administration, Doctor of Business Administration (DBA).

Professional Experience:
- Over the years, held positions as assistant locomotive driver, locomotive driver, as well as senior positions in locomotive depots. Worked as Executive Director, Vice President and President of Lokomotiv JSC.
- From 2016 to 2018 – Vice President for Rolling Stock, Technical Policy and Operational Activities of KTZ-Freight Transportation LLP.
- From 2018 to 2025 – Director of the Traffic Safety Department, Managing Director for Traffic Safety – Director of the Traffic Safety Department of KTZ NC JSC. Since October 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.
- Since October 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.

DAIR KUSHEROV

Member of the Management Board

Member of the Management Board since 2021

Year of Birth: ***1977***

Nationality: Republic of Kazakhstan

Education:
- Indiana University, Bachelor of Finance.
- Kazakh State Academy of Management, degree in International Economics.

Professional Experience:
- Over the years, Dair Kusherov held various positions, including Deputy Director and Director of the Corporate Finance Department of Intergas Central Asia JSC, Chief Financial Officer of KazTransOil JSC, and Director of the Corporate Finance Department, Managing Director for Economics and Finance, and Deputy General Director for Economics and Finance of KazTransGas JSC.
- From December 2018 to February 2022 – Deputy Chairman of the Management Board for Finance of KTZ NC JSC.
- Since February 2022 – Managing Director for Finance of KTZ NC JSC.

BAUYRZHAN URYNBASSAROV

Member of the Management Board

Member of the Management Board since 2021

Year of Birth: ***1970***

Nationality: Republic of Kazakhstan

Education:
- Almaty Institute of Railway Transport Engineers, degree in Organisation of Transportation and Management in Railway Transport.

Professional Experience:
- Bauyrzhan Urynbassarov began his career as a track duty officer at the Kyzylorda railway station of the West Kazakhstan Railway. Over the years, held various positions within the railway sector, including Managing Director – Chief Engineer of KTZ NC JSC, Managing Director for Operations of KTZ NC JSC, Acting President of Kaztemirtrans JSC, Vice President and Chief Engineer of KTZ NC JSC.
- From 2017 to 2018 – Vice President for Infrastructure Projects of KTZ NC JSC;
- From 2018 to 2020 – Managing Director for Infrastructure – Director of the Main Railway Network Directorate, Branch of KTZ NC JSC;
- From 2020 to 2021 – Deputy Chairmanof the Management Board for Infrastructure – Director of the Main Railway Network Directorate, Branch of KTZ NC JSC.
- Since 2022 – Managing Director for Operations of KTZ NC JSC.

ERLAN KOISHYBAYEV

Member of the Management Board

Member of the Management Board since 2021

Year of Birth: ***1985***

Nationality: Republic of Kazakhstan

Education:
- American University in Dubai, Bachelor's degree in Finance and Banking;
- Kazakh Academy of Transport and Communications, Master's degree in Logistics;
- Russian Presidential Academy of National Economy and Public Administration, MBA.

Professional Experience:
- Over the years, Erlan Koishybayev held variou positions, including Assistant to the Minister of Finance of the Republic of Kazakhstan, Director of the Investment Projects Department at Samruk-Kazyna Invest LLP, Vice President of the National Centre for Transport Logistics Development JSC, and President of the Transport Services Centre JSC.
- From 2015 to 2018 – Vice President for Logistics at KTZ Express JSC;
- From 2018 to 2019 – Deputy Chairman of the Management Board at Kazakhstan Institute of Industrial Development JSC;
- From 2019 to 2021 – Deputy Akim of Kostanay Region;
- From November 2021 to October 2025 – Managing Director for Logistics of KTZ NC JSC, Deputy Chairman of the Management Board for Logistics of KTZ NC JSC.
- Since October 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.

MURAT TOREGELDIN

Member of the Management Board

Member of the Management Board since 2025

Year of Birth: ***1984***

Nationality: Republic of Kazakhstan

Education:
- Buketov Karaganda State University, degree in Law.
- Karaganda University of Economics, degree in Economics.
- Lancaster University, United Kingdom, Master's degree in International Business and Corporate Law.

Professional Experience:
- Started his professional career in 2006 and worked at Halyk Bank of Kazakhstan JSC, Kaspi Bank JSC, Saryarka Social Entrepreneurial Corporation NC JSC, and Kazgeology National Exploration Company JSC.
- Since 2018, held the positions of Corporate Secretary of KTZ NC JSC, First Deputy General Director, Deputy General Director (Chairman of the Management Board) of Passenger Transportation JSC, as well as Acting Chairman of the Management Board of Vagonservice JSC.
- Since July 2025 – Deputy Chairman of the Management Board of KTZ NC JSC.

ALEXANDRA SMOLINA

Member of the Management Board

Member of the Management Board since 2024

Year of Birth: ***1986***

Nationality: Republic of Kazakhstan

Education:
- Kazakh Humanities and Law University, degree in International Law;
- Kazakhstan-British Technical University JSC, degree in Business Administration, Oil and Gas specialisation;
- Gubkin Russian State University of Oil and Gas, degree in Oil and Gas Business Management.

Professional Experience:
- Over the years, held senior positions at KazMunayGas NC JSC, as well as served as Director and Executive Director – Director of the Legal Department at Passenger Transportation JSC, and various managerial positions at KTZ NC JSC.
- Since April 2022 – Head of Legal Service – Director of the Legal Department of KTZ NC JSC.

RAMAZAN SADYRKULOV

Member of the Management Board

Member of the Management Board since 2024

Year of Birth: ***1980***

Nationality: Republic of Kazakhstan

Education:
- Tynyshpayev Kazakh Academy of Transport and Communications, degree in Organisation of Railway Transport Operations;
- Almaty University of Energy and Communications, degree in Electric Power Engineering.

Professional Experience:
- Over the years, held various positions in the railway sector, including Chief Engineer and Director of Atbasar Power Supply Division CJSC, Branch of KTZ NC JSC, Division Superintendent of Atbasar Power Supply Division CJSC, Branch of KTZ NC JSC, Head of Power Supply Division, Almaty Main Railway Network Division, Branch of KTZ NC JSC, Deputy Director of the Branch for Corporate Development and Director of the Main Railway Network Directorate, Branch of KTZ NC JSC.
- Since April 2024 – Chief Engineer of KTZ NC JSC.

ERLAN AMANDYKOV

Member of the Management Board

Member of the Management Board since 2025

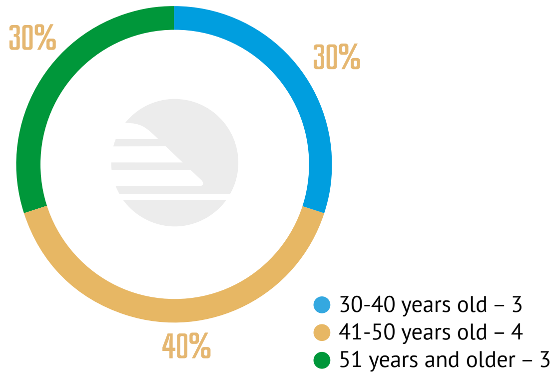
Year of Birth: ***1988***

Nationality: Republic of Kazakhstan

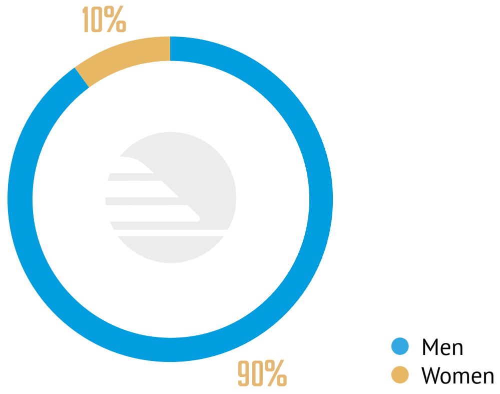
Education:
- Zhangir Khan West Kazakhstan Agrarian and Technical University, degree in Mechanical Engineering.

Professional Experience:
- Started his professional career as an engineer at the Children and Youth Sports School in Uralsk and subsequently worked at the Akimat of the Podstepnoye Rural District state institution.
- From 2015 to 2024, held various positions within the Akimat of West Kazakhstan Region, including Deputy Akim of Terekti District of West Kazakhstan Region.
- From 2024 to 2025 – held various positions within KTZ NC JSC.
- Since 2025 – Chief of Staff of KTZ NC JSC.

Age Distribution of Management Board Members, %



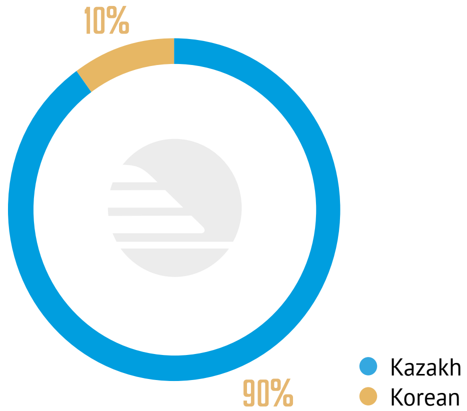
Gender Diversity, %



Average Age of Management Board Members

47 years

Ethnic Background, %



ACTIVITIES OF THE MANAGEMENT BOARD IN 2025

In 2025, 39 meetings of the Management Board were held, at which decisions were adopted on 274 matters.

During the reporting period, the Company's Management Board reviewed matters related to the Company's operating activities, implementation of the Development Strategy, and execution of decisions of the Sole Shareholder and the Board of Directors of KTZ NC JSC.

During 2025, the Management Board of KTZ NC JSC approved the following documents:
- the Action Plan for the implementation of the Development Strategy of KTZ NC JSC though to 2032 and the KPI Tree of KTZ NC JSC;
- the 2025–2026 Roadmap of KTZ NC JSC for improving the ESG rating;
- the Corporate Governance Code of legal entities, one hundred per cent of the voting shares (participatory interests in the authorised capital) of which are owned by KTZ NC JSC;
- the Information Policy of KTZ NC JSC;
- the Diversity and Inclusion Policy of KTZ NC JSC and its subsidiaries;
- the Comprehensive Development Plan for the Trans-Kazakhstan Railway Corridor;
- amendments to the Comprehensive Action Plan for the Prevention and Mitigation of Corruption Offences in the activities of KTZ NC JSC;
- amendments and supplements to the Business Travel Policy of KTZ NC JSC, etc.

REMUNERATION OF THE COMPANY'S OFFICERS

GRI 2-19, 2-20

Payment of remuneration to members of the Management Board of KTZ NC JSC based on annual performance is carried out in accordance with the Rules on Remuneration and Bonuses for Senior Executives, Officers of the Corporate Ombudsman's Office, the Corporate Secretary's Office, the Internal Audit Service, and the Compliance Service, approved by the decision of the Board of Directors of KTZ NC JSC dated 12 July 2017 (Minutes No. 5).

These Rules are based on the following principles:
- alignment of remuneration with the achievement of objectives that meet the interests of KTZ NC JSC and its Sole Shareholder;
- dependence of remuneration amounts on the performance of KTZ NC JSC and the performance of employees.

The amount of an employee's base salary is determined by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee within the established salary ranges or otherwise in accordance with the procedures and conditions outlined in the Rules.

Employees are entitled to a corresponding allowance when taking annual paid leave. For part-time employees, the allowance is paid on a pro rata basis. One-off bonuses may be paid to executive employees on national holidays (e.g. Independence Day, Transport Workers' Day) in a fixed total amount not exceeding 10 monthly calculation indices (MCIs), subject to a decision by the Company's executive body.

Performance-based remuneration for the reporting period is paid based on the results of performance evaluation in order to provide financial incentives for achieved results and to improve operational efficiency on the basis of key performance indicators and is calculated according to the actual final performance results for the achievement of corporate and functional KPIs.

The KPI scorecards with actual results and the relevant remuneration calculations are submitted by the responsible division for consideration by the Nomination and Remuneration Committee and the Board of Directors of the Company in accordance with established procedures.

In 2025, the corporate KPIs for the Chairman of the Management Board and the functional KPIs for the members of the Management Board of KTZ NC JSC included ESG indicators such as occupational safety performance, social stability index, employee turnover rate, and gross CO_2 emissions reduction rate.

Performance-based remuneration is not of a permanent nature and is not included in average wage calculations.

The decision to award performance-based remuneration to executive employees is made by the Board of Directors of KTZ NC JSC.

According to the Company's Articles of Association, the amount of remuneration for members of the Board of Directors is determined by the decision of the Sole Shareholder in accordance with its internal documents. Members of the Board of Directors are paid only a fixed remuneration. Additional remuneration for participation in the committees of the Board of Directors of KTZ NC JSC is not provided for.

In 2025, the total remuneration paid to members of the Management Board and the Board of Directors, including salaries, amounted to KZT 1.036 million.

ENGAGEMENT WITH THE SOLE SHAREHOLDER

Information on Participation of the Parent Company in any Placement

In 2025, KTZ NC JSC placed 1,010 ordinary shares within the number of authorised shares.

The placement of shares was carried out on the basis of decision of the Board of Directors of KTZ NC JSC through the exercise by the Sole Shareholder of its pre-emptive purchase right, including:

- 1,000 ordinary shares at a placement price of KZT 24,936,502 per share (Minutes No. 8 dated 30 June 2025);
- 10 ordinary shares at a placement price of KZT 385,505,300 per share (Minutes No. 14 dated 23 October 2025).

As at 1 January 2026:

- Number of authorised ordinary shares – 502,040,458;
- Number of placed ordinary shares – 496,695,676;
- The authorised capital of KTZ NC JSC amounts to KZT 1,152,698,089,541 тенге.

DIVIDENDS

The aim of the Dividend Policy is to achieve a balance of interests between the Fund and the Company, and to ensure predictability and transparency in determining the amount of dividends. The key principles of this policy are the guaranteed payment of dividends to the Fund for its shareholding, and the maintenance of the financial stability of both the Fund and the companies within its Group.

The policy also aims to ensure funding for the Fund's operations, including support for new business lines and investment projects financed from its own funds, as well as financing the development costs of the Companies, including investment programmes.

On 30 May 2024, the Management Board of the Fund adopted a decision in respect of KTZ NC JSC not to pay dividends to the Shareholder for 2023.

In accordance with the requirements of the Kazakhstan Stock Exchange, the financial statements must contain information on the book value per share (ordinary and preference shares) as at the reporting date, calculated in accordance with the rules approved by the Kazakhstan Stock Exchange. The book value per share does not relate to indicators determined in accordance with IFRS.

Earnings per share in the calculation of basic earnings per share are determined based on the weighted average number of ordinary shares issued during the year. The amounts for ordinary shares and diluted ordinary shares are equal due to the absence of dilutive instruments in the Company. During 2025 and 2024, the Company also had no anti-dilutive instruments.

Indicator	2023	2024	2025
Basic and diluted earnings per common share, KZT	268.79	317.74	684.36
Book value per share, KZT	3,447.21	3,874.15	4,717.57

FINANCIAL STATEMENTS

The financial statements of KTZ NC JSC and its subsidiaries (hereinafter collectively referred to as the "Group") are prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), including the requirements of IFRS (IAS) 1 Presentation of Financial Statements.

The Company regularly reviews, analyses and identifies changes in IFRS in order to assess their impact on the Group's financial statements.

To ensure the timely completion of the reporting period, the closing of accounting books and the preparation of the Group's reports, the following have been approved and are observed: the Regulation on Period Closing, the Regulation on the Preparation and Generation of Operational Financial and Management Reporting, and the Regulation on the Consolidation and Preparation of the Group's Consolidated Financial Statements.

The Company has developed a checklist of disclosures in financial statements prepared under IFRS. During the preparation of the consolidated financial statements, a process has been introduced for the verification and reconciliation of disclosures with the relevant structural divisions. An analysis is carried out of events and non-routine transactions that may affect the Group's consolidated financial statements.

To ensure effective cooperation between the Company's structural divisions and subsidiaries in providing information required for the preparation of financial statements and for the external audit, a Regulation has been approved governing the preparation of separate and consolidated financial statements and interactions with external auditors during the audit of the separate and consolidated financial statements of KTZ NC JSC.

The Group's consolidated financial statements are authorised for issue by the management, preliminarily reviewed by the Audit Committee of the Board of Directors of KTZ NC JSC, and are subject to subsequent approval by the Company's Board of Directors of KTZ NC JSC and the Sole Shareholder.

GRI 2-5

The consolidated financial statements for 2025 were audited by Ernst & Young LLP.

More detailed information on remuneration for audit services is presented in the section "Audit" on the Company's corporate website.

In 2025, Ernst & Young LLP provided a non-audit service related to personnel training to Kedentransservice JSC, subsidiary of KTZ NC JSC.

The Audit Committee of the Board of Directors of KTZ NC JSC annually reviews matters relating to the objectivity and independence of the external auditor, as well as the remuneration payable to the external auditor. Ernst & Young LLP informed the Audit Committee of its compliance with independence requirements in relation to the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and with the ethical requirements applicable to the audit of the Group's consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT SYSTEM

Risk management is an integral part of the Company's strategic planning and corporate governance processes, as well as a key element in maintaining its financial sustainability.

The core document governing risk management within the Company is the Risk Management and Internal Control Policy of KTZ NC JSC[49].

The Policy is available on the Company's corporate website via the following link: see Risk Management and Internal Control Policy of KTZ NC JSC.

The implementation of the Corporate Risk Management System (CRMS) within the Company is based on the COSO framework.

The key principles underpinning the Company's risk management process include:

- commitment and motivation of management
- contribution to the achievement of objectives
- integration into all organisational processes
- systematic, structured and timely approach
- continuous improvement and development
- integration into decision-making
- transparency and engagement

The CRMS is designed to strike an optimal balance between the Company's value growth, profitability and risk exposure. It is a fundamental component of the corporate governance system, aimed at the timely identification, assessment and monitoring of all significant risks, as well as the prompt and adequate implementation of risk mitigation measures.

The CRMS is designed to provide reasonable assurance of achieving the following objectives:

1) strategic objectives;
2) operational objectives – efficient and effective use of resources and safeguarding of assets;
3) objectives related to the preparation of reliable reporting;
4) objectives related to compliance with applicable laws and internal regulations.

A vertical risk management process has been established across all levels of governance within the Company. Every responsible officer is required to properly consider risks when making decisions. Risk assessments are carried out using both qualitative and quantitative tools that take into account the likelihood and potential impact of each risk.

The operation of the CRMS is ensured through seven interrelated processes:

- objective setting;
- risk management;
- risk/risk factor identification;
- monitoring and reporting;
- risk/risk factor assessment and analysis;
- information and communication;
- establishing the internal environment.

The implementation of these components supports the development of a strong risk culture across the KTZ NC JSC Group, based on setting the right "tone at the top", high levels of risk awareness and knowledge, clear accountability of risk/risk factor owners, active risk management, and timely reporting.

Roles and Responsibilities of CRMS Participants

The **Board of Directors of KTZ NC JSC** oversees the effectiveness of risk management and internal control by performing the following functions in the area of risk governance:

- determines the Company's objectives (short-term and long-term);
- approves the principles and approaches to the organisation of the CRMS, the requirements for internal control and control procedures, and the allocation of roles and responsibilities of CRMS participants in risk management and internal control;
- approves the risk appetite, tolerance levels, key risk indicators (KRIs), risk register, risk map, risk response action plans, and consolidated risk reports of the Company;
- approves an organisational structure that meets the Company's needs and ensures effective risk management;
- ensures that matters within the competence of the Board of Directors are considered with due regard to associated risks during the decision-making process;
- takes appropriate measures to ensure that the existing risk management and internal control system aligns with the principles and approaches approved by the Board of Directors and functions effectively, including but not limited to reviewing Internal Audit Service reports assessing the effectiveness of CRMS and internal controls, and analysing external audit findings on improvements to internal control and risk management.

The **Audit Committee of the Board of Directors of KTZ NC JSC** supports the Board of Directors in monitoring the reliability and effectiveness of the CRMS and internal control system by carrying out functions established by the Company's internal regulations.

The **Company's Management Board** performs the following functions:

- ensures implementation of the Risk Management Policy, the development and introduction of internal regulations on risk management and internal control, and their timely updating in line with changes in the internal and external business environment;
- delegates authority, duties and responsibilities for risk management and internal control procedures across management levels and process owners;
- ensures integration of risk management and internal control into all business processes of the Company;
- approves the risk appetite, tolerance levels, risk register, risk map, KRIs, risk response action plans, and consolidated risk reports for subsequent review by the Board of Directors;
- continuously monitors the Company's risk appetite at all levels of management, makes adjustments as needed, and promotes a culture that emphasises the importance of risk appetite.

The **Company's Internal Audit Service (IAS)** assesses the effectiveness of the CRMS and internal control, informs the Management Board and the Board of Directors of existing deficiencies, and provides recommendations for improvement as part of its audit assignments.

The **Chief Risk Officer (CRO)** organises and coordinates the Company's risk management and internal control system through the following responsibilities:

- ensures implementation of the Risk Management Policy, development, introduction and updating of internal regulations in line with changes in the internal and external business environment;
- fosters a unified corporate risk culture, informs and trains risk coordinators, organises workshops/seminars for members of the Board of Directors and Management Board, and evaluates the effectiveness of the training and knowledge of risk coordinators;
- ensures integration of risk management and internal control into all business processes of the Company;
- organises the formulation and approval of risk appetite, tolerance levels, risk register, risk map, KRIs, and develops risk response action plans and internal control improvement initiatives, consolidated risk reports, and implementation progress reports for review by the Management Board and Audit Committee, with subsequent approval by the Board of Directors;
- ensures timely formulation and approval of risk appetite, tolerance levels, risk register, risk map, KRIs, and develops risk response action plans and internal control improvement initiatives, consolidated risk reports, and implementation progress reports for review by the Management Board and Audit Committee, with subsequent approval by the Board of Directors;
- monitors the implementation of measures to address significant deficiencies identified during the development of the Company's process flowcharts, risk and control matrices;
- ensures the development of the Company's business continuity plans;
- informs stakeholders about the current risk landscape, changes in the control environment, and improvement measures for risk management.

[49] Approved by the decision of the Board of Directors of KTZ NC JSC dated 28 October 2022 (Minutes No. 14).

The CRO role is assigned to one of the current members of the Company's Management Board.

The **Risk Management Department** is a key structural division responsible for risk management and internal control. It organises the operation of the risk management system, ensures the development and regular updating of internal regulations related to risk management and internal control, provides methodological support to other structural divisions in identifying and assessing risks, and offers relevant recommendations.

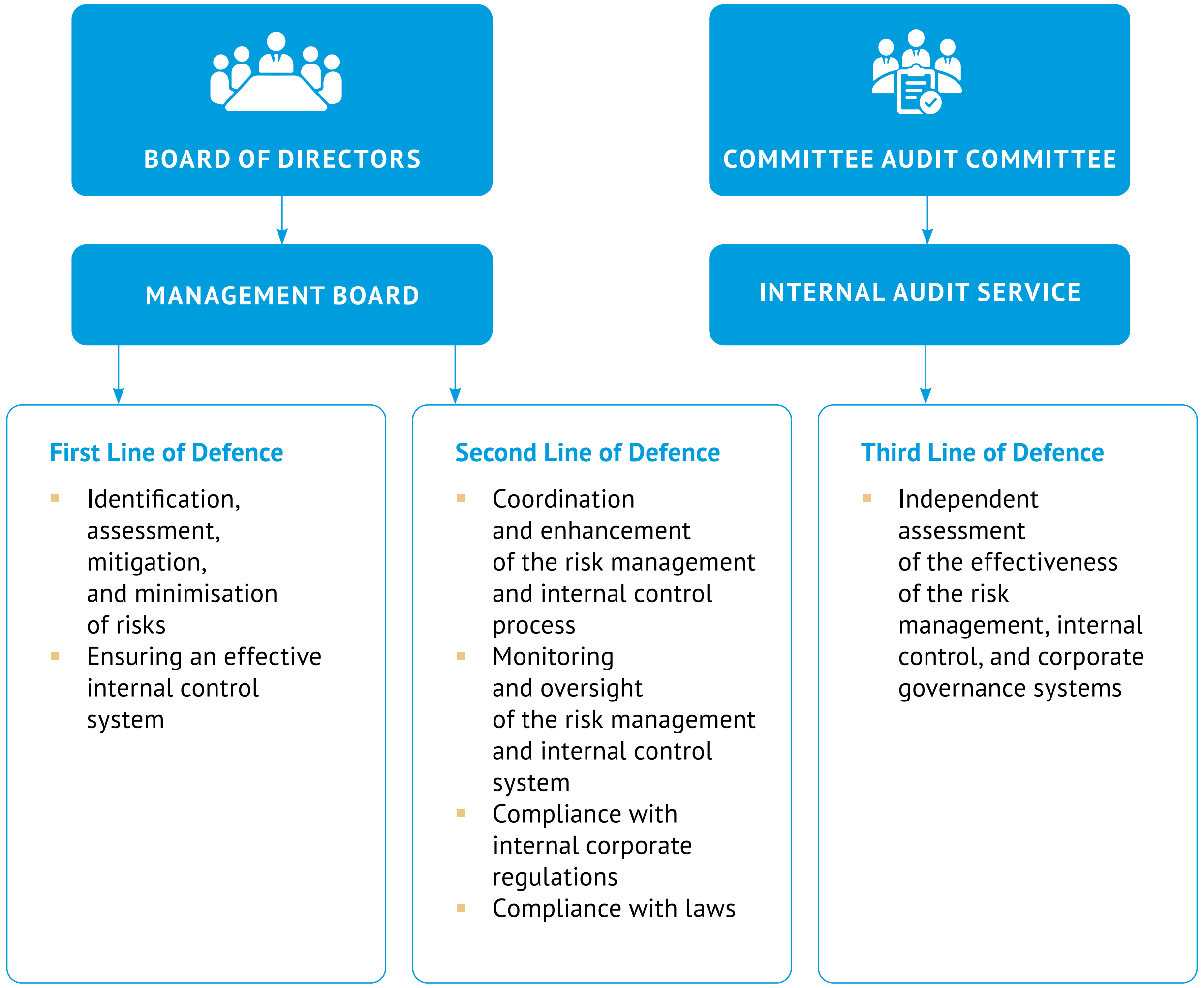
The Risk Management Department reports directly to the CRO.

The Company's risk management and internal control system is based on **the Three Lines of Defence model**.

The first line of defence (business functions) comprises structural divisions represented by each employee within the scope of their responsibilities. Company employees (risk owners), in the course of performing their duties, directly manage risks and implement control procedures within their areas of competence.

The second line of defence consists of structural divisions of the Company, including the Risk Department, which perform monitoring, review, evaluation, and expert analysis of the activities of the first line of defence and key risks. These units ensure and monitor the implementation of effective practices in risk management, internal control, business continuity, legal and regulatory compliance, and fraud investigation, in accordance with the functions defined by the Company's internal regulations.

The third line of defence (independent assurance) is represented by the Company's Internal Audit Service, which provides an independent assessment of the effectiveness of the risk management and internal control system. It contributes to continuous improvement and supports the Audit Committee and the Board of Directors by providing an objective evaluation of the performance of the risk management and internal control system.



Risk Appetite

Risk management is carried out in the context of the Company's defined goals and objectives, which stem from approved strategies, development plans and stakeholder expectations, including the Company's risk appetite and key risk indicators.

The Company's risk appetite characterises its level of risk tolerance within which it can pursue its strategic and operational objectives, and defines the upper threshold for critical risks or risk factors the Company is willing to accept.

Risk appetite takes into account the Company's mission, vision, and strategic goals, and is determined in relation to investment, financial and operational activities in the context of value creation, preservation and realisation of the Company's assets.

When assessing risk appetite, a level is set that does not compromise the principles of financial sustainability. Accordingly, the higher the consolidated debt burden, the lower the risk appetite. This approach ensures a liquidity buffer to cover potential losses arising from risk events.

Decisions on risk mitigation are made at different management levels depending on the significance of the risks. The decision-making thresholds are defined based on the Company's risk appetite.

The Company's risk appetite serves as a basis for further decision-making in the area of risk management.

Key Risk Indicators (KRIs) play a significant role in the risk management system and serve as a source of information for management decisions in response to the emergence of risk events. KRIs are indicators that signal trends in risk factor changes and the potential materialisation of risks that could adversely affect the Company's operations.

KRIs are developed to provide management with timely information on the Company's significant risks.

Development of the Risk Management System

The continuous improvement of the risk management and internal control system is achieved through the implementation of measures aimed at preventing the materialisation of risks and reducing their potential impact. Regular reporting is carried out on the implementation status of preventive measures. The Company's senior management is actively and directly involved in the risk management process.

Quarterly risk exposure assessments are conducted, and the findings are compiled into consolidated quarterly risk management reports. These reports include information on key risks, materialised risks, preventive and reactive risk mitigation measures taken, as well as projected risks.

The highest level of risk oversight in the Company is exercised by the Board of Directors.

As part of the ongoing monitoring of the development of the Company's risk management system, quarterly risk reports are submitted to the Board of Directors.

In 2025, risk management reports were reviewed by the Board of Directors following the results of the first, second and third quarters of 2025

(Minutes No. 7 dated 12 June 2025, No. 11 dated 5 September 2025, and No. 17 dated 11 December 2025).

These reports included detailed analysis and forecasting of the Company's critical risks. The number of such risks in each report may reach up to 12.

INITIATIVES TO IMPROVE THE INTEGRATED RISK MANAGEMENT SYSTEM (IRMS)

The Company continuously enhances the IRMS and regularly improves its regulatory and methodological framework for risk management.

In 2025, the Company implemented the following:

- the Company's 2025 risk register and risk map, risk appetite, key risk indicators and tolerance levels for key risks, Risk Response Action Plan and risk correlation matrix linked to the Company's risk register were approved;
- the 2025–2026 Action Plan for the Improvement of the Corporate Risk Management System of KTZ NC JSC was approved;
- amendments and supplements were introduced to the Methodology for Calculating the Company's Limits for Counterparty Banks;
- risk reports were reviewed and approved by the Board of Directors on a quarterly basis;
- training seminars were conducted by employees of the Risk Management and Internal Control Department for risk managers of subsidiaries and risk coordinators of branches and structural divisions.

RISKS

Risk identification is an important method for optimising the Company's expenditures, as the early detection of risks, the determination of appropriate mitigation measures, and the elimination of consequences make it possible to plan sources and volumes of financing for such activities, ultimately enhancing the Company's operational efficiency.

The risk management process consists of the following stages:

1) risk identification;
2) risk assessment and analysis;
3) risk management (risk mitigation measures);
4) monitoring and reporting.

The process for the functioning of the IRMS is governed by the Company's Risk Identification and Assessment Rules approved by the decision of the Management Board dated 20 November 2023 (Minutes No. 02/32).

Risks are proactively identified both during the annual risk inventory process – when compiling the Risk Register – and on a quarterly basis during the course of the Company's operational activities, as part of the preparation of risk reports.

When a significant risk is identified that has not been previously included in the Risk Register, the risk owner must notify the Risk Department. The Risk Department analyses the information received and, if necessary, adds the new risk to the Company's Risk Register. As part of the inventory process, risk owners also identify potential or actual instances of risk occurrence, negative trends indicating an escalation of risk, analyse the underlying causes, and assess the scale of the potential loss.

On an annual basis, the Risk Register and Risk Map of KTZ NC JSC are developed and approved. The Risk Map is segmented according to impact and probability zones. In accordance with the approved Risk Register for 2026, a total of 73 risks across 29 risk categories have been identified and assessed:

Red zone – 13 risks;

Orange zone – 37 risks;

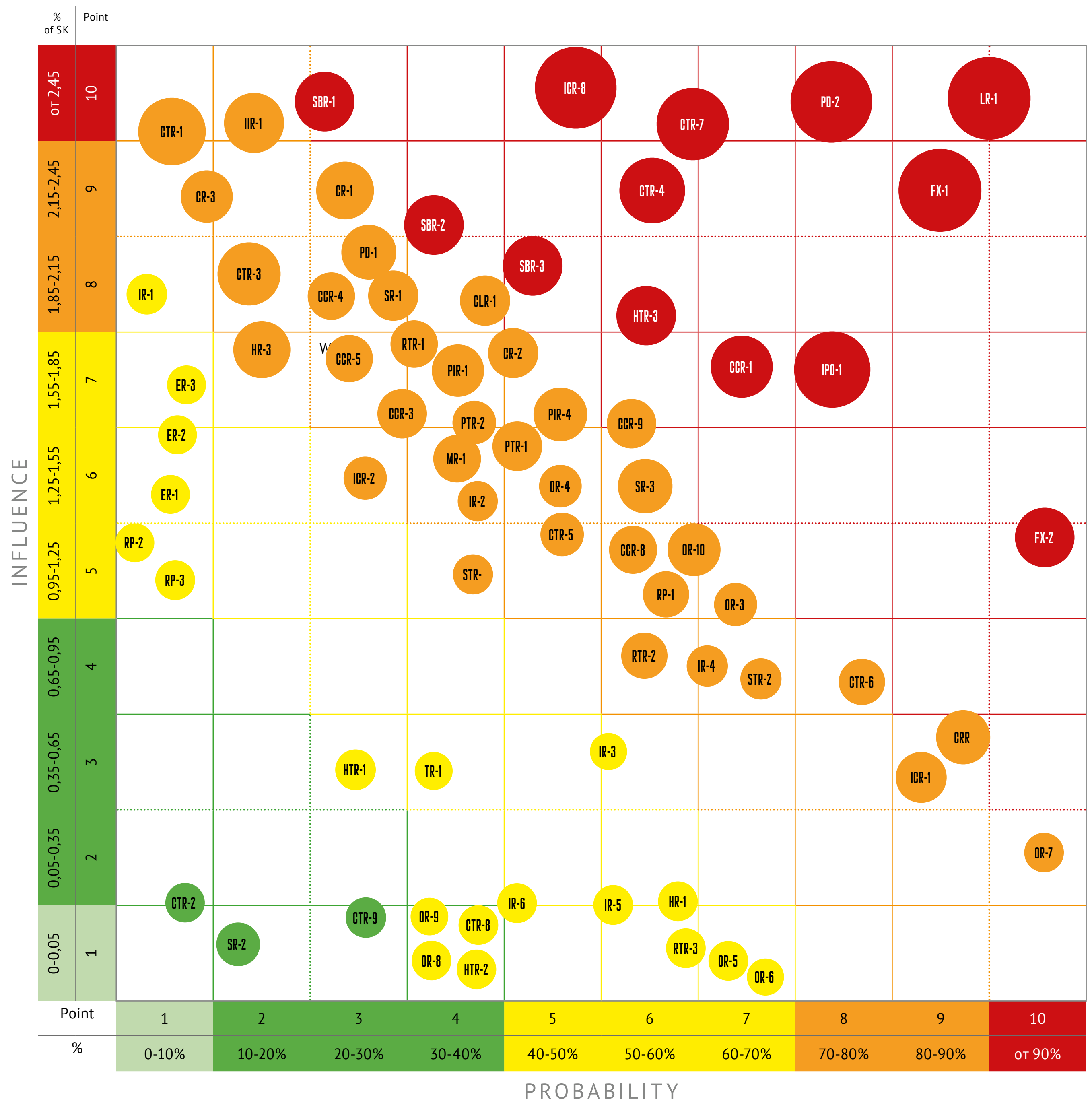
Yellow zone – 20 risks;

Green zone – 3 risks.

Risk assessment is carried out in accordance with each risk's position on the Risk Map:

- First-priority risks – with potential damage of 90% or more, and exceeding KZT 3 billion;
- Second-priority risks – with potential damage in the range of 70-90% and KZT 1-3 billion;
- Third-priority risks – with potential damage in the range of 40-70% and KZT 0.5-1 billion;
- Lower-priority risks – with potential damage of up to 40% and KZT 0.2-0.5 billion.

Risk Map of KTZ NC JSC for 2026



CRITICAL RISKS

CODE	DESCRIPTION OF RISK CATEGORY
	CARGO TURNOVER RISKS
CTR-4	Transit cargo turnover volume
CTR-7	Risks associated with freight car operations
	FOREIGN EXCHANGE RISK
FX-1	Balance of assets and liabilities
FX-2	Foreign currency contracts
	IPO RISKS
IPO-1	Risks related to the Company not proceeding with an IPO
	CONTRACTUAL RISK
CCR-1	Contract enforcement risk
	IT & CYBER RISK
ICR-8	Inefficient management of licensed software within the Company
	LIQUIDITY RISK
LR-1	Liquidity gap risk
	SUBSIDY ALLOCATION RISK
SBR-1	KTZ interest rate subsidies
SBR-2	Passenger transportation subsidies for Passenger Transportation JSC
SBR-3	Subsidies of interest rates on loans for the procurement of gondola cars and fitting platforms
	DEFAULT RISK
PD-2	Risk of decreased financial stability of KTZ subsidiaries
	TRAFFIC SAFETY AND OCCUPATIONAL HEALTH AND SAFETY RISK
HTR-3	Threat to the life and health of Company employees

MEASURES TO MITIGATE CRITICAL RISKS

Code	Risk Name	Mitigation Measures
CTR	Cargo turnover risks	▪ Implementation of measures to improve the technical condition of infrastructure and increase the throughput capacity of main lines and processing capacity of station tracks. ▪ Rational use of the locomotive fleet. ▪ Increase in cargo transportation volumes along the TITR. ▪ Increase in section speed of freight trains. ▪ Reduction in the time required for car placement/removal to/from loading/unloading areas. ▪ Planning seasonal freight transportation for efficient use of the car fleet. ▪ Improving the design quality.
FX	Foreign exchange risk	▪ Reducing the share of debt denominated in foreign currency, restructuring the loan portfolio.
IPO	IPO risks	▪ Increasing regulated tariffs to cost recovery levels. ▪ Reducing debt burden. ▪ Increasing freight transportation margins.
CCR	Contractual risk	▪ Monitoring compliance with deadlines and quality of contract execution.
ICR	IT & Cyber risk	▪ Monitoring compliance with deadlines and quality of contract execution.
LR	Liquidity risk	▪ Increase in tariffs for main railway network services and locomotive traction.
SBR	Subsidy allocation risk	▪ Conducting joint procedures with the Ministry of Transport of the Republic of Kazakhstan to obtain subsidies.
PD	Default risk	▪ Implementation of measures to move the credit risk of KTZ NC JSC into the green zone.
HTR	Traffic safety and occupational health and safety risk	▪ Personnel training and professional development. ▪ Monitoring personnel compliance with technological process requirements. ▪ Monitoring timely elimination of identified non-compliances. ▪ Incentivising employees who prevent traffic safety violations. ▪ Improvement of regulatory and technical documentation. ▪ Monitoring implementation and effectiveness of planned traffic safety measures. ▪ Improving reliability and renewing rolling stock and technical equipment. ▪ Monitoring repair schedules, repair types and maintenance activities.

EMERGING RISKS

The Company analyses potential events that may affect its operations and assesses whether they constitute emerging risks.

Additionally, the Company has identified two significant long-term (3-5+ years) emerging risks that are expected to have a considerable and lasting impact on its business operations.

	Risk Name	Risk Name
ESG Risk	Caspian Sea Level Decline Risk (Shallowing Risk)	Risk of Non-Receipt or Incomplete Receipt of Government Subsidies
Risk Description in the Context of the Company's Operations	The primary cause of the sea level decline is climate change in the Central Asian region, as well as a reduction in the water level of the Volga River basin – the main source feeding the Caspian Sea. The lowering of the sea level will reduce the operational capacity of port berths, shipping routes, port waters, hydraulic structures, and maritime safety.	Given the social significance of interregional passenger transport and investment projects, the main source of funding is the national (republican) budget.
Potential Impact of the Emerging Risk on the Company's Business	Inability to ensure the safe entry/exit of vessels in the Port of Aktau (risk of grounding); Suspension of port operations by the competent authorities due to non-compliance with the design-operational depth characteristics of the port water area, posing a maritime safety risk; Decrease in transshipment volumes and, consequently, loss of revenue due to reduced draught capacity at the Port of Aktau as a result of the Caspian Sea level decline.	Decline in service quality provided by Passenger Transportation JSC, customer shift towards road transport; Delays in the implementation of investment projects; Increased costs and liquidity gaps when projects are financed from the Company's own funds.
Mitigation Measures	Implementation of the "Dredging of Water Area of Aktau International Sea Commercial Port" project.	Conducting joint procedures with the Ministry of Transport of the Republic of Kazakhstan to obtain subsidies.

RISK CULTURE

A strong risk culture is the foundation for effective risk management. It encompasses the beliefs, understanding, and knowledge of risk management that are shared and applied by all officers and employees in the performance of their duties.

The Company's risk culture is an integral part of its corporate culture and plays a key role in the processes of identifying, assessing, and managing risks – from strategy development through to implementation and performance monitoring.

The Company's risk culture is based on four core principles:

Tone at the Top: The Board of Directors, Management Board, and Executive Management set the tone at the top and, when making decisions, strive to strike an optimal balance between long-term value creation, profitability, and the risks associated with both action and inaction. Management encourages risk-aware behaviour among employees. Each item on the agenda of the Company's governing bodies must be accompanied by a risk analysis and alignment with the established risk appetite.

Risk assessment is a key stage in submitting matters for review by the Management Board and the Board of Directors. For every item, the initiators provide a detailed outline of the associated risks in the supporting materials (explanatory notes), covering the potential implications of both approving and rejecting the proposed decisions.

Before implementing major investment projects, the Company conducts thorough risk analysis, including assessment of impacts and potential consequences. If significant risks are identified, appropriate mitigation measures are developed – including, where necessary, the decision to abandon a project in accordance with the precautionary principle.

The Chief Risk Officer (CRO) organises and coordinates the Company's risk management and internal control system and, where necessary, arranges training sessions and workshops for members of the Board of Directors and the Management Board.

Corporate Governance: The Company's activities aim to foster a control environment in which employees understand that the Risk Management Policy and all internal documents are mandatory for compliance. All officers and employees have a clear understanding of their responsibilities and authorities in risk management and internal control. Risk owners, within their area of responsibility, are expected to understand the risks, manage them appropriately, and provide timely and accurate reporting in accordance with internal regulations.

Decision-Making: The internal environment is characterised by open communication and transparency of risk information, enabling open and constructive dialogue about related risks and potential opportunities between employees and management. This fosters joint decision-making in response to external challenges.

The Company's remuneration system at all levels uses both financial and non-financial incentives to promote sound risk management behaviours in decision-making. The incentive system is based on the identification and effective management of significant risks, the implementation of new technologies, and the introduction of efficient risk management practices.

Competence: The Risk Department supports the continuous development of risk culture, including through onboarding programmes for new employees, which include testing and feedback. The Risk Department ensures the ongoing training and information sharing for the Company's risk coordinators. Risk management and internal control documents are also provided as part of the onboarding process for members of the Board of Directors, the Management Board, and other key personnel.

The Risk Department regularly conducts surveys and analyses the results to assess the influence of the risk culture on business processes. Where necessary, anonymous surveys on risk culture are carried out among employees, with results submitted to the Board of Directors and the Management Board for action.

In 2025, a survey was conducted among employees and management to assess the Company's level of risk culture. The results were analysed and presented to the Board of Directors. The survey enabled the identification of weaknesses in risk management and informed the development of targeted risk culture improvement initiatives, such as training for managers and staff, collaborative risk identification during training sessions, and methodology updates.

Plans for the Development of the Risk Management System in 2026:

- Further development of the risk culture;
- Updating of internal regulations on risk management;
- Development of an automated risk management system;
- Training for risk coordinators and risk managers.

SUSTAINABILITY RISKS

The Company's Risk Management and Internal Control Policy was amended to include ESG risks.

In accordance with the Policy, throughout its implementation the Company pays particular attention to environmental, social and governance (ESG) risks.

The Company's ESG risk management framework comprises the following components:

- Adoption of corporate governance practices essential for effective risk management and internal control (RM & IC);
- Understanding the Company's business context and strategy;
- Identification of ESG risks;
- Assessment and ranking of ESG risks;
- Response to ESG risks;
- Review and reassessment of ESG risks;
- Communication and reporting on ESG risks.

The element "Adoption of corporate governance practices essential for effective risk management and internal control (RM & IC)" is based on the principles of the Board of Directors exercising oversight of risk management, creating operational structures, defining the desired culture, demonstrating commitment to core values, and attracting, developing and retaining qualified personnel. ESG risk management is integrated into the Company's overall RM & IC process.

The Company pays particular attention to ESG risks within the framework of the assessment of projects and programmes (planning, review, implementation, financing, etc.) as one of the key criteria.

ESG RISKS AND MITIGATION MEASURES

Risk Name	Mitigation Measures
	HR RISKS
Violations of the Labour Code of the Republic of Kazakhstan	Delivery of training programmes for HR staff. Centralisation of HR record-keeping through the Multifunctional Service Centre (MSC), Branch of KTZ NC JSC.
Corruption during recruitment	Full centralisation of recruitment and selection through the MSC. Establishment of accountability of senior executives for corruption offences committed by their subordinates. Active public communication in the media and social networks on recruitment procedures. Candidate questionnaires with a focus on transparency and the potential for corrupt practices during recruitment processes. Quarterly verification of newly hired employees' educational qualifications through direct requests to educational institutions. Regular anti-corruption workshops and other activities for personnel responsible for recruitment and hiring.
Employee dissatisfaction	CEmployee dissatisfaction – high likelihood of occurrence: ▪ Due to low wages **Mitigation measures:** Participation in the Commission for developing decisions on salary conditions and increases across the KTZ NC JSC Group for 2021–2025. Performance-based bonuses for track workers, team leaders, and conductors; industry competition awards. Implementation of a Corporate Motivation System for key production personnel to increase labour productivity. Creation of wage fund reserves to ensure payment of variable remuneration. ▪ Due to headcount optimisation **Mitigation measures:** Implementation of an early retirement programme. Centralised recruitment and internal redeployment of released personnel through natural attrition and a hiring freeze. Additional social support measures for personnel relocation (during rotation or regional transfers). Retraining and reskilling programmes for staff, including for professions in demand outside KTZ NC JSC, in collaboration with employment centres. Compensation mechanisms for employees made redundant before qualifying for early retirement. Expansion of the service areas covered by the Shared Services Centre. Implementation of outstaffing within the perimeter of KTZ NC JSC. Maximum retention and redeployment of released personnel. ▪ Due to poor working conditions and abuse of authority by local management: Mitigation measures: Implementation of the "Favourable Working Conditions" programme, including: ▪ Improvement of sanitary and welfare conditions and provision of household appliances, particularly for outdoor workers; ▪ Timely provision of office supplies; ▪ Enhancement of sanatorium and health resort treatment services; ▪ Introduction of mechanisms for additional compensation in case of occupational accidents. Certification and subsequent rotation of line managers. Communication campaigns to eliminate extortion from employees.

Risk Name	Mitigation Measures
	Environmental and Climate Risk
Caspian Sea Level Decline Risk	Dredging operations. Depth sounding (bathymetry).
Risks associated with changes in physical climate parameters	Emission reduction through: ▪ Annual activities aimed at protecting air, water and land resources; ▪ Environmental management system in place; ▪ Environmental impact monitoring.

INTERNAL CONTROL SYSTEM

The Internal Control System (ICS) is an integral part of the Corporate Risk Management System (CRMS). The ICS is based on the COSO model and comprises the following five interrelated components:
- control environment;
- risk assessment;
- control procedures;
- information and communication;
- monitoring.

The ICS is designed to provide reasonable assurance regarding the achievement of the Company's goals in three key areas:
- improving operational efficiency;
- preparation of complete and reliable financial statements;
- compliance with the laws of the Republic of Kazakhstan and the Company's internal regulations.

The ICS focuses on the analysis of business processes, timely identification and assessment of process-level risks inherent to the Company's operations, as well as the identification and evaluation of control procedures aimed at managing these risks.

In 2025, the Internal Audit Service of KTZ NC JSC conducted an assessment of the effectiveness of the Company's internal control system. Based on the assessment results, the Company's internal control system was assigned an "A" rating, which means that the internal control system of KTZ NC JSC complies in all material respects with the vast majority of the established criteria, all principles are present and functioning, all components operate jointly in an integrated manner, there are combinations of deficiencies compensated by controls related to other principles, and there is sufficient evidence that the system operates effectively.

In 2025, a business process ranking matrix and a calendar schedule for the development of flowcharts and risk and control matrices for the head office and branches of KTZ NC JSC were approved. Similar documents were adopted by the Company's subsidiaries and other branches.

To implement measures for the introduction and improvement of the ICS within the business processes of KTZ NC JSC as part of IPO preparations, a working group was established and a list of key areas of activity was identified.

As part of this work, information sessions, focus meetings to discuss processes, and training on the implementation of internal control system tools were conducted for business process owners, members of the working group, risk coordinators and other employees.

Flowcharts and risk and control matrices were developed for the processes of preparation and consolidation of financial statements, tax control, annual planning, provision of server platforms for the Company's structural divisions and subsidiaries, operation of technical facilities in 24x7x365 mode, planning of IT service needs, implementation of infrastructure projects, development of design solutions, preparation of cost estimate documentation, organisation of procurement of goods, works and services through open tender procedures, implementation of the investment programme for regulated main railway network services, major track repairs, etc.

Internal Control and Risk Management System for the Preparation of Consolidated Financial Statements

The internal control and risk management system for the preparation of separate and consolidated financial statements of KTZ NC JSC covers all levels of governance, internal processes, and operations carried out by the Company's branches, structural divisions, and subsidiaries.

Reliable and effective functioning of the internal control and risk management system in financial reporting requires engagement and ongoing interaction among employees and officers at all levels of KTZ NC JSC and its subsidiaries.

The internal control and risk management system for the preparation of separate and consolidated financial statements is characterised by the following key principles:

- Comprehensiveness: the system is operational at all levels of financial reporting processes, including branches and subsidiaries, and control procedures are executed across the reporting process;
- Continuity: consistent and proper operation of the internal control system during information preparation, ensuring the timely prevention and detection of deviations from objectivity;¬¬
- Responsibility: all ICS and risk management actors are accountable for the proper performance of control activities in accordance with their responsibilities defined in the Company's internal regulations;
- Accountability: the quality and timeliness of task and responsibility execution by each actor involved in the internal control and risk management system are monitored by the next higher level;
- Unified methodological framework: a single approach to the application of standards across all structural divisions, subsidiaries, and affiliates;
- Self-monitoring/preventive control: internal control systems should be capable of self-monitoring. Some systems operate automatically, while others require periodic checks. Controls should be designed to ensure preventive action rather than rely solely on inspection or audit;
- Ongoing development and improvement: internal control and risk management procedures should aim at continuous identification of deficiencies and improvement areas, along with the implementation of appropriate corrective actions.

Internal Control and Risk Management System in Relation to Consolidated Financial Reporting

To mitigate the risks of inaccuracy and untimeliness in financial reporting, control procedures are developed for business processes.

These procedures are documented and provide adequate risk coverage. Significant risks within business processes, along with the corresponding control procedures, are included in the Risk and Control Matrix.

INTERNAL AUDIT SERVICE

The Internal Audit Service is a division of KTZ NC JSC responsible for monitoring the financial and operational activities of the KTZ NC JSC Group. Its functions include assessing internal control, risk management, and compliance with corporate governance documents, as well as providing advisory services to improve the operations of the KTZ NC JSC Group.

The 2025 Annual Audit Plan of the Internal Audit Service included 17 audit engagements covering 21 audit objects, all of which were completed in full.

In 2025, the Internal Audit Service issued 387 recommendations, of which 215 recommendations, or 96.4%, were implemented by the audited entities (excluding 164 recommendations for which the implementation deadline had not yet occurred), while 8 recommendations remain in the implementation stage.

As part of the second line of defence within the Risk Management and Internal Control System, internal audits of the Company's management system are conducted for compliance with the requirements of international management system standards such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018.

In 2025, as a result of the internal audit conducted, 26 non-compliances with the requirements of international standards were identified and 23 recommendations were issued. In accordance with international standards, any non-compliance represents an opportunity for improvement. A root cause analysis was conducted for each non-compliance, and a corrective action plan was developed and implemented.

Plans for 2026

The 2026 Annual Audit Plan of the Internal Audit Service includes 17 audit engagements[50].

The priority areas of internal audit in 2026 are as follows:

- implementation of the Roadmap for ESG rating improvement;
- implementation of investment projects;
- efficiency of railcar fleet management;
- generation of revenues and costing of services provided in freight transportation operations;
- assessment of the effectiveness of the internal control system;
- implementation of IT projects;
- management of accounts receivable.

COMPLAINT SUBMISSION MECHANISMS

GRI 2-25, 2-26

The Company places great importance on open dialogue and engagement with all stakeholders. We have developed effective mechanisms for receiving and reviewing appeals, enabling us to identify and eliminate any adverse impacts of our activities in a timely manner.

Through these mechanisms, employees and other persons may seek advice on corporate ethics and/or report actual or suspected violations of corporate ethics, human rights, unequal hiring and labour conditions, theft, corruption offences committed by employees or officers of the Company, as well as threats to health, safety and the environment.

[50] Approved by the Board of Directors of KTZ NC JSC on 11 December 2025 (Minutes No. 17).

COMMUNICATION CHANNELS FOR APPEALS AND COMPLAINTS FROM COMPANY EMPLOYEES:

COMMUNICATION CHANNELS FOR APPEALS AND COMPLAINTS FROM OTHER STAKEHOLDERS:

CORPORATE OMBUDSMAN

The Company's Corporate Ombudsman is appointed by the Board of Directors. According to the Regulations on the Corporate Ombudsman of KTZ NC JSC, the Ombudsman's key functions include:

- facilitating the early prevention and resolution of conflicts between employees, groups of employees, suppliers, customers of the Company and its subsidiaries;
- upholding the principles and rules of the Code of Business Ethics across the Company and its subsidiaries;
- analysing internal regulations of the Company and its subsidiaries that address social and labour issues, and participating in their development and revision;
- advising parties involved in employment or social conflicts on matters related to dispute resolution;
- submitting reports to the Board of Directors and its Committees on activities, and on systemic and organisational issues requiring appropriate decisions;
- analysing submissions from employees, groups of employees, suppliers and customers with the aim of preventing labour and social conflicts;
- mediating between parties to labour disputes or conflicts to ensure effective communication and resolution;
- developing recommendations and measures to address systemic and organisational issues and enhance social stability within the Company and its subsidiaries;
- studying and implementing international best practices of corporate ombudsman institutions and related areas.

During the reporting period, the focus of activities was further strengthened towards preventive work, including early identification. Identified issues were addressed during site visits and working meetings.

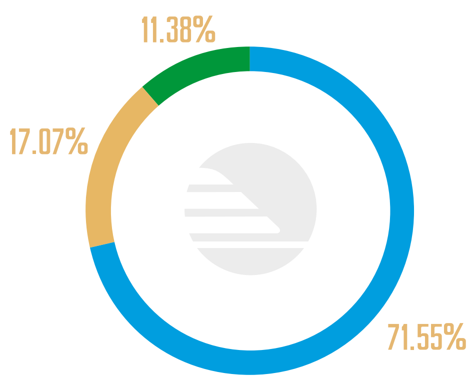
Based on the results of the activities of the Corporate Ombudsman Office for 2025:

- meetings were held with teams of 55 entities (8 in 2024);
- 20 minutes were prepared (9 in 2024);
- 6 analytical reports with recommendations were prepared (13 in 2024);
- 18 information letters and recommendations were sent to relevant divisions (15 in 2024).

During the reporting period, the Corporate Ombudsman Office received 123 appeals (248 in 2024) through various communication channels, including: 100 appeals through the hotline, the Nysana call centre and the eOtinish information system; 2 appeals submitted directly to the Ombudsman Office; and 21 oral appeals received by telephone and during personal appointments.

The resolution rate for reviewed appeals amounted to 97%.

Issues Submitted to the Corporate Ombudsman Office in 2025, %



In 2025, the Corporate Ombudsman Office continued its systematic efforts to ensure social stability, protect employees' labour rights and prevent labour disputes. Activities were carried out in accordance with the Regulation on the Corporate Ombudsman, with an emphasis on a preventive approach, open dialogue and practical resolution of social issues.

Throughout the year, visits were conducted to all regions of Kazakhstan, and meetings were held with teams of 55 entities of KTZ NC JSC, including branches, subsidiaries, key stations and production divisions.

Working meetings were held in the Akmola, Pavlodar, Karaganda, Almaty, Kostanay, Aktobe, Atyrau, Mangystau, Kyzylorda, Zhambyl and Turkestan regions, in the cities of Shymkent and Turkestan, as well as at strategically important railway stations.

During the meetings, issues related to remuneration and incentive payments, working conditions and provision of workwear and personal protective equipment, disciplinary practices, quality of medical services, social guarantees, living conditions, compensation for damage caused in the performance of labour duties, and other issues were discussed.

Some of the issues were resolved directly during the meetings, while for the remaining issues, minutes and reports containing recommendations were prepared for the relevant divisions of the Company and its subsidiaries.

CONFLICT OF INTEREST MANAGEMENT

GRI 2-15

KTZ NC JSC has implemented the Policy on Conflict of Interest Management of KTZ NC JSC and its Subsidiaries, approved by the Board of Directors on 6 May 2020 (Minutes No. 7).

This Policy is based on the requirements of laws and the Company's internal documents on ethics and compliance and covers the following aspects:

- key principles of conflict of interest management;
- mechanisms for timely and comprehensive identification of conflicts of interest;
- procedures and potential measures for conflict of interest management;
- liability of officers and employees for failure to fulfil obligations related to the prevention of conflicts of interest.

One conflict of interest case was identified in a subsidiary of the Company.

The Chairman of the Management Board of KTZ Passenger Locomotives LLP and his brother (Manager of the Functional Area for Legal Support) worked together. The conflict of interest was resolved through termination of the employment agreement with the Manager of the Functional Area for Legal Support by mutual agreement of the parties effective from 17 November 2025.

In accordance with the Rules for Recruitment and Transfer to Certain Positions in KTZ NC JSC and its Subsidiaries, approved by Order No. 969-TsZ dated 18 December 2024, candidates for vacant positions related to the performance of organisational, administrative and administrative-economic functions are subject to mandatory screening for the presence or absence of affiliation and actual/potential conflicts of interest.

In 2025, the Service conducted comprehensive integrity and potential conflict of interest due diligence checks across the KTZ NC JSC group of companies in respect of 651 candidates for positions equivalent to persons authorised to perform state functions. Out of 651 candidates, 5 candidates were rejected, various compliance risks were identified in respect of 480 candidates, while no compliance risks were identified in respect of 169 candidates.

BUSINESS CONDUCT

The Company has adopted the KTZ NC JSC Policy on Ensuring Transparency and Integrity in Lobbying Practices, aimed at preventing corruption, conflicts of interest, and unethical practices related to decision-making influence, as well as promoting openness and ethical conduct in advancing the interests of KTZ NC JSC.

The key principles defined by KTZ NC JSC in this area are: legality, integrity, ethics, transparency, honesty, and openness.

INFORMATION SECURITY AND DATA PROTECTION

KTZ NC JSC places a strong emphasis on information security (IS), as well as on the reliability and efficiency of its information systems and production processes. The Company's Information Security Management System (ISMS) is certified in accordance with ISO 27001:2022.

The process of improving the ISMS is ongoing, involving the adoption of the latest tools and methods to counter information security threats.

The Chairman of the Management Board of KTZ NC JSC exercises oversight over information security, reliability, and the effective functioning of information systems and production processes. The Chairman is supported by the Information Security Service, whose main objective is to strengthen protection of the Company and its subsidiaries from potential damage.

Continuous training of KTZ NC JSC employees is aimed at integrating cybersecurity awareness into the railway industry culture. In the reporting year, the following key measures were implemented to ensure an adequate level of cybersecurity within the Company:

- new information security protection tools and best practices in cybersecurity were introduced;
- pilot projects were successfully completed for the protection of mobile devices and the security of networks used in the Automated Process Control System;
- a Privileged Access Management (PAM) system was implemented;
- through the IS awareness portal, employees of KTZ NC JSC regularly undergo training under the "Confidential Information Security" course, including testing followed by certification;
- priority measures were implemented in accordance with the approved 2023–2026 Information Security Strategy Roadmap of KTZ NC JSC;
- a number of internal documents regulating information security procedures were developed and updated for all employees;
- external experts conducted penetration testing of the Company's information systems as part of the ISMS;
- phishing cyber exercises were conducted for Company employees;
- under the Rules for Ensuring Business Continuity of Assets Related to Information Processing Facilities across the KTZ NC JSC Group, approved by Order No. 988-TsZ dated 12 December 2022, testing of business continuity and restoration of operability of assets related to information processing facilities across the KTZ NC JSC Group was conducted twice (in July and December);
- a rapid response system was established for IT service failures and cybersecurity incidents.
- a licence was obtained for activities related to the provision of services for identifying technical channels of information leakage and special technical devices intended for operational investigative activities (Operational Information Security Centre (OISC)).

To maintain the operability of information systems used by users in the event of various emergency situations, the Company has implemented an Instruction on User Response Procedures for IS Incidents (approved by Order No. 5-TsZ dated 10 January 2022), which describes escalation procedures in cases where an employee detects suspicious activity.

The Company has also developed the Information Security Policy, approved by Decision No. 02/10 of the Management Board dated 17 April 2023, and the Data Protection Policy, approved by Order No. 758-TsZ dated 4 October 2024.

GRI 418-1

During 2025, the Company neither identified nor received substantiated complaints from customers, external parties or regulatory authorities regarding data confidentiality breaches, nor did it record incidents related to information leaks.

The Board of Directors of KTZ NC JSC exercises overall governance and oversight of the Company's information and cybersecurity management system, determines strategic priorities and approves key policies. Its responsibilities include oversight of the effectiveness of the Information Security Management System (ISMS), as well as consideration of key cyber risks and measures for their mitigation. As part of oversight of the risk management and internal control system, the Audit Committee of the Board of Directors supervises the implementation of the Information Security Strategy, while information and cybersecurity matters are reviewed on a regular basis.

The Management Board of KTZ NC JSC ensures the implementation of the approved strategy and policies in the field of information and cybersecurity, the implementation and development of the ISMS, as well as the organisation of incident management processes. The Management Board takes measures to prevent, detect and respond to cyber threats, ensuring the resilience of the Company's information systems and services, as well as regular reporting to the Board of Directors on the security status, incidents and progress of key initiatives.

Members of the Board of Directors and the Management Board possess the necessary competencies and experience in management, information technology and risk management. The Company implements measures aimed at enhancing their qualifications.

Information Security Development Plans for 2026

In 2026, KTZ NC JSC will continue monitoring compliance with information security requirements across all existing and developing IT systems, as well as implementing measures to enhance cybersecurity, IS awareness and protection of confidential information.

For the purpose of continuous improvement of information security management processes, the Company will focus on:

- enhancing and scaling the processes of the integrated information security management system in accordance with the 2023–2026 Information Security Strategy of KTZ NC JSC;
- completing compliance testing of critical information and communication infrastructure facilities of KTZ NC JSC against IS requirements;
- establishing an internal operational information security centre (OISC);
- conducting training and knowledge testing of Company employees on IS awareness;
- organising cybersecurity drills, including phishing simulations;
- transitioning to the new ISO 27001:2022 international standard;
- developing a centralised model for providing OISC services to the Company's subsidiaries with the establishment of a unified perimeter for information security incident monitoring, response and management;
- development of competencies and expert support for subsidiaries on IS matters, including methodological support, training and consulting within the framework of OISC activities;
- continuation of cooperation with State Technical Service JSC and the Information Security Committee of the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan on IS matters.

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ

05

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

GRI 2-3

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

For the year ended 31 December 2025

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

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

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

Management is also responsible for:

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

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

On behalf of management of the Group:

____________	*Dair Kusherov*	Finance Director
____________	*Yelena Stankova*	Chief Accountant

13 March 2026

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Independent auditor's report

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

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

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

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

Other matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young LLP

Adil Syzdykov
Auditor

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

Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

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Al-Farabi ave., 77/7, Esentai Tower

13 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

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

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

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

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

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

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

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

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

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

On behalf of management of the Group:

Dair Kusherov Finance Director

Yelena Stankova Chief Accountant

13 March 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

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

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

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

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

Operating environment

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

Operating environment (continued)

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

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

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

2. BASIS OF PREPARATION

Statement of compliance

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

Going concern

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Basis for measurement

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

Basis of consolidation

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

Functional and presentation currency

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

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

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

The following table presents foreign currency exchange rates to tenge:

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Adoption of new and revised standards

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Adoption of new and revised standards (continued)

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

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

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

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

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

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

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

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

Material accounting policy information

Property, plant, and equipment

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

Subsequent costs

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

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

Construction in progress

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

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

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

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

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

Lease contracts

The Group as lessee

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Lease contracts (continued)

The Group as lessee (continued)

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

The Group as lessor

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

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

Inventories

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

Financial instruments

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

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

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

Wherein:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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

Derivative financial instruments

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

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

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

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

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

Hedge accounting

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

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

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

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

Cash flows hedging

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Hedge accounting (continued)

Cash flows hedging (continued)

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

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

Hedge accounting is discontinued when:

a) The Group revokes the hedging relationship;

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

c) it no longer qualifies for hedge accounting.

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

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

Equity

Share capital

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

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

Other contributions

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

Government grants

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

Government grants that compensate for expenses incurred

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Government grants (continued)

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

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

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

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

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

Revenue

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

Revenue from freight transportation services

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue (continued)

Revenue from passenger transportation services

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

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

Other revenue

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

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

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

Sale and lease back transactions

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

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

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

Climate-related matters

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Climate-related matters (continued)

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

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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 consolidated financial statements.

Control assessment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Critical judgements in applying accounting policies (continued)

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

Loans at a rate below the market interest rate

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

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

Identifying the cash-generating units

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Critical judgements in applying accounting policies (continued)

Identifying the cash-generating units (continued)

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

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

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

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

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

Assessment of impairment indicators of property, plant and equipment

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

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

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

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

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

Accounting for finance agreements with Industrial Development Fund JSC

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Critical judgements in applying accounting policies (continued)

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

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

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

Key sources of estimation uncertainty

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Key sources of estimation uncertainty (continued)

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

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

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

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

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

Recoverability of VAT

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Key sources of estimation uncertainty (continued)

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

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

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

Taxation

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

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

5. SEGMENT INFORMATION

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SEGMENT INFORMATION (continued)

Geographical information of the Group

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATED ORGANIZATIONS AND JOINT VENTURES

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATED ORGANIZATIONS AND JOINT VENTURES

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN ASSOCIATED ORGANIZATIONS AND JOINT VENTURES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER NON-CURRENT ASSETS

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

10. INVENTORIES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. TRADE ACCOUNTS RECEIVABLE

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

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

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

12. OTHER CURRENT ASSETS

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. EQUITY

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

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

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

Share issuance

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

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

Other contributions

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

Hedging reserve

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

Strategy 1 (effective from 1 October 2024)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. EQUITY (continued)

Hedging reserve (continued)

Strategy 2 (effective from 21 November 2024)

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

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

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

14. BORROWINGS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

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

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

Loans received

Shareholder

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

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

Societe Generale and Natixis

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Loans received (continued)

Citibank

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

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

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

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

Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC

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

The Export-Import Bank of China and China Development Bank

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

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

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

Citibank Kazakhstan JSC

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Loans received (continued)

Citibank Kazakhstan JSC (continued)

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

ForteBank JSC

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

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

Halyk Bank JSC

In 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, drew down borrowings in the total amount of 160.000 million tenge with an interest rate of 16,75% to 19,50% and a maturity of up to one year. The Group has made partial early repayment of loans received in the total amount of 158.000 million tenge.

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

Freedom Bank Kazakhstan JSC

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

Eurasian Development Bank (EDB)

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

European Bank for Reconstruction and Development (EBRD)

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

Early repayment of non-current borrowings

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Early repayment of non-current borrowings (continued)

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

Issued debt securities

As at 31 December, debt securities issued included:

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Issued debt securities (continued)

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

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

State subsidy of the interest rate

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

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

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

Credit agreements and breaches of credit agreements

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

Credit agreements and breaches of credit agreements (continued)

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. BORROWINGS (continued)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. LEASE LIABILITIES

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

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

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

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

Lease agreements with Industrial Development Fund JSC

Flat carriages

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

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

Passenger carriages

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. LEASE LIABILITIES (continued)

Lease agreements with Industrial Development Fund JSC (continued)

Freight open wagons

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

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

The terms and conditions of lease agreements

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

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

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

16. EMPLOYEE BENEFIT OBLIGATIONS

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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

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

Post-employment benefit obligations:

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

Other long-term employee benefits:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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

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

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

17. CORPORATE INCOME TAX

Income tax expenses for the years ended 31 December included:

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. CORPORATE INCOME TAX (continued)

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

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

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

18. TRADE ACCOUNTS PAYABLE

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

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

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

19. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS (continued)

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

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

20. OTHER LIABILITIES

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

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

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

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

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

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

21. REVENUE

In 2025 and 2024, revenue from freight transportation included:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. REVENUE (continued)

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

Revenue from freight transportation is recognised over time.

In 2025 and 2024, revenue from passenger transportation included:

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

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

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

22. OTHER REVENUE

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. COST OF SALES

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

24. GENERAL AND ADMINISTRATIVE EXPENSES

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

25. FINANCE INCOME AND COSTS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. FINANCE INCOME AND COSTS (continued)

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

26. BOOK VALUE AND EARNINGS PER SHARE

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

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

Earnings per share

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

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

27. FINANCIAL AND CONTINGENT LIABILITIES

Capital commitments

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

Other contract liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. FINANCIAL AND CONTINGENT LIABILITIES (continued)

Other contract liabilities (continued)

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

Contingent liabilities

Litigations

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

Contingent liabilities related to the Kazakhstan tax system

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

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

Insurance

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

Environmental protection

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. FINANCIAL AND CONTINGENT LIABILITIES (continued)

Contingent liabilities (continued)

Guarantees

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

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

Note 20 discloses the carrying value of these guarantees.

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

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

28. SUBSIDIARIES

Information on the composition of the Group is provided below:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS (continued)

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY TRANSACTIONS (continued)

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

Compensation of key management personnel of the Group

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

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

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

Capital risk management

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

The Group's overall strategy remains unchanged from 2024.

There are no obligatory minimum equity requirements for the Group.

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

Financial risk management objectives

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

Market risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Interest rate risk

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

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

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

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

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

Currency risk

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

Foreign currency risk management strategies

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Currency risk (continued)

Foreign currency risk management strategies (continued)

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

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

Cross-currency swaps and borrowings

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

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

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

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

Financial results on derivative instruments

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

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

Hedge effectiveness assessment

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Currency risk (continued)

Hedge effectiveness assessment (continued)

Sources of hedge ineffectiveness may include:

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Currency risk (continued)

Hedge effectiveness assessment (continued)

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

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

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

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

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

Credit risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Credit risk (continued)

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

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

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

Liquidity risk

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Liquidity risk (continued)

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

Fair value of financial instruments

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

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

Cash and cash equivalents

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

Financial assets and liabilities

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

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

Derivative financial instruments

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

Borrowings

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Fair value hierarchy

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Fair value hierarchy (continued)

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

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

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

31. EVENTS AFTER THE REPORTING DATE

Loans obtained

Societe Generale and Natixis

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

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

China Development Bank, Exim Bank of China

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. EVENTS AFTER THE REPORTING DATE (continued)

Loans obtained (continued)

Citibank Kazakhstan JSC

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

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

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

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

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

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

Shareholder

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

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

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

ADDITIONAL INFORMATION

GRI 2-3

ABOUT THE REPORT

The Integrated Annual Report of KTZ NC JSC for 2025 is a single document consolidating the Company's financial and non-financial performance results, including disclosure of information in the field of sustainable development.

The Report covers the activities of all subsidiaries and has been prepared in accordance with the international standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), taking into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) operating under the Financial Stability Board.

The GRI and SASB standards permit the use of different, yet acceptable, approaches to measurement and disclosure. The application of such approaches may result in significantly different disclosure outcomes, which in turn may affect the comparability of information with data disclosed by other organisations. Therefore, sustainability-related information should be considered in conjunction with the methodology applied by management and described in this Report.

The Report reflects the Company's performance for the period from 1 January to 31 December 2025.

To ensure transparency and enable analysis of trends, key indicators are presented in comparison with data from previous periods and, for certain indicators, include forecast values.

The application of an integrated approach to information disclosure enables stakeholders to obtain an objective and comprehensive understanding of the Company's activities, including its economic, environmental and social impacts.

GRI 2-4

Reports for previous periods are available on the Company's website (https://railways.kz/ru/investoram/godovye-otchety/)

The previous report for 2024 was approved on 30 May 2025 and published on the website.

This Report was approved by the decision of the Board of Directors of KTZ NC JSC dated 11th June 2026.

Compared with the Company's Integrated Annual Report for 2024, this Report includes changes in respect of certain indicators, with detailed explanations of such changes provided throughout the text of the Report.

REPORTING SCOPE

GRI 2-3, 2-2

The reporting scope corresponds to the financial year ended 31 December 2025. Below is the list of entities included in the consolidated financial statements of KTZ NC JSC:

Passenger transportation JSC,
Vagonservice JSC, Kedentransservice JSC,
TRANSPORT HOLDING OF KAZAKHSTAN LLP,
KTZ Express JSC, KTZ EXPRESS SHIPPING LLP,
the Company Xinjiang KTZ International Logistics Co. Ltd (China), KTZ Express Hong Kong LLC (China),
KTZE – Khorgos Gateway LLP, KTZ Air Cargo JSC,
Kaztemirtrans JSC,
Kazakhstan Temir Zholy Finance B.V. Limited Liability Company (Kingdom of the Netherlands),
Kazakhstan Carriage Building Company LLP,
Tulpar Carriage Building Plant LLP,
Temirzholsu JSC, Temirzholsu-Aktobe LLP,
Temirzholsu-Mangistau LLP,
Temirzholsu-Kzyl-Orda LLP,
Temirzholsu-Kokshetau LLP,
Temirzholsu-Karaganda LLP,
Temirzholsu-Pavlodar LLP,
Temirzholsu-Almaty LLP,
Temirzholsu-Arys LLP,
Temirzholsu-Kostanay LLP,
Temirzholsu-Ayagoz LLP,
KTZ LLP-Freight Transportation,
KTZ-Passenger Locomotives LLP,
Paramilitary Railway Security LLP,
Port Kuryk LLP, National Company Aktau International Commercial Sea Port JSC, the following associated organizations and joint ventures are also included in the equity method:

China-Kazakhstan (Xi'an) Trade and Logistics Company LLC, Private Kazakh-Chinese trade and logistics company (Almaty) Ltd,
China-Kazakhstan International Logistics Company Lianyungang LLC (PRC), Aktau Sea Northern Terminal LLP, KIF Warehouses LLP,
Private Company KPMC Ltd.,
SiArKey Terminal LLC,
Private Company Gulflink Ltd.,
Aktau International Container Hub LLP,
Dosjan temir joly JSC, United Transport and Logistics Company-Eurasian Railway Alliance JSC, Middle Corridor Multimodal Ltd. Private Company,
Transtelecom. Other financial assets: JV YuXinOu (Chongqing) Logistics Co. Ltd (China), ALT University named after Mukhamedzhan Tynyshpayev JSC.

KTZ NC JSC continues to improve its sustainability reporting system. During the reporting year, full alignment of the non-financial disclosure perimeter with the boundaries of the financial statements was achieved, except for water-related indicators, the perimeter of which included only
Temirzholsu JSC,
Temirzholsu-Aktobe LLP,
Temirzholsu-Mangystau LLP,
Temirzholsu-Kyzylorda LLP,
Temirzholsu-Kokshetau LLP,
Temirzholsu-Karaganda LLP,
Temirzholsu-Pavlodar LLP,
Temirzholsu-Almaty LLP,
Temirzholsu-Arys LLP,
Temirzholsu-Kostanay LLP and
Temirzholsu-Ayagoz LLP.

MATERIAL TOPICS AND THEIR DEFINITION

GRI 2-14, 3-1, 3-2

As part of the preparation of the Integrated Annual Report, the Company annually implements a procedure for determining material topics covering environmental, economic and social aspects of its activities.

The process of determining material topics for 2025 was carried out in accordance with the approaches of the GRI 2021 Standards and taking into account the principle of double materiality, which provides for assessment both of the impact of the Company's activities on the economy, environment and society (impact materiality), and of the influence of sustainability factors on the Company's financial position and operational performance (financial materiality).

The methodology included the stages of identification, assessment and prioritisation of topics. As part of the first stage, a list of 38 potentially relevant topics was developed, including 30 topics provided for by the GRI Standards, as well as 8 additional topics identified taking into account the industry specifics and characteristics of the Company's activities.

At the assessment stage, a group of key stakeholders was identified, including employees of KTZ NC JSC, representatives of the Samruk-Kazyna Group, trade unions, as well as customers and suppliers. To collect their opinions, a survey was conducted using digital tools, the results of which formed the basis for the quantitative assessment of the materiality of topics.

The results of the assessment and prioritisation of topics are presented in the form of a double materiality matrix (see the figure "Double Materiality Matrix"). The horizontal axis of the matrix reflects the degree of materiality of topics for stakeholders, while the vertical axis reflects the level of impact of the Company's activities on the economy, environment and society, as well as the potential impact on financial sustainability.

Topics located in the upper right section of the matrix are characterised by the highest degree of materiality both for the Company and for stakeholders and have been identified as priorities for disclosure in this Report. Topics with a medium degree of materiality are presented in the central part of the matrix and are disclosed taking into account their relevance, while topics with a low level of materiality located in the lower left section are not included in the priority disclosure perimeter.

Double Materiality Matrix for 2025

Full Register of Material Topics and Relevant GRI Standards

Economic Indicators

1. Economic Performance (201)	2. Market Presence (202)	3. Indirect Economic Impacts (203)
4. Procurement Practices (204)	5. Anti-Corruption (205)	6. Anti-Competitive Behaviour (206)

Environmental Indicators

7. Materials (301)	8. Energy (302)	9. Water and Effluents (303)
10. Biodiversity (304)	11. Emissions (305)	12. Waste (306)
13. Supplier Environmental Assessment		

Social Indicators

14. Employment (401)	15. Labour/Management Relations (402)	16. Occupational Health and Safety (403)
17. Training and Education (404)	18. Diversity and Equal Opportunity (405)	19. Non-Discrimination (406)
20. Freedom of Association and Collective Bargaining (407)	21. Child Labour (408)	22. Forced or Compulsory Labour (409)
23. Security Practices (410)	24. Rights of Indigenous Peoples (411)	25. Local Communities (413)
26. Supplier Social Assessment (414)	27. Public Policy (415)	28. Customer Health and Safety (416)
29. Marketing and Labelling (417)	30. Customer Privacy (418)	

Additional Topics

31. Train Traffic Safety	32. Enhancement of Customer	33. Information Security
34. Climate Governance	35. Human Rights	36. Employee Wellbeing Trend
37. Prevention of Anti-Competitive Practices	38. Lobbying Activities	

In March 2026, the list of material topics was reviewed and approved by the Company's management (Order No. 174-TsZ dated 26 March 2026).

CHANGES IN MATERIALITY OF TOPICS

The results of the survey confirmed the relevance of the previously identified list: the same 14 topics as in the previous reporting period were recognised as material, which indicates the stability of priorities and the continuing interest of stakeholders in the key aspects of the Company's activities.

For each material topic, a detailed analysis was carried out taking into account the nature, scale and direction of the impact of the Company's activities, including both positive and negative effects in the economic, environmental and social spheres, as well as in the area of human rights.

	Topics 2024		Topics 2025
	Economic Topics		
201	Economic Performance	201	Economic Performance
204	Procurement Practices	204	Procurement Practices
205	Anti-Corruption	205	Anti-Corruption
	Environmental Topics		
302	Energy	302	Energy
305	Emissions	305	Emissions
306	Waste	306	Waste
	Social Topics		
401	Employment	401	Employment
402	Labour/Management Relations	402	Labour/Management Relations
403	Occupational Health and Safety	403	Occupational Health and Safety
404	Training and Education	404	Training and Education
406	Non-discrimination	406	Non-discrimination
	Additional Topics		
–	Railway Traffic Safety	–	Railway Traffic Safety
–	Improving Customer Satisfaction	–	Improving Customer Satisfaction
–	Employee Well-being Trends	–	Employee Well-being Trends

MATERIALITY ANALYSIS

The identification of key issues affecting the Company's sustainable development and long-term operational effectiveness is carried out using a comprehensive analytical approach.

The analysis is based on the assessment of a combination of quantitative and qualitative indicators characterising the economic, environmental and social aspects of the Company's activities. In particular, financial results, environmental impact data, including emissions and other environmental indicators, as well as social indicators reflecting the level of employee and customer satisfaction, are reviewed.

At the next stage, an assessment is conducted of the impact of the identified factors on the creation of the Company's long-term value, including an analysis of their impact on stakeholders. In addition, the results are integrated into the corporate risk management system, followed by the prioritisation of the most significant impacts and risks.

The final selection of material topics is carried out using the principle of double materiality, which provides for consideration both of the impact of sustainability factors on the Company's financial performance and resilience, and of the scale of the Company's impact on the economy, the environment and society.

The materiality analysis procedure is conducted on a regular annual basis.

As part of its operations, the Company exerts multidirectional impacts. On the one hand, freight and passenger transportation contributes to the development of the economy and trade relations, while the implementation of infrastructure projects, including the construction and modernisation of railway tracks, ensures job creation and stimulates economic growth. On the other hand, the Company's operations are associated with environmental impacts, including pollutant emissions, noise impact and other environmental factors.

The systematic assessment of the above impacts enables the Company to identify both positive and negative effects, thereby forming the basis for managerial decision-making. The results of the analysis are reviewed at the level of the Board of Directors Committee, following which measures aimed at improving operational efficiency, reducing negative impacts and strengthening the long-term sustainability of the business are determined.

To ensure sustainable development and increase the Company's long-term value, the key strategic development priorities include:

Ensuring financial sustainability – maintaining stable financial performance, a sufficient level of liquidity and a balanced capital structure as the basis for investment attractiveness and long-term growth;

Enhancing operational performance – development of competitive services, optimisation of processes and implementation of innovative solutions contributing to the strengthening of market positions;

Increasing customer satisfaction – development of customer-oriented services, strengthening trust and loyalty, and ensuring sustainable demand for the Company's services;

Ensuring transportation process safety – implementation of modern risk management and safety control systems in order to minimise accidents and ensure the protection of passengers and cargo;

Advancing sustainable development – compliance with environmental standards, implementation of low-carbon development principles, development of human capital and maintenance of social stability.

Particular importance is attached to an effective corporate governance system ensuring transparency, accountability and the quality of decision-making. This factor is an integral element of the Company's sustainable development and contributes to enhancing its investment attractiveness and long-term value for all stakeholders.

Factors Having a Material Impact on Long-term Development and Value in 2025

Factors	Consequences	Activities and Targets for 2025
Ensuring financial stability	Revenue decline, deterioration of financial sustainability, increase in foreign exchange losses, reduction in liquidity	Improvement of tariff policy; continued reduction in the share of debt denominated in hard currency and restructuring of the loan portfolio
Improving the Company's efficiency	Risk of decline in freight turnover/passenger turnover and failure to achieve planned targets	Implementation of a comprehensive set of measures aimed at improving the efficiency and quality of the transportation process, including the development of containerisation and route networks (including alternative routes), enhancement of tariff policy, increase in train speeds and reduction of train delays, optimisation of rolling stock operations, as well as improvement of service quality for shippers and passengers
Improving customer satisfaction	Deterioration of reputation, decline in revenue	Assessment of the level of customer satisfaction and implementation of measures aimed at its improvement
Ensuring railway safety	Risks associated with threats to the life and health of employees, financial losses and reputational consequences for the Company	Implementation of a comprehensive set of measures to ensure occupational safety, including monitoring compliance with requirements, training in safe working methods and behavioural practices, implementation of automated safety management systems, as well as ensuring equipment reliability through timely maintenance and repair and prevention of operation of faulty machinery and mechanisms
Implementing ESG principles	HR, environmental and climate risks, including violations of labour legislation, corruption in recruitment, social tensions, as well as changes in climatic conditions (including the decline in the level of the Caspian Sea), may lead to staff outflow, reduced revenue and deterioration of the Company's reputation	Implementation of a comprehensive set of measures aimed at increasing social stability and improving personnel management efficiency (including the corporate motivation system, early retirement programmes and recruitment optimisation), as well as environmental sustainability and reduction of environmental impact (including dredging operations, depth measurements and reduction of emissions and carbon footprint)

Indicators of the Company's Impact on External Stakeholders in 2025

Activity	Shareholder	Customers	Population	Government Authorities	Suppliers and Contractors
Freight Transportation	Net profit- KZT 343.6 billion	Freight turnover – 288.8 billion t-km Freight transported – 319.9 million tonnes Transit in containers – 1,380.0 thousand TEUs			Procurement – KZT 1,183 billion
Passenger Transportation		Passenger turnover – 11.4 billion passenger-km Passengers transported – 13,269 thousand passengers			
		Customer satisfaction level -87.83%		Tax payments – KZT 279,383.9 million	
		Traffic safety level – 0.60 incidents per million train-km			
Railway Track Construction		Section speed – 37.83 km/h Share of in-country value: in goods – 63%, in works and services – 96%			
		Greenhouse gas emissions, CO_2-eq (Scope 1 and Scope 2) – 5,236 thousand tonnes of CO_2-eq			

– Positive impact

– Negative impact

KEY ESG PERFORMANCE INDICATORS

ECONOMIC INDICATORS

Table 57. Procurement by KTZ NC JSC, 2022-2025, by Region, KZT million

GRI 204-1

	2022	2023	2024	2025
Total, KZT million	**736,153**	**1,090,503**	**942,407**	**1,182,769**
Republic of Kazakhstan	730,401	940,916	937,916	**1,181,136**
Astana	541,118	718,789	695,312	**864,032**
Almaty	40,177	51,193	69,591	**74,627**
Shymkent	17,309	15,807	11,255	**14,016**
Akmola Region	58,560	11,869	15,843	**19,787**
Aktobe Region	5,183	7,571	10,107	**13,440**
Almaty Region	7,282	4,572	8,567	**10,522**
Atyrau Region	2,351	1,983	25,503	**10,507**
East Kazakhstan Region	3,956	2,492	1,981	**10,696**
Zhambyl Region	9,223	8,830	6,880	**17,596**
West Kazakhstan Region	852	20,071	17,583	**11,556**
Karaganda Region	15,533	20,507	21,956	**24,121**
Kostanay Region	3,750	4,409	4,705	**36,407**
Kyzylorda Region	2,455	3,561	3,119	**7,250**
Mangystau Region	3,719	5,459	9,249	**5,732**
Pavlodar Region	12,709	12,372	21,980	**34,963**
North Kazakhstan Region	1,475	40,673	3,987	**2,025**
Turkestan Region	4,577	5,672	2,181	**7,423**
Abai Region	130	4,304	5,178	**9,332**
Zhetysu Region	34	718	2,871	**5,996**
Ulytau Region	8	62	69	**1,018**
Non-residents	5,752	149,587	4,491	**1,633**

Table 58. Informing Members of Governing bodies on Anti-Corruption Policy Issues in the Reporting Year

GRI 205-2

Total number of members of governing bodies	57 ✓
Total number of members of governing bodies informed on Company's anti-corruption policies and procedures	18 ✓
Percentage of members of governing bodies informed on Company's anti-corruption policies and procedures	32 ✓

Table 59. Informing Business Partners on Anti-Corruption Policy Issues in the Reporting Year

Total number of business partners	3,884 ✓
Total number of business partners informed on Company's anti-corruption policies and procedures	3,884 ✓
Percentage of business partners informed on Company's anti-corruption policies and procedures	100 ✓

Table 60. Informing Employees on Anti-Corruption Policy Issues in the Reporting Year

Total number of employees	118,506 ✓
Total number of employees informed on Company's anti-corruption policies and procedures	118,506 ✓
Percentage of employees informed on Company's anti-corruption policies and procedures	100 ✓

Table 61. Administrative and Managerial Staff Trained on Anti-Corruption Policies and Procedures in the Reporting Year by Region, persons

Region	Total number of administrative and managerial staff trained on Company's anti-corruption policies and procedures
Astana	2,218 ✓
Almaty	205 ✓
Shymkent	85 ✓
Pavlodar Region	134 ✓
Almaty Region	0 ✓
Kyzylorda Region	107 ✓
Aktobe Region	376 ✓
Atyrau Region	100 ✓
Mangystau Region	187 ✓
Akmola Region	411 ✓
East Kazakhstan Region	36 ✓
Zhambyl Region	143 ✓
West Kazakhstan Region	5 ✓
Karaganda Region	242 ✓
Kostanay Region	180 ✓
North Kazakhstan Region	0 ✓
Turkestan Region	0 ✓
Ulytau Region	0 ✓
Zhetysu Region	56 ✓
Abai Region	160 ✓
Outside the Republic of Kazakhstan	33 ✓
TOTAL	**4,688** ✓

Table 62. Operational Staff Trained on Anti-Corruption Policies and Procedures in the Reporting Year by Region, persons

Region	Total number of operational staff trained on Company's anti-corruption policies and procedures
Astana	9,253
Almaty	4,118
Shymkent	1,752
Pavlodar Region	3,658
Almaty Region	0
Kyzylorda Region	2,889
Aktobe Region	5,100
Atyrau Region	1,706
Mangystau Region	1,551
Akmola Region	4,988
East Kazakhstan Region	377
Zhambyl Region	3,884
West Kazakhstan Region	12
Karaganda Region	5,226
Kostanay Region	2,442
North Kazakhstan Region	0
Turkestan Region	0
Ulytau Region	76
Zhetysu Region	104
Abai Region	2,912
Outside the Republic of Kazakhstan	389
TOTAL	**50,437**

Table 63. Staff Trained on Anti-Corruption Policies and Procedures in the Reporting Year by Category, persons

	2024			2025		
Category	Total Number of Employees	Total Number of Employees Trained on Company's Anti-Corruption Policies and Procedures	Percentage of Employees Trained on Company's Anti-Corruption Policies and Procedures	Total Number of Employees	Total Number of Employees Trained on Company's Anti-Corruption Policies and Procedures	Percentage of Employees Trained on Company's Anti-Corruption Policies and Procedures
Administrative and managerial staff	7,017	2,780	39.6%	6,667	4,688	70.3%
Operational staff	110,664	54,320	49.1%	111,839	50,437	45.1%

ENVIRONMENTAL INDICATORS

Table 64. Water Withdrawal, 2024-2025, megalitres[51]

GRI 303-3

	2024		2025	
Total water withdrawal by source	from all regions	from water-stressed regions	from all regions	from water-stressed regions
Surface water	**824.51**	**302.12**	**20.65**	**8.23**
Fresh water	516.28	0	0	0
Other water	308.23	302.12	20.65	8.23
Groundwater	**3,672.26**	**824.96**	**4,110.05**	**1,637.61**
Fresh water	1,951.66	683.29	0	0
Other water	1,720.6	141.67	4110.05	1637.61
Water supplied by third parties	**756.26**	**141.67**	**0**	**0**
Fresh water	347.88	0	0	0
Other water	408.38	30.94	0	0
Total water withdrawal	**5,253.03**	**1,158.02**	**4130.705**	**1645.840**
Water supplied by third parties by source				
Groundwater	756.26	0	0	0

Table 65. Total Net Water Consumption, thousand m³

	2021	2022	2023	2024	2025
Water withdrawal, thousand m³	7,673.60	7,588.30	6,556.65	5,253.03	4,130.71
Water discharge, thousand m³	7,673.60	1,705.14	1,422.11	975.72	907.61
Total net water consumption, thousand m³	5,919.41	5,883.16	5,134.54	4,277.31	3,223.10

Table 66. Water Discharge, 2025, megalitres

GRI 303-4

	2024		2025	
Total water discharge by destination	from all regions	from water-stressed regions	from all regions	from water-stressed regions
Surface water	0	0	0	0
Groundwater	738.80	179.42	907.61	207.39
Third-party water (total)	236.92	0	0	0
Total water discharge by type	**975.72**	**179.42**	**907.61**	**207.39**
Fresh water	263.41	0	0	0
Other water	712.31	179.42	907.61	207.39

[51] Water consumption and discharge are recorded in accordance with internal regulations of KTZ NC JSC. Water consumption data are generated based on meter readings using a reporting method

Table 67. **Water Consumption, 2025, megalitres**

GRI 303-5

Water Consumption	2024 from all regions	2024 from water-stressed regions	2025 from all regions	2025 from water-stressed regions
Total water withdrawal	5,253.03	1,158.02	4,130.7	1,645.84
Total water discharge	975.72	179.42	907.61	207.39
Total water consumption	**4,277.31**	**978.60**	**3,223.10**	**1,438.45**

Table 68. **Waste Volumes, 2021-2025, tonnes**

	2021	2022	2023	2024	2025
Total recycled/reused waste	107.5	89.1	155.4	102.3	117.6
Total disposed waste	60,921	58,954.7	58,793.4	50,676.8	56,870.2

Table 69. **Fuel and Energy Consumption, 2022-2025**

	2022			2023			2024			2025		
Indicator	**Total**	**For operational and production (non-traction) needs**	**For traction needs (thermal and electric traction)**	**Total**	**For operational and production (non-traction) needs**	**For traction needs (thermal and electric traction)**	**Total**	**For operational and production (non-traction) needs**	**For traction needs (thermal and electric traction)**	**Total**	**For operational and production (non-traction) needs**	**For traction needs (thermal and electric traction)**
Electricity, thousand kWh	3,336,365.29	395,064.99	2,941,300.30	3,507,292.69	456,764.11	3,050,528.58	3,468,154.07	445,664.43	3,022,489.64	3,612,419.03	445,980.44	3,166,438.59
Diesel fuel, tonnes	621,162.22	35,055.88	586,106.34	635,990.17	37,058.86	598,931.32	648,029.44	34,612.87	613,416.57	680,256.75	34,412.30	645,844.45
Coal, tonnes	69,654.00	69,654.00	–	54,738.01	54,738.01	–	51,654.58	51,654.58	–	44,719.81	44,719.81	–
Fuel oil, tonnes	4,390.72	4,390.72	–	4,273.84	4,273.84	–	4,253.47	4,253.47	–	4,187.93	4,187.93	–
Natural gas, thousand m^3	6,664.18	6,664.18	–	6,464.49	6,464.49	–	6,916.17	6,916.17	–	6,677.76	6,677.76	–
Petrol, tonnes	6,593.74	6,593.74	–	7,354.42	7,354.42	–	7,434.35	7,434.35	–	7,691.52	7,691.52	–
Liquefied petroleum gas, tonnes	38.31	38.31	–	7.29	7.29	–	213.56	213.56	–	192.00	192.00	–
Total FER, thousand tonnes of oil equivalent (ktoe)	**1,378.40**	**166.76**	**1,211.63**	**1,412.23**	**168.6**	**1,243.7**	**1,423.6**	**162.3**	**1,261.2**	**1,483.7**	**157.8**	**1,325.9**
Total FER, thousand GJ	**41,185.74**	**5,687.54**	**35,498.20**	**41,599**	**5,149.00**	**36,436.50**	**41,928.3**	**5,013.2**	**36,951.2**	**43,660.8**	**4,848.1**	**38,847.6**

SOCIAL INDICATORS

Table 70. **Headcount by Category, 2022-2025, persons**

GRI 2-7, 202-2, 405-1
SASB TR-RA-000.E (1)

	2022	2023	2024	2025
Total, including:	**113,769**	**116,560**	**117,681**	**118,506**
Members of the Management Board	**50**	**52**	**53**	**57**
Women	**6**	**5**	**8**	**5**
aged under 30	0	0	0	0
aged 31-50	3	1	5	3
aged over 51	3	4	3	2
Men	**44**	**47**	**45**	**52**
aged under 30	0	0	1	0
aged 31-50	26	29	28	35
aged over 51	18	18	16	17
Administrative and managerial staff	**7,058**	**6,932**	**7,017**	**6,667**
Women	**4,101**	**4,034**	**4,079**	**3,874**
aged under 30	364	360	334	248
aged 31-50	2,746	2,730	2,797	2,716
aged over 51	991	944	948	910
Men	**2,957**	**2,898**	**2,938**	**2,793**
aged under 30	278	292	252	201
aged 31-50	1,929	1,883	2,008	1,963
aged over 51	750	723	678	629
Operational staff	**106,661**	**109,576**	**110,664**	**111,839**
Women	**22,243**	**22,044**	**21,977**	**21,896**
aged under 30	2,560	2,706	2,564	2,269
aged 31-50	12,636	12,475	12,472	12,710
aged over 51	7,047	6,863	6,941	6,917
Men	**84,418**	**87,532**	**88,687**	**89,943**
aged under 30	14,031	16,133	15,997	15,284
aged 31-50	46,524	48,657	50,755	52,837
aged over 51	23,863	22,742	21,935	21,822

In 2025, 98% of the Management Board members (56 persons) were recruited from the local community[52] (i.e. residents of the Republic of Kazakhstan).

[52] The term "local community" refers to residents of the Republic of Kazakhstan.

	2022			2023		
	Management Board	**Administrative and managerial staff**	**Operational staff**	**Management Board**	**Administrative and managerial staff**	**Operational staff**
Proportion of men	88%	42%	79%	90%	42%	80%
Proportion of women	12%	58%	21%	10%	58%	20%
Proportion of employees aged under 30	0%	9%	16%	0%	9%	32%
Proportion of employees aged 31-50	58%	66%	55%	58%	67%	54%
Proportion of employees aged over 51	42%	25%	29%	42%	24%	14%

	2024			2025		
	Management Board	**Administrative and managerial staff**	**Operational staff**	**Management Board**	**Administrative and managerial staff**	**Operational staff**
Proportion of men	85%	42%	80%	91%	42%	80%
Proportion of women	15%	58%	20%	9%	58%	20%
Proportion of employees aged under 30	2%	8%	17%	0%	7%	16%
Proportion of employees aged 31-50	62%	69%	57%	67%	70%	59%
Proportion of employees aged over 51	36%	23%	26%	33%	23%	26%

Table 71. **Headcount by Age Group, 2022-2025, persons**

	2022	2023	2024	2025
Total, including:	113,769	116,560	117,681	118,506
Aged under 30	17,233	19,491	19,147	18,002
Women	2,924	3,066	2,898	2,517
Men	14,309	16,425	16,249	15,485
aged 31-50	63,864	65,775	68,032	70,226
Women	15,385	15,206	15,269	15,426
Men	48,479	50,569	52,763	54,800
Aged over 51	32,672	31,294	30,502	30,278
Women	8,041	7,811	7,889	7,827
Men	24,631	23,483	22,613	22,451

Table 72. **Headcount by Region and Gender, 2022-2025, persons**[53]

	Headcount							
	2022		2023		2024		2025	
Region	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Astana	6,749	4,031	6,015	4,028	6,901	4,207	7,022	4,140
Almaty	4,724	1,682	5,010	1,554	3,877	1,681	4,109	1,726
Shymkent	1,940	479	1,804	428	1,834	429	1,644	410
Pavlodar Region	5,467	2,160	5,893	2,161	5,487	2,096	4,821	1,909
Almaty Region	6,948	1,777	2,486	762	1,662	427	1,705	427
Kyzylorda Region	5,434	923	5,709	879	5,995	856	6,345	891
Aktobe Region	8,268	2,429	8,772	2,480	8,635	2,477	8,750	2,322
Atyrau Region	3,607	1,247	3,805	1,336	3,951	1,324	4,166	1,312
Mangystau Region	4,229	1,064	4,314	1,024	4,641	1,021	4,695	970
Akmola Region	5,795	1,644	6,028	1,362	6,786	1,505	6,554	1,432
East Kazakhstan Region	5,770	1,579	2,470	747	2,279	642	2,224	685
Zhambyl Region	6,678	1,204	6,546	1,165	6,709	1,089	6,909	1,177
West Kazakhstan Region	1,177	427	1,239	419	1,323	425	1,352	397
Karaganda Region	9,543	2,927	9,222	2,608	8,916	2,564	8,780	2,502
Kostanay Region	5,440	1,731	5,607	1,713	5,051	1,586	5,235	1,675
North Kazakhstan Region	860	88	1,332	274	1,345	268	1,291	260
Turkestan Region	3,690	514	4,135	577	4,033	463	4,335	441
Abai Region	0	0	3,838	883	4,167	986	4,305	1,045
Zhetysu Region	0	0	4,123	971	5,451	1,217	5,743	1,242
Ulytau Region	0	0	992	228	1,410	269	1,591	274
Outside the Republic of Kazakhstan	1,100	444	1,137	484	1,172	524	1,160	533
TOTAL	**87,419**	**26,350**	**90,477**	**26,083**	**91,625**	**26,056**	**92,736**	**25,770**

Table 73. **Headcount by Employment Type, 2022-2025, persons**

GRI 2-7

	2022	2023	2024	2025
Total, including:	113,769	116,560	117,681	118,506
Permanent employees	99,408	105,705	116,048	115,654
Women	23,837	23,988	25,095	24,034
Men	75,571	81,717	90,953	91,620
Temporary employees	14,361	10,855	1,633	2,852
Women	2,513	2,095	961	1,736
Men	11,848	8,760	672	1,116
Full-time employees	113,451	116,465	117,548	118,401
Women	26,154	26,026	26,000	25,714
Men	87,297	90,439	91,548	92,687
Part-time employees	318	95	133	105
Women	196	57	56	56
Men	122	38	77	49

[53] Headcount at the end of the reporting period refers to the number of employees as of the last day of the reporting period, including those hired and excluding those who left during the period. An employee is counted from the first day of employment, based on a signed employment contract and formal appointment order. Daily employee headcount is tracked and verified by relevant administrative orders.

Table 74. Headcount by Employment Type, 2025, persons

Region	Permanent employees		Temporary employees		Full-time employees		Part-time employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Astana	6,910	3,841	112	299	7,014	4,134	8	6
Almaty	4,088	1,643	21	83	4,109	1,726	0	0
Shymkent	1,635	399	9	13	1,644	409	0	1
Pavlodar Region	4,745	1,785	76	124	4,814	1,905	7	4
Almaty Region	1,672	413	33	14	1,705	427	0	0
Kyzylorda Region	6,290	859	55	32	6,344	887	1	4
Aktobe Region	8,640	2,128	110	194	8,747	2,316	3	6
Atyrau Region	4,149	1,239	17	73	4,165	1,311	1	1
Mangystau Region	4,667	911	28	59	4,693	970	2	0
Akmola Region	6,461	1,348	93	84	6,545	1,424	9	8
East Kazakhstan Region	2,216	646	8	39	2,224	684	0	1
Zhambyl Region	6,852	1,083	57	94	6,909	1,177	0	0
West Kazakhstan Region	1,331	381	21	16	1,350	396	2	1
Karaganda Region	8,658	2,370	122	132	8,775	2,496	5	6
Kostanay Region	5,028	1,495	207	180	5,226	1,663	9	12
North Kazakhstan Region	1,279	247	12	13	1,291	256	0	4
Turkestan Region	4,309	422	26	19	4,335	441	0	0
Ulytau Region	1,570	258	21	16	1,590	273	1	1
Zhetysu Region	5,693	1,096	50	146	5,742	1,242	1	0
Abai Region	4,287	953	18	92	4,305	1,044	0	1
Outside the Republic of Kazakhstan	1,140	517	20	16	1,160	533	0	0
TOTAL	**91,620**	**24,034**	**1,116**	**1,736**	**92,687**	**25,714**	**49**	**56**

Table 75. Headcount of Employees with Disabilities by Region, Category and Gender, 2022-2025, persons

GRI 405-1

Region	2023				2024				2025			
	Administrative and managerial staff		Operational staff		Administrative and managerial staff		Operational staff		Administrative and managerial staff		Operational staff	
	Male	Women	Male	Women	Male	Women	Male	Women	Male	Women	Male	Women
Astana	14	16	48	24	17	18	61	27	22	14	59	28
Almaty	4	6	52	14	4	5	41	9	2	5	46	8
Shymkent	4	2	18	12	3	2	21	13	1	3	22	11
Pavlodar Region	0	1	52	17	0	1	50	14	0	1	49	15
Almaty Region	2	0	11	2	1	1	20	5	1	1	10	2
Kyzylorda Region	0	0	54	11	1	0	55	14	0	1	50	10
Aktobe Region	5	5	60	18	5	4	77	18	3	4	80	24
Atyrau Region	3	0	43	15	4	1	57	8	3	2	50	11
Mangystau Region	1	0	50	15	1	0	73	19	2	0	72	19
Akmola Region	4	4	60	17	2	4	66	19	1	3	68	18
East Kazakhstan Region	1	0	11	6	1	0	14	6	0	0	13	4
Zhambyl Region	0	1	35	8	0	2	46	8	0	1	36	10
West Kazakhstan Region	0	0	13	1	0	0	13	3	0	0	9	3
Karaganda Region	2	4	123	46	2	5	115	47	2	5	109	47
Kostanay Region	1	0	27	5	2	2	29	4	0	3	34	11
North Kazakhstan Region	0	0	4	3	0	0	5	2	0	0	4	1
Turkestan Region	0	0	37	8	1	1	44	12	1	0	35	9
Ulytau Region	0	0	21	2	0	0	26	1	0	0	29	2
Zhetysu Region	1	2	30	1	2	4	36	4	1	1	49	6
Abai Region	1	2	17	8	1	3	22	8	1	3	20	7
Outside the Republic of Kazakh-stan	1	0	2	4	2	0	2	6	2	0	2	6
TOTAL	**44**	**43**	**768**	**237**	**49**	**53**	**873**	**247**	**40**	**47**	**846**	**252**

Table 76. Headcount of Employees with Disabilities by Age Group and Gender, 2023-2025, persons

GRI 405-1

	2023	2024	2025
Total, including:	1,092	1,222	1,187
Aged under 30	58	67	53
Women	10	13	6
Men	48	54	47
aged 31-50	461	511	498
Women	123	131	123
Men	338	380	375
Aged over 51	573	644	636
Women	147	156	170
Men	426	488	466

Table 77. Headcount of Workers Who Are Not Employees, 2022-2025, persons[54]

GRI 2-8

				Headcount
Contract Type	**2022**	**2023**	**2024**	**2025**
Service Contracts	3,667	227	86	261
Outstaffing Contracts	23	385	176	172

Table 78. Composition of the Board of Directors by Gender and Age Group, 2022-2025, persons

GRI 405-1

	2022		2023		2024		2025	
Board of Directors	**Male**	**Women**	**Male**	**Women**	**Male**	**Women**	**Male**	**Women**
KTZ NC JSC	**8**	**1**	**8**	**0**	**8**	**1**	**8**	**1**
aged under 30	0	0	0	0	0	0	0	0
aged 31-50	2	1	5	0	5	0	5	0
aged over 51	6	0	3	0	3	1	3	1
Subsidiaries	**40**	**12**	**34**	**14**	**31**	**16**	**31**	**16**
aged under 30	0	0	0	1	1	0	0	0
aged 31-50	24	9	19	11	17	13	20	11
aged over 51	16	3	15	2	13	3	11	5
TOTAL	**48**	**13**	**42**	**14**	**39**	**17**	**39**	**17**

	2022	2023	2024	2025
Proportion of men	79%	75%	70%	70%
Proportion of women	21%	25%	30%	30%
Proportion of members aged under 30	0%	2%	1%	0%
Proportion of members aged 31-50	59%	63%	63%	64%
Proportion of members aged over 51	41%	36%	36%	36%

[54] According to the current headcount calculation methodology, personnel engaged under service and outsourcing (outstaffing) contracts are not included in the headcount and are not considered in labour productivity calculations. These categories of personnel are not involved in the core operations and are engaged to perform auxiliary functions/services.

Table 79. Composition of the Management Board by Gender and Age Group, 2022-2025, persons

	2022		2023		2024		2025	
Management Board	**Male**	**Women**	**Male**	**Women**	**Male**	**Women**	**Male**	**Women**
KTZ NC JSC	**9**	**0**	**8**	**0**	**9**	**1**	**9**	**1**
aged under 30	0	0	0	0	0	0	0	0
aged 31-50	4	0	4	0	4	1	6	1
aged over 51	5	0	4	0	5	0	3	0
Subsidiaries	**35**	**6**	**39**	**5**	**36**	**7**	**43**	**4**
aged under 30	0	0	0	0	1	0	0	0
aged 31-50	22	3	25	1	24	4	33	2
aged over 51	13	3	14	4	11	3	10	2
TOTAL	**44**	**6**	**47**	**5**	**45**	**8**	**52**	**5**

	2022	2023	2024	2025
Proportion of men	88%	90%	85%	91%
Proportion of women	12%	10%	15%	9%
Proportion of members aged under 30	0%	0%	2%	0%
Proportion of members aged 31-50	58%	58%	62%	67%
Proportion of members aged over 51	42%	42%	36%	33%

Table 80. Number of Employees Hired by the Company in 2023-2025, by Gender and Region, persons

GRI 401-1

	2023		2024		2025	
Region	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Abai Region	581	73	847	138	1,827	418
Akmola Region	1,107	202	1,339	214	2,203	535
Aktobe Region	1,102	256	1,261	229	2,701	685
Almaty Region	721	96	519	83	810	118
Atyrau Region	611	100	2,210	790	1,143	393
West Kazakhstan Region	226	36	209	34	477	124
Zhambyl Region	1,001	103	1,103	87	2,184	455
Zhetysu Region	991	151	1,516	732	2,051	419
Karaganda Region	1,387	262	1,535	280	3,371	928
Kostanay Region	1,047	236	1,009	218	2,024	745
Kyzylorda Region	703	38	2,777	406	1,997	203
Mangystau Region	388	62	2,032	476	1,216	203
Pavlodar Region	1,423	256	1,392	296	2,174	835
North Kazakhstan Region	201	21	262	26	353	92
Turkestan Region	558	42	451	20	1,537	188
Ulytau Region	186	25	308	57	582	105

	2023		2024		2025	
Region	Men	Women	Men	Women	Men	Women
East Kazakhstan Region	433	63	515	75	912	280
Astana	1,596	909	1,604	732	2,300	973
Almaty	867	233	715	245	1,524	399
Shymkent	157	27	458	46	577	115
Outside the Republic of Kazakhstan	92	14	245	52	161	58

Table 81. Number of Employees Hired by the Company in 2023-2025, by Gender and Age Group, persons

	2023		2024		2025	
Age group	Men	Women	Men	Women	Men	Women
aged under 30	5,329	710	7,159	1,317	9,311	1,305
aged 30-50	7,979	1,954	11,906	2,958	17,500	4,826
aged over 50	2,070	541	3,242	961	5,313	2,140

Table 82. Number of Employees Dismissed by the Company in 2023-2025, by Gender and Region, persons

	2023		2024		2025	
Region	Men	Women	Men	Women	Men	Women
Abai Region	421	78	742	91	1,590	344
Akmola Region	768	213	1,271	212	2,069	560
Aktobe Region	851	257	1,153	238	2,555	709
Almaty Region	615	116	615	209	804	221
Atyrau Region	431	127	2,144	790	1,087	403
West Kazakhstan Region	152	54	234	39	443	142
Zhambyl Region	780	134	971	92	2,022	434
Zhetysu Region	635	96	1,294	578	1,757	353
Karaganda Region	1,152	339	1,576	274	3,192	918
Kostanay Region	891	223	1,099	205	1,959	661
Kyzylorda Region	497	78	2,474	422	1,709	236
Mangystau Region	263	77	1,803	495	1,189	256
Pavlodar Region	959	229	1,418	273	2,655	950
North Kazakhstan Region	158	16	250	37	313	92
Turkestan Region	379	52	337	22	1,412	205
Ulytau Region	144	14	145	25	538	102
East Kazakhstan Region	486	88	557	83	951	296
Astana	1,548	967	1,563	772	2,170	953
Almaty	906	272	810	296	1,573	461
Shymkent	164	37	467	60	597	137
Outside the Republic of Kazakhstan	99	27	235	50	434	116

Table 83. Number of Employees Dismissed by the Company in 2023-2025, by Gender and Age Group, persons

	2023		2024		2025	
Age group	Men	Women	Men	Women	Men	Women
aged under 30	3,013	609	4,920	1,027	6,243	1,123
aged 30-50	6,045	1,956	10,414	2,963	17,639	4,695
aged over 51	3,241	929	5,824	1,273	7,137	2,731

Table 84. Occupational Injuries at KTZ NC JSC by Gender, Region and Severity Level

GRI 403-9

		Including					
		By gender		By age group			
Region	Total number of injured	men	women	aged under 35	aged 36-45	aged 46-50	aged over 51
TOTAL (recordable and non-recordable)	**46**	**42**	**3**	**11**	**10**	**4**	**20**
Injury severity level: Temporary disability							
Total (recordable)	**4**	**3**	**1**	**0**	**2**	**0**	**2**
Aktobe Region	1	1	0	0	0	0	1
Astana	1	0	1	0	0	0	1
Zhambyl Region	1	1	0	0	1	0	0
Pavlodar Region	1	1	0	0	1	0	0
Total (non-recordable)	**14**	**13**	**1**	**3**	**5**	**0**	**6**
Almaty Region	1	1	0	1	0	0	0
Aktobe Region	1	0	1	0	1	0	0
Zhambyl Region	4	4	0	1	2	0	1
Karaganda Region	2	2	0	0	1	0	1
Kostanay Region	2	2	0	1	0	0	1
Kyzylorda Region	1	1	0	0	0	0	1
Pavlodar Region	2	2	0	0	1	0	1
South Kazakhstan Region	1	1	0	0	0	0	1
Injury severity level: Severe injury							
Total (recordable)	**18**	**17**	**1**	**6**	**2**	**3**	**7**
Atyrau Region	3	3	0	2	1	0	0
Aktobe Region	1	1	0	0	0	0	1
Almaty Region	2	2	0	0	0	1	1
Zhambyl Region	2	2	0	1	0	0	1
Zhetysu Region	2	2	0	2	0	0	0
Kostanay Region	1	1	0	0	0	1	0
Pavlodar Region	3	2	1	0	0	1	2
Ulytau Region	0	0	0	0	0	0	0
Kyzylorda Region	1	1	0	0	1	0	0
Karaganda Region	2	2	0	1	0	0	1
East Kazakhstan Region	1	1	0	0	0	0	1
Total (non-recordable)	**2**	**1**	**1**	**1**	**1**	**0**	**0**

Region	Total number of injured	Including					
		By gender		By age group			
		men	women	aged under 35	aged 36-45	aged 46-50	aged over 51
Almaty Region	1	0	1	0	1	0	0
Zhambyl Region	1	1	0	1	0	0	0
Injury severity level: Fatal outcome							
Total (recordable)	**5**	**5**	**0**	**1**	**1**	**0**	**3**
Zhambyl Region	4	4	0	1	1	0	2
Kostanay Region	1	1	0	0	0	0	1
Total (non-recordable)	3	3	0	0	0	1	2
Karaganda Region	2	2	0	0	0	1	1
Aktobe Region	1	1	0	0	0	0	1

Table 85. **Occupational Injuries at Contractors by Gender, Region and Severity Level**

SASB TR-RA-320A.1. (1)

Region	Total number of injured	Including					
		By gender		By age group			
		male	women	aged under 35	aged 36-45	aged 46-50	aged over 51
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 86. **Number of Employees Trained in Occupational Health and Safety and Industrial Safety, 2024-2025, persons**

GRI 403-5

Training Topics	Number of Employees Trained	
	2024	2025
In Compliance with the Laws of the Republic of Kazakhstan	**18,090**	**17,939**
Occupational Health and Safety	4,630	3,821
Industrial Safety:	8,889	9,204
Industrial Safety (40 hours)	*1,224*	*1,087*
Industrial Safety (10 hours)	*7,665*	*8,117*
Fire Safety	2,492	2,667
Electrical Safety	1,675	1,571
Environmental Safety	404	676
Beyond the Requirements of the Laws of the Republic of Kazakhstan	**71,328**	**18,104**
Safety Culture	69,984	15,438
Course "Fundamentals of Working at Heights Safety"	550	600
Course "Hazard and Risk Management in the Workplace"	87	250
Course "Fundamentals of Electrical Safety"	87	818
Course "Confined Space Safety"	219	250
Course "Hand Safety"	180	472
Course "Incident Investigation"	76	150

Training Topics	Number of Employees Trained	
	2024	2025
NEBOSH (International Certificate)	22	10
IOSH Managing Safely (International Certificate for Safe Work Organisation)	73	36
Defensive Driving	50	80
Total	**89,418**	**36,043**

Table 87. **Return on investment in human capital (ROI HC) in the period from 2021 to 2025**

Name	Unit of measurement	2021	2022	2023	2024	2025
Total income (Revenue and other income)	million tenge	1,328,537	1,481,465	1,934,095	2,163,942	**2,757,083**
General operating expenses (Cost of sales, General and administrative expenses)	million tenge	1,071,675	1,297,296	1,605,077	1,748,407	**2,069,888**
Total personnel-related expenses (Personnel costs, including taxes, deductions, and provisions for unused vacations. Post-employment compensation expenses and other long-term employee benefits)	million tenge	396,797	529,724	690,620	795,635	**933,711,**
Number of employees	people	112,581	113,769	116,560	117,681	**118,506**
ROI HC*	coefficient	1,6	1,3	1,5	1,5	**1,7**

**The "Return on Human Capital" metric is calculated as the ratio of Total Revenue minus the difference between Total Operating Expenses and Total Employee-Related Expenses to Total Employee-Related Expenses.*

ADDITIONAL INFORMATION

GRI 305-1, 305-2, 305-5
SASB TR-RA-110A.2

Emissions Calculation Methodology

The calculation of direct greenhouse gas (GHG) emissions and emission reductions for Scope 1 was carried out in accordance with the approach outlined in the GHG Protocol Guidance and the National Greenhouse Gas Inventories Guidelines by the Intergovernmental Panel on Climate Change (IPCC), 2006. When converting methane and nitrous oxide values to tonnes of CO_2-eq, the current Global Warming Potential (GWP) values were used (methane – 28, nitrous oxide – 265), as established in the Fifth Assessment Report by the IPCC, Decision 4 of Conference of the Parties (COP) Decision 6/CP.27 dated 17 November 2022. The Scope 1 emissions and reduction from direct emissions include emissions from carbon dioxide, methane, and nitrous oxide

For the calculation of indirect GHG emissions and emission reductions for Scope 2, the methodology specified in the GHG Protocol Scope 2 Guidance was applied.

The specific emission factors for GHG emissions were taken from the «List of Benchmarks of Emission Factors in Regulated Sectors of the Economy,» approved by the Acting Minister of Ecology, Geology, and Natural Resources of the Republic of Kazakhstan (Order No. 260 dated 19 July 2021).

Starting from 1 July 2023, Kazakhstan introduced a new electricity procurement system through a single purchaser (Order No. 212 dated 1 July 2023 of the Minister of Energy of the Republic of Kazakhstan, Settlement and Financial Centre for Renewable Energy Sources Support LLP). This introduction results in changes to the methodologies for calculating GHG emissions.

The quantification of GHG emissions is subject to inherent uncertainty due to limitations in the scientific knowledge used to determine emission factors, as well as the values required to aggregate emissions of different gases.

The base year for GHG emissions (Scope 1 and Scope 2) in line with the KTZ NC JSC

Low Carbon Development Concept through to 2060 is 2021, and the base year for GHG emission reductions (Scope 1 and Scope 2) is 2023.

Pollutant Emissions Calculation Methodology

The pollutant emissions were calculated based on the following methodologies:

1. Collection of Methodologies for Calculating Air Pollutant Emissions from Various Industries. Almaty, KazECOEX, 1996, p. 2. Calculation of pollutant emissions from fuel combustion in boilers with a steam production capacity up to 30 tonnes per hour.
2. Methodological Guidelines for Calculating Pollutant Emissions from Enterprises Engaged in the Storage and Sale of Petroleum Products (Oil Depots, Gas Stations) and Other Liquids and Gases (Order of the Minister of Environmental Protection of the Republic of Kazakhstan, No. 196-o, dated 29 July 2011).
3. Methodology for Calculating Air Pollutant Emissions from Welding Operations (based on specific emission values). GND 211.2.02.03-2004. Astana, 2005.
4. Methodology for Calculating Air Pollutant Emissions from Metal Processing Works (based on specific emission values). GND 211.2.02.06-2004. Astana, 2005.
5. Methodology for Calculating Air Pollutant Emissions from Railway Transport Enterprises (Clause 5.2. Annex No. 21 to the Order of the Minister of Environmental Protection of the Republic of Kazakhstan, No. 100-p dated 18 April 2008).
6. Methodology for Calculating Air Pollutant Emissions from Road Transport Enterprises (Section 3) (Annex No. 3 to the Order of the Minister of Environmental Protection of the Republic of Kazakhstan, No. 100-p dated 18 April 2008).
7. Methodology for Calculating Air Pollutant Emissions from the Application of Paint Materials (based on specific emission values). GND 211.2.02.05-2004. Astana, 2005.
8. Methodology for Calculating Pollutant Emission Norms from Fugitive Sources (Annex No. 8 to the Order of the Minister of Environmental Protection and Water Resources of the Republic of Kazakhstan, No. 221-G dated 12 June 2014).

INDEPENDENT AUDITOR'S REPORT

GRI 2-5

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Independent practitioner's limited assurance report on JSC "NC "Kazakhstan Temir Zholy"'s selected consolidated sustainability information

To the Board of Directors of JSC "NC "Kazakhstan Temir Zholy":

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected consolidated sustainability information of JSC "NC "Kazakhstan Temir Zholy" (the "Company") and its subsidiaries (the "Group") as at 31 December 2025 and for the year then ended that is disclosed and marked with symbol "✓" in INTEGRATED ANNUAL REPORT OF JOINT STOCK COMPANY "NATIONAL COMPANY "KAZAKHSTAN TEMIR ZHOLY" FOR 2025 and is summarised in Annex 1 and Annex 2 to this report (the "Selected consolidated sustainability information" and the "Annual report" respectively).

The Selected consolidated sustainability information comprises:

- the selected consolidated sustainability information prepared in accordance with the Applicable Criteria 1 as presented in Annex 1 to this report (the "Selected GRI consolidated sustainability information" and the "Applicable Criteria 1" respectively); and
- the selected consolidated sustainability information prepared in accordance with the Applicable Criteria 2 as presented in Annex 2 to this report (the "Selected SASB consolidated sustainability information" and the "Applicable Criteria 2" respectively).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the Selected GRI consolidated sustainability information is not prepared, in all material respects, in accordance with the Applicable Criteria 1; and
- the Selected SASB consolidated sustainability information is not prepared, in all material respects, in accordance with the Applicable Criteria 2.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

Our conclusion on the current period addresses the Selected consolidated sustainability information described in the “Limited assurance conclusion” section of our report. The comparative Selected consolidated sustainability information presented as at 31 December 2024 and for the year then ended related to SASB TR-RA-110a.1, SASB TR-RA-110a.2, SASB TR-RA-110a.3, SASB TR-RA-120a.1, SASB TR-RA-320a.1, SASB TR-RA-540a.2, SASB TR-RA-000.C,SASB TR-RA-000.D, SASB TR-RA-000.E was not subject to assurance.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected consolidated sustainability information

Management of the Company is responsible for:

- the preparation of the Selected GRI consolidated sustainability information in accordance with the Applicable criteria 1 and the Selected SASB consolidated sustainability information in accordance with the Applicable Criteria 2;
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Selected consolidated sustainability information, in accordance with the Applicable Criteria 1 and Applicable Criteria 2, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Board of Directors is responsible for overseeing the Group’s sustainability reporting process.

Inherent limitations in preparing the Selected consolidated sustainability information

As discussed in the Section “Methodology for calculating emissions” of the Annual Report, greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected consolidated sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected consolidated sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company’s use of the Applicable Criteria 1 as the basis for the preparation of the Selected GRI consolidated sustainability information and the Applicable Criteria 2 as the basis for the preparation of the Selected SASB consolidated sustainability information;
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group’s internal control; and
- design and perform procedures responsive to where material misstatements are likely to arise in the Selected consolidated sustainability information. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected consolidated sustainability information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected consolidated sustainability information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Group’s reporting processes relevant to the preparation of its Selected consolidated sustainability information;
- performed inquires of relevant personnel on the Selected consolidated sustainability information; and
- conducted limited substantive testing on a sample basis on the Selected consolidated sustainability information.

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Restriction on distribution and use

Our report is intended solely for the Board of Directors of the Company in accordance with the agreement between us, to assist the management of the Company in reporting on the Group's sustainability performance and activities and in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected consolidated sustainability information. The Selected consolidated sustainability information therefore may not be suitable, and is not to be used, for any other purpose.

We permit this report to be disclosed in the Annual report, which will be published on the Company's website.

The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected consolidated sustainability information when presented on the Company's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

PricewaterhouseCoopers LLP

8 June 2026

Astana, Kazakhstan.

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Annex 1 to the Independent limited assurance report dated 8 June 2026

The Selected GRI consolidated sustainability information for the year ended 31 December 2025 disclosed and marked with symbol "✓" in the Annual report and subject to limited assurance procedures together with the Applicable Criteria 1, comprising relevant GRI disclosure requirements of GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (the "GRI" Standards") and where necessary supplemented with management's internally developed criteria are set out below:

#	Performance measure	Location in the Annual report	Applicable Criteria 1*
1	Employees	Table 70 Table 71 Table 72 Table 73 Table 74	GRI 2-7 a, b
2	Workers who are not employees	Table 77	GRI 2-8 a.
3	Compliance with laws and regulations	Table 21 Table 22	GRI 2-27 a, b
4	Collective bargaining agreements	Table 43	GRI 2-30 a
5	Direct economic value generated and distributed	Table 14	GRI 201-1 a
6	Financial assistance received from government	Table 15	GRI 201-4 a
7	Ratios of standard entry level wage by gender compared to local minimum wage	Table 39	GRI 202-1 a-c
8	Proportion of senior management hired from the local community	Table 70	GRI 202-2 a
9	Proportion of spending on local suppliers	Table 16	GRI 204-1 a
10	Communication and training about anti-corruption policies and procedures	Table 58 Table 59 Table 60 Table 61 Table 62 Table 63	GRI 205-2 a, b, d, e
11	Confirmed incidents of corruption and actions taken	Table 19	GRI 205-3 a, b, c, d
12	Energy consumption within the organization	Table 31	GRI 302-1 a, b, c, d, e
13	Energy intensity	Table 33	GRI 302-3 a
14	Reduction of energy consumption	Table 32	GRI 302-4 a
15	Water withdrawal	Table 64 Table 65	GRI 303-3 a, b, c
16	Water discharge	Table 66	GRI 303-4 a, b, c
17	Water consumption	Table 67	GRI 303-5 a, b, c
18	Direct (Scope 1) GHG emissions	Table 25	GRI 305-1 a
19	Energy indirect (Scope 2) GHG emissions	Table 26	GRI 305-2 a
20	GHG emissions intensity	Table 27	GRI 305-4 a.

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		Table 28	
21	Reduction of GHG emissions	Table 24	GRI 305-5 a.
22	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Table 29	GRI 305-7 a
23	Waste generated	Table 23	GRI 306-3 a
24	New employee hires and employee turnover	Table 34 Table 36 Table 80 Table 81 Table 82 Table 83	GRI 401-1 a, b
25	Parental leave	Table 44	GRI 401-3 a, b, c, d, e
26	Worker training on occupational health and safety	Table 86	GRI 403-5 a
27	Workers covered by an occupational health and safety management system	Table 54	GRI 403-8 a
28	Work-related injuries	Table 51	GRI 403-9 a and management's developed criteria disclosed in the Section "Occupational Health and Safety"
29	Average hours of training per year per employee	Table 46 Table 47	GRI 404-1 a
30	Percentage of employees receiving regular performance and career development reviews	Table 48 Table 49	GRI 404-3 a and management's developed criteria disclosed in the Section "Employee Performance Evaluation"
31	Diversity of governance bodies and employees	Table 41 Table 70 Table 75 Table 76	GRI 405-1 a, b
32	Incidents of discrimination and corrective actions taken	Section: Economic Impact Subsection: Business Ethics and Anti-Corruption	GRI 406-1 a
33	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section: Risk Management and Internal Control Subsection: Information Security and Data Protection	GRI 418-1 a, b

* In addition to the GRI disclosure requirements outlined in the table above, the Applicable Criteria 1 also encompass reporting principles and additional recommendations for reporting as detailed in GRI 1 and reporting guidance in GRI 2 -4.

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Annex 2 to the Independent limited assurance report dated 8 June 2026

The Selected SASB consolidated sustainability information for the year ended 31 December 2025 disclosed and marked with symbol "✓" in the Annual report and subject to limited assurance procedures together with the Applicable Criteria 2, comprising relevant SASB disclosure requirements of SASB Sustainability Reporting Standards maintained by the International Sustainability Standards Board (ISSB) (the "SASB Standards") and where necessary supplemented with management's internally developed criteria are set out below:

#	Performance measure	Location in the Annual report	Applicable Criteria 2*
1	Gross global Scope 1 emissions	Table 25	SASB TR-RA-110a.1
2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section: Additional Information Subsection: Key ESG Performance Indicators, Paragraph 1, Sentence 1 Section: Environmental responsibility Subsection: Alignment of the Low-Carbon Development Action Plan with the Goals of the Paris Agreement, Paragraph's 1, 3, 5, 9, 13	SASB TR-RA-110a.2
3	Total fuel consumed, percentage renewable	Table 31	SASB TR-RA-110a.3
4	Air emissions of the following pollutants: (1) NOx (excluding N2O) and (2) particulate matter (PM10)	Table 29	SASB TR-RA-120a.1
5	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Table 53	SASB TR-RA-320a.1 and management's developed criteria disclosed in the Section "Occupational Safety and Health"
6	Number of (1) accident releases and (2) non-accident releases (NARs)	Section: Environmental responsibility Subsection: Environmental emissions	SASB TR-RA-540a.2
7	Track kilometres	Section: About the Company Picture: Length of Kazakhstan's Railway Network	SASB TR-RA-000.C
8	Revenue tonne-kilometres (RTK)	Section: Strategic Report Subsection: Operational Performance	SASB TR-RA-000.D
9	Number of employees	Table 70	SASB TR-RA-000.E

* In addition to the SASB disclosure requirements outlined in the table above, the Applicable Criteria 2 also encompass guidance that applies to the definitions, scope, implementation, compilation, and presentation of the accounting metrics as detailed in SASB Standards Application Guidance (version 2018-10).

DISCLOSURE INDEX FOR GRI AND SASB STANDARDS

GENERAL INFORMATION

GRI Standard	Disclosure	Page in the Report	Report Sections	Reasons for Non-Disclosure	External Assurance
GRI 1: Foundation 2021					
GRI 2: General Disclosures 2021					
The organisation and its reporting practices					
2-1	Organisational details	10, 11, 358	ABOUT THE COMPANY		
2-2	Entities included in the organisation's sustainability reporting	316	Reporting Scope		
2-3	Reporting period, frequency and contact point	228, 316, 358	About the Report, Contact Information		
2-4	Restatement of information	159, 163, 316	About the Report		
2-5	External Assurance	205, 341	Independent Auditor's Report		
Activities and workers					
2-6	Activities, value chain, and other business relationships	12, 34, 36, 37, 41, 42, 89	About the Company, Company History Operational Performance, Transit Transportation, Asset Structure, Key Business Units, Procurement Practices		
2-7	Employees	133, 328, 331	Personnel Structure Comment: Headcount as of 31 December 2025.	b.iii: There are no non-guaranteed hours employees in the Company	V
2-8	Workers who are not employees	133, 334	Personnel Structure		V
Governance					
2-9	Governance structure and composition	68, 176, 183, 184	Sustainable Development Governance Structure, Corporate Governance System, Composition of the Board of Directors	c.vi: There are no under-represented social groups within the governance bodies.	
2-10	Nomination and selection of the highest governance body	180	Composition of the Board of Directors		
2-11	Chair of the highest governance body	180, 181	Composition of the Board of Directors	b: The Chairman of the Board of Directors is not a senior executive	
2-12	Role of the highest governance body in overseeing the management of impacts	65, 68	Sustainable Development Management Structure		
2-13	Delegation of responsibility for managing impacts	68	Sustainable Development Management Structure		
2-14	Role of the highest governance body in sustainability reporting	317	Material Topics and Their Definition		
2-15	Conflicts of interest	223	Conflict of Interest Management		
2-16	Communication of critical concerns	65	Sustainable Development Management Structure		

GRI Standard	Disclosure	Page in the Report	Report Sections	Reasons for Non-Disclosure	External Assurance
2-17	Collective knowledge of the highest governance body	182	Training and Development of Members of the Board of Directors		
2-18	Evaluation of the performance of the highest governance body	183	Evaluation of the Board of Directors' Performance		
2-19	Remuneration Policy	203	Remuneration of the Company's Officers		
2-20	Process to determine remuneration	203	Remuneration of the Company's Officers		
2-21	Annual total remuneration ratio	-	-	Confidential Information	
2-22	Statement on sustainable development strategy	4, 6	Address by the Chairman of the Board of Directors, Address by the Chairman of the Management Board		
2-23	Policy commitments	20, 21	Membership in International Organisations, Associations and Adherence to International Principles		
2-24	Embedding policy commitments	21	Membership in International Organisations, Associations and Adherence to International Principles		
2-25	Processes to remediate negative impacts	219	Complaint Submission Mechanisms		
2-26	Mechanisms for seeking advice and expressing concerns	219	Complaint Submission Mechanisms		
2-27	Compliance with laws and regulations	98	Compliance with Laws and Regulations		V
2-28	Membership associations	20	Membership in International Organisations, Associations and Adherence to International Principles		
Stakeholder Engagement					
2-29	Approach to stakeholder engagement	79	Stakeholder Engagement		
2-30	Collective bargaining agreements	145	Collective Bargaining Agreement	b: The Collective Bargaining Agreement does not apply to non-staff (freelance) workers	V
GRI 3: Material Topics 2021					
3-1	Process to determine material topics	317	Material Topics and Their Definition		
3-2	List of material topics	317	Material Topics and Their Definition		

DISCLOSURES ON MATERIAL TOPICS

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
ECONOMIC TOPICS						
GRI 201 (2016): ECONOMIC PERFORMANCE						
3-3	Topic management disclosures	86				
201-1	Direct Economic Value Generated and Distributed	86		b: EVG&D is not applicable		V
201-2	Financial implications and other risks and opportunities due to climate change	110				
201-4	Financial assistance received from government	32, 87				V
GRI 202 (2016): MARKET PRESENCE						
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	140, 143		B: Remuneration for non-staff (freelance) workers is based on the volume of work performed		V
202-2	Proportion of senior management hired from the local community	196, 328				V
GRI 203 (2016): INDIRECT ECONOMIC IMPACTS						
203-1	Infrastructure investments and services supported	52				
203-2	Significant indirect economic impacts	88				
GRI 204 (2016): PROCUREMENT PRACTICES						
3-3	Topic management disclosures	89				
204-1	Proportion of spending on local suppliers	89, 90				V
GRI 205 (2016): ANTI-CORRUPTION						
3-3	Topic management disclosures	92				
205-1	Operations assessed for risks related to corruption	96				
205-2	Communication and training about anti-corruption policies and procedures	322				V
205-3	Confirmed incidents of corruption and actions taken	96		c: In the reporting year, there were no incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. The Company does not track the number of incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.		V

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
ENVIRONMENTAL TOPICS						
GRI 302 (2016): ENERGY						
3-3	Topic management disclosures	119				
302-1	Energy consumption within the organisation	120		b: The Company does not consume fuel from renewable sources. d.i: The Company does not resell energy to third parties. c. iii, c. iv d.iii, d.iv: The Company neither consumes nor resells cooling energy or steam energy to third parties. c.ii: The Company does not include the heating consumption in its total energy consumption due to its immaterial volumes.		V
302-2	Energy consumption outside the organisation	-		Energy consumption outside the Company is not accounted for.		
302-3	Energy Intensity	121				V
302-4	Reduction of energy consumption	120, 121				V
302-5	Reductions in energy requirements of products and services	120				
GRI 303 (2018): WATER AND EFFLUENTS						
303-1	Total water withdrawal, broken down by sources	104				
303-2	Management of water discharge-related impacts	104		a.i: Standards for facilities operating in locations with no local discharge requirements are governed by the regulations of local executive authorities.		
303-3	Water withdrawal	104, 325		a.iii, a.iv, b.iii, b.iv: The withdrawal of seawater and produced water is not conducted.		V
303-4	Water discharge	104, 325		a.i, a.iii: Water discharge into surface water and seawater is not conducted.		V
303-5	Water consumption	104, 326				V

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
GRI 304 (2016): BIODIVERSITY						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas or areas with high biodiversity value outside protected areas	108		The Company does not operate on specially protected natural areas.		
304-2	Significant impacts of activities, products, and services on biodiversity	108		In the reporting year, no significant direct or indirect impact of the Company on biodiversity has been recorded.		
304-3	Habitats protected or restored	108				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operation and at risk of extinction	108		The Company's operations do not affect species listed in the IUCN Red List or national nature conservation lists, and these species are not found in areas with an extinction risk associated with the Company's operations.		
GRI 305 (2016): EMISSIONS						
3-3	Topic management disclosures	99				
305-1	Direct (Scope 1) GHG emissions	112, 114, 340		c: The Company does not generate biogenic emissions.		V
305-2	Energy indirect (Scope 2) GHG emissions	112, 115, 340		b: Indirect (Scope 2) GHG emissions are determined using the territorial calculation method.		V
305-3	Other indirect (Scope 3) GHG emissions	116				
305-4	GHG emissions intensity	115				V
305-5	Reduction of GHG emissions	112, 340				V
305-6	Emissions of ozone-depleting substances (ODS)	-				
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	116		a.iii, a.v: The Company does not generate Persistent Organic Pollutants (POP) or Hazardous Air Pollutants (HAP).		V
GRI 306 (2016): EFFLUENTS AND WASTE						
3-3	Topic management disclosures	99				
306-1	Waste generation and significant waste-related impacts	106				
306-2	Management of significant waste-related impacts	106				
306-3	Waste generated	106				V
306-4	Waste diverted from disposal	-				
306-5	Waste directed to disposal	107				

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
GRI 308 (2016): SUPPLIER ENVIRONMENTAL ASSESSMENT						
308-1	New suppliers that were screened using environmental criteria	110				
308-2	Negative environmental impacts in the supply chain and actions taken	110				
SOCIAL TOPICS						
GRI 401 (2016): EMPLOYMENT						
3-3	Topic management disclosures	132				
401-1	New employee hires and employee turnover	135, 138, 335				V
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	145		vi: Share ownership benefits are not offered by the Company.		
401-3	Parental leave	147				V
GRI 402 (2016): LABOUR/MANAGEMENT RELATIONS						
3-3	Topic management disclosures	132				
402-1	Minimum notice periods regarding operational changes	145				
GRI 403 (2018): OCCUPATIONAL HEALTH AND SAFETY						
3-3	Topic management disclosures	161				
403-1	Occupational health and safety management system	161				
403-2	Hazard identification, risk assessment, and incident investigation	161				
403-3	Occupational health services	170				
403-4	Worker participation, consultation, and communication on occupational health and safety	65, 163				
403-5	Worker training on occupational health and safety	168, 338				V
403-6	Promotion of worker health	171				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	168				
403-8	Workers covered by an occupational health and safety management system	161, 169				V
403-9	Work-related injuries	163, 168, 337				V
403-10	Work-related ill health	161, 170				
GRI 404 (2016): TRAINING AND EDUCATION						
3-3	Topic management disclosures	132				
404-1	Average hours of training per year per employee	151				V
404-2	Programmes for upgrading employee skills and transition assistance programmes	150, 152				
404-3	Percentage of employees receiving regular performance and career development reviews	152				V

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
GRI 405 (2016): DIVERSITY AND EQUAL OPPORTUNITY						
405-1	Diversity of governance bodies and employees	143, 144, 328, 333, 334				V
405-2	Ratio of basic salary and remuneration of women to men	143				
GRI 406 (2016): NON-DISCRIMINATION						
3-3	Topic management disclosures	92				
406-1	Incidents of Discrimination and Corrective Actions Taken	97				V
GRI 418 (2016): CUSTOMER PRIVACY						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	224				V
SASB	Gross global Scope 1 emissions	114		2.1.1-2.1.6, 2.2) not applicable due to the calculation of direct greenhouse gas emissions in accordance with the approach specified in the GHG Protocol Guidance and using the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories	TR-RA-1 0 a.1.	V
SASB	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	112, 113, 114, 115, 340			TR-RA-110A.2.	V
SASB	Total fuel consumed, percentage renewable	120		1.2, 1.2.1, 1.2.2) not applicable due to the fact that the Company is a consumer of fuel but does not produce it. 2) The Company does not consume fuel from renewable sources	TR-RA-110a.3.	V
SASB	Air emissions of the following pollutants: (1) NOx (excluding N2O) and (2) particulate matter (PM10)	116			TR-RA-120a.1.	V
SASB	Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	165, 338		3) Records for NMFR are not maintained	TR-RA-320A.1. (1)	V

GRI Standard	Disclosure	Page in the report	Report Sections	Reasons for Omissions	SASB	External Assurance
SASB	Number of accidents and incidents	159		TR-RA-540A.1.	TR-RA-540A.1.	
SASB	Number of (1) accidental releases and (2) non-accidental releases (NAR)	101		1.1.2, 3) not applicable due to the absence of accidental and non-accidental releases during the reporting year	TR-RA-540A.2.	V
SASB	Frequency of internal rail integrity inspections	160		TR-RA-540A.4.	TR-RA-540A.4.	
SASB	Length of railway tracks in kilometres	10		TR-RA-000.C (1)	TR-RA-000.C (1)	V
SASB	Revenue tonne-kilometres	34			TR-RA-000.D (1)	V
SASB	Number of employees	133, 328			TR-RA-000.E (1)	V

GLOSSARY

AC	Audit Committee
ACE	Average Capital Employed
AIFC	Astana International Financial Centre
BBSD	Behaviour-Based Safety Dialogue
CCTT	International Coordinating Council on Trans-Eurasian Transportation
CE	Return on Average Capital Employed
CIT	Corporate income tax
Consumer Goods	Consumer Goods
CRMS	Corporate Risk Management System
EAEU	Eurasian Economic Union
EAEU	Eurasian Economic Union
EBITDA	An analytical measure of earnings before interest, taxes, depreciation, and amortisation.
EBITDA margin	A profitability ratio that measures how much in earnings a company is generating before interest, taxes, depreciation, and amortisation, as a percentage of revenue.
ECO	Economic Cooperation Organisation
EDMS	Electronic Document Management System
EIA	Environmental Impact Assessment
Energy Intensity	A measure of the reduction in specific fuel and energy resource consumption per unit of product (or work).
ESG	Environmental, Social and Governance
FAR	Fatal Accident Rate
FCF	Free Cash Flow
FER	Fuel and Energy Resources
Freight Turnover	An economic indicator of transport performance (a measure of freight transportation volume), equal to the product of the mass of goods transported over a specified period of time and the distance of transportation. Freight turnover is measured in tonne-kilometres.
Fund	Samruk-Kazyna Sovereign Wealth Fund JSC
G&A	General and Administrative Expenses
GDP	Gross Domestic Product (GDP) – A macroeconomic indicator reflecting the market value of all final goods and services (i.e., those intended for direct consumption, use, or application) produced within a year across all sectors of the economy within a country's territory for consumption, export, and accumulation, regardless of the nationality of the production factors used.
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HSE Committee	Health, Safety and Environment Committee
IFRS	International Financial Reporting Standards
iOSH	Integrated Occupational Safety and Health System
IPS	Integrated Planning System
IS	Information Security
IT	Information Technology
KPI	Key Performance Indicators
KTZ NC JSC	Kazakhstan Temir Zholy National Company Joint Stock Company
LCL	Less Than Container Load
Lost Time Injury Frequency Rate (LTIFR)	Measures the number of lost-time injuries per million hours worked in a department or company during a single financial year.
LT	Locomotive Traction
MCI	Monthly Calculation Index
MRW	Main Railway Network
MSW	Municipal Solid Waste
MW	Minimum Wage
NAV	Net Asset Value
Near Miss	Frequency of incidents without consequences
NOPAT	Net Operating Profit After Tax
NRC	Nomination and Remuneration Committee
Operating Profit	The profit of an enterprise from its core activities, calculated as the difference between net revenue (revenue minus cost of goods sold) and operating expenses (including direct and operational costs), or equivalently, as the difference between gross profit and operating expenses.
Operational Length	The length of railway lines between stations, excluding such tracks as second main tracks, station tracks, etc.
OSJD	Organisation for Cooperation of Railways
OTS	Organisation of Turkic States
Passenger Turnover	An indicator reflecting the volume of passenger transport in passenger-kilometres, calculated as the product of the number of passengers and the distance travelled.
PPE	Personal Protective Equipment
RE	Retained Earnings
ROACE	Return on Average Capital Employed
SASB	Sustainability Accounting Standards Board
SCO	Shanghai Cooperation Organisation
SFC	Strategy and Finance Committee
SHD	sudden deterioration in health
SSC	Shared Services Centre
TCFD	Task Force on Climate-related Financial Disclosures
TEUs	Twenty-foot Equivalent Unit
TITR	Trans-Caspian International Transport Route
Total Length of Main Tracks	The sum of the lengths of all main tracks (first, second, third, etc.).
TRACECA	Intergovernmental Commission of the Europe-Caucasus-Asia Transport Corridor
TRIR	Total Recordable Incident Rate
UIC	International Union of Railways
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USIC	International Railway Sports Union
UTLC ERA	United Transport and Logistics Company – Eurasian Rail Alliance Joint Stock Company
VAT	Value Added Tax

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We invite all stakeholders to participate in our online survey to identify material topics and provide feedback on this Integrated Annual Report by following the link:
https://www.railways.kz/articles/sustainable-development/otchet_v_oblasti_ustoichivogo_razvitiya

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You are also welcome to share your opinion on the Report and submit any questions you may have by contacting:

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