

# **KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC**

Condensed interim consolidated financial statements  
for three and nine months ended 30 September 2024  
(unaudited)

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

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# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024

Management of Kazakhstan Temir Zholy National Company JSC ("the Company") is responsible for the preparation of the condensed interim consolidated financial statements that present fairly the consolidated financial position of the Company and its subsidiaries (collectively – "the Group") as at 30 September 2024, and the consolidated results of its operations for the three and nine months then ended, consolidated cash flows and consolidated changes in equity for the nine months then ended in compliance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board (hereinafter – "IASB").

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

- properly selecting and applying accounting policies;
- making reasonable estimates and judgments;
- complying with IAS 34, with material departures being disclosed and explained in the condensed interim consolidated financial statements;
- providing additional disclosures when compliance with the specific requirements in IAS 34 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and 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 condensed interim consolidated financial statements of the Group comply with IAS 34;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRSs;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

These condensed interim consolidated financial statements for three and nine months ended 30 September 2024 were approved for issue by management on 20 November 2024.

On behalf of the Group's management:

  
Serik Keulimzhayev  
Chief of Staff

20 November 2024

  
Yelena Stankova  
Chief Accountant

20 November 2024

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED) (in millions of Tenge)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2024	2023	2024	2023
<b>Revenue and other income</b>					
Revenue from freight transportation	19	471,733	422,501	1,335,601	1,234,497
Revenue from passenger transportation	19	31,664	28,825	82,430	78,249
Government grants		10,136	7,817	29,181	29,753
Other revenue	20	35,226	27,053	102,922	79,371
<b>Total revenue and other income</b>		<b>548,759</b>	<b>486,196</b>	<b>1,550,134</b>	<b>1,421,870</b>
Cost of sales	21	(394,477)	(371,427)	(1,167,925)	(1,077,784)
<b>Gross profit</b>		<b>154,282</b>	<b>114,769</b>	<b>382,209</b>	<b>344,086</b>
General and administrative expenses	22	(32,900)	(26,601)	(88,337)	(74,000)
Finance income	23	4,796	4,075	36,921	18,272
Finance costs	23	(51,013)	(43,255)	(145,476)	(129,070)
Foreign exchange loss		(63,549)	(26,642)	(89,555)	(19,590)
Gain on disposal of subsidiary not qualifying as discontinued operations		-	-	-	6,282
Share in profit of associates and joint ventures	7	4,285	1,776	8,672	6,663
(Impairment)/impairment reversal of financial assets and contract assets		(59)	(387)	1,352	347
Impairment reversal/(impairment) of non-financial assets		92	(731)	(1,130)	(1,217)
Other profit and losses		(1,842)	540	4,822	1,862
<b>Profit before income tax</b>		<b>14,092</b>	<b>23,544</b>	<b>109,478</b>	<b>153,635</b>
Corporate income tax expenses		(11,418)	(2,246)	(29,176)	(24,087)
<b>Profit for the period</b>		<b>2,674</b>	<b>21,298</b>	<b>80,302</b>	<b>129,548</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED) FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED) (in millions of Tenge)

Notes	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
<b>Other comprehensive (loss)/income for the period, net of income tax:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange difference on the translation of foreign operations	(375)	(281)	1,797	(5,235)
<b>Other comprehensive (loss)/income for the period</b>	<b>(375)</b>	<b>(281)</b>	<b>1,797</b>	<b>(5,235)</b>
<b>Total comprehensive income for the period</b>	<b>2,299</b>	<b>21,017</b>	<b>82,099</b>	<b>124,313</b>
<b>Profit for the period attributable to:</b>				
The Shareholder	2,120	19,876	78,189	126,847
Non-controlling interests	554	1,422	2,113	2,701
	<b>2,674</b>	<b>21,298</b>	<b>80,302</b>	<b>129,548</b>
<b>Comprehensive income for the period, attributable to:</b>				
The Shareholder	1,745	19,595	79,986	121,612
Non-controlling interests	554	1,422	2,113	2,701
	<b>2,299</b>	<b>21,017</b>	<b>82,099</b>	<b>124,313</b>
Earnings per share, in tenge	24	4	40	157
				255

On behalf of the Group's management:

Serik Keulimzhayev  
Chief of Staff

20 November 2024

Yelena Stankova  
Chief Accountant

20 November 2024

The notes below are an integral part of these condensed interim consolidated financial statements.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

(in millions of Tenge)

	Notes	30 September 2024 (unaudited)	31 December 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	4,354,812	3,794,479
Goodwill		15,520	15,520
Intangible assets		11,433	13,824
Investment in joint ventures	7	1,246	1,579
Investment in associates	7	45,317	38,989
Deferred tax assets		308	60
Other non-current assets	8	665,123	650,038
<b>Total non-current assets</b>		<b>5,093,759</b>	<b>4,514,489</b>
<b>Current assets</b>			
Cash and cash equivalents	9	173,024	204,614
Inventories	10	69,525	64,362
VAT recoverable		78,262	49,618
Trade accounts receivable	11	12,755	16,326
Contract assets		1,260	1,153
Prepaid income tax		5,242	3,535
Other current assets	12	93,132	86,109
<b>Total current assets</b>		<b>433,200</b>	<b>425,717</b>
<b>Total assets</b>		<b>5,526,959</b>	<b>4,940,206</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,110,634	1,110,634
Foreign currency translation reserve		9,017	7,220
Retained earnings		737,146	623,698
Equity attributable to the Shareholder		1,856,797	1,741,552
Non-controlling interests		17,392	17,504
<b>Total equity</b>		<b>1,874,189</b>	<b>1,759,056</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2024

(in millions of Tenge)

	Notes	30 September 2024 (unaudited)	31 December 2023
<b>Non-current liabilities</b>			
Borrowings	14	2,080,453	1,763,432
Deferred tax liabilities		440,637	411,888
Employee benefit obligations		38,788	37,396
Lease liabilities	15	97,175	54,555
Derivative financial instruments		42,071	35,719
Other non-current liabilities	18	92,564	69,778
<b>Total non-current liabilities</b>		<b>2,791,688</b>	<b>2,372,768</b>
<b>Current liabilities</b>			
Borrowings	14	369,255	354,115
Trade accounts payable	16	213,946	200,969
Contract liabilities	17	92,036	115,868
Lease liabilities	15	28,234	16,951
Income tax and other taxes payable		24,412	13,961
Employment benefit obligations		7,608	7,608
Other current liabilities	18	125,591	98,910
<b>Total current liabilities</b>		<b>861,082</b>	<b>808,382</b>
<b>Total liabilities</b>		<b>3,652,770</b>	<b>3,181,150</b>
<b>Total equity and liabilities</b>		<b>5,526,959</b>	<b>4,940,206</b>

On behalf of the Group's management:

Serik Keulimbayev  
Chief of Staff

Yelena Stankova  
Chief Accountant

20 November 2024

20 November 2024

The notes below are an integral part of these condensed interim consolidated financial statements.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED) (in millions of Tenge)

	Notes	Nine months ended 30 September	
		2024	2023
<b>Operating activities:</b>			
Profit for the period		80,302	129,548
Adjustments for:			
Income tax expenses recognised in profit or loss		29,176	24,087
Depreciation and amortisation		124,928	115,182
Finance costs	23	145,476	129,070
Finance income	23	(36,921)	(18,272)
Foreign exchange loss		89,555	19,590
Gain on disposal of subsidiary not qualifying as discontinued operations		-	(6,282)
Impairment reversal of financial assets and contract assets		(1,352)	(347)
Impairment of non-financial assets		1,130	1,217
Share of profit of associates and joint ventures	7	(8,672)	(6,663)
Post-employment benefits and other long-term employee benefit expenses	21, 22	6,448	6,108
Other		98	853
<b>Operating income before changes in working capital and other balances</b>		<b>430,168</b>	<b>394,091</b>
Change in trade accounts receivable		(16,374)	(10,167)
Change in inventories		(4,841)	(27,219)
Change in other current and non-current assets (including non-current VAT recoverable)		(52,534)	(73,602)
Change in trade accounts payable		21,750	62,509
Change in other taxes payable		2,681	(3,148)
Change in other liabilities and contract liabilities		(3,308)	(1,080)
Change in employee benefit obligations		(5,057)	(4,674)
<b>Cash generated from operations before interest and income tax payments</b>		<b>372,485</b>	<b>336,710</b>
Interest paid		(142,353)	(106,903)
Interest received		12,880	12,993
Corporate income tax paid		(3,884)	(3,974)
<b>Net cash flows from operating activities</b>		<b>239,128</b>	<b>238,826</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED) (in millions of Tenge)

	Notes	Nine months ended 30 September	
		2024	2023
<b>Investing activities:</b>			
Purchase of property, plant and equipment, including advances paid for property, plant and equipment		(476,190)	(637,403)
Dividends received from associates		2,944	1,376
Repayment of loans issued		2,746	-
Proceeds from the sale of debt instruments		1,474	-
Proceeds from the sale of other non-current assets		871	1,024
Net proceeds from disposal of subsidiaries		-	11,948
Other		(941)	(68)
<b>Net cash flows used in investing activities</b>		<b>(469,096)</b>	<b>(623,123)</b>
<b>Financing activities:</b>			
Proceeds from borrowings	14	553,691	426,559
Repayment of borrowings	14	(337,898)	(122,566)
Repayment of lease liabilities	14	(7,738)	(10,965)
Dividends paid to non-controlling interests in subsidiaries		(2,206)	-
Others		(5,545)	(4,360)
<b>Net cash flows generated from financing activities</b>		<b>200,304</b>	<b>288,668</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(29,664)</b>	<b>(95,629)</b>
Cash and cash equivalents at the beginning of the period	9	204,614	267,032
Effect of changes in foreign exchange rates on cash and cash equivalent balances held in foreign currency		(1,931)	(931)
Effect of changes in the allowance for expected credit losses		5	12
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>173,024</b>	<b>170,484</b>
<b>Non-cash transactions:</b>			
Purchase of property, plant and equipment from borrowed funds by direct bank transfer to the supplier	14	55,910	76,470
Advances paid for property, plant and equipment and contract liabilities arising from the disposal of subsidiary		-	40,000

On behalf of the Group's management:

Serik Keulimzhayev  
Chief of Staff

Yelena Stankova  
Chief Accountant

20 November 2024

20 November 2024

The notes below are an integral part of these condensed interim consolidated financial statements.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge)

	Share capital	Foreign currency translation reserve	Retained earnings	Shareholder equity	Non-controlling interests	Total equity
<b>As at 1 January 2023</b>	<b>1,086,324</b>	<b>12,138</b>	<b>348,377</b>	<b>1,446,839</b>	<b>15,853</b>	<b>1,462,692</b>
Profit for the period	-	-	126,847	126,847	2,701	129,548
Other comprehensive loss for the period	-	(5,235)	-	(5,235)	-	(5,235)
Total comprehensive (loss)/income for the period	-	(5,235)	126,847	121,612	2,701	124,313
Other contributions (Note 13)	-	-	123,371	123,371	-	123,371
<b>As at 30 September 2023 (unaudited)</b>	<b>1,086,324</b>	<b>6,903</b>	<b>598,595</b>	<b>1,691,822</b>	<b>18,554</b>	<b>1,710,376</b>
<b>As at 1 January 2024</b>	<b>1,110,634</b>	<b>7,220</b>	<b>623,698</b>	<b>1,741,552</b>	<b>17,504</b>	<b>1,759,056</b>
Profit for the period	-	-	78,189	78,189	2,113	80,302
Other comprehensive income for the period	-	1,797	-	1,797	-	1,797
Total comprehensive income for the period	-	1,797	78,189	79,986	2,113	82,099
Other contributions (Note 13)	-	-	35,259	35,259	-	35,259
Dividends	-	-	-	-	(2,225)	(2,225)
<b>As at 30 September 2024 (unaudited)</b>	<b>1,110,634</b>	<b>9,017</b>	<b>737,146</b>	<b>1,856,797</b>	<b>17,392</b>	<b>1,874,189</b>

On behalf of the Group's management:



Serik Keulimzhayev  
Chief of Staff

20 November 2024

Yelena Stankova  
Chief Accountant

20 November 2024

The notes below are an integral part of these condensed interim consolidated financial statements.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

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#### 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 (hereinafter – "the Ultimate Shareholder") to establish a holding company for state railway industry assets management. The Company was registered on 15 May 2002. The condensed interim consolidated financial statements include the results of the operations of the Company and its wholly controlled subsidiaries (hereinafter - collectively, "the Group"). The address of the Company's registered office is 6, D. Kunayev Street, Astana, 010000, Republic of Kazakhstan.

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

The Group operates the nationwide mainline railway network providing freight and passenger transportation services; and operates, maintains and upgrades railway infrastructure in Kazakhstan. To regulate the Kazakhstan rail industry, the government sets the tariffs the Group charges for its railway network services, as well as for railway freight transportation services (according to the Kazakhstan Entrepreneurial Code) and passenger transportation on socially important routes, partially subsidising the cost through government grants. The level of regulated tariffs differs based on the type of freight transported. The government does not regulate international transit and container freight transportation tariffs.

The Kazakhstan Ministry of the National Economy's Committee for the Regulation of Natural Monopolies ("CRNM") approved main railway network service tariffs for 2021-2025. From 1 January and 4 June 2024, the increase in tariffs for mainline railway network services was 4% and 8.8%, respectively. From 20 September 2024, the increase in tariffs for locomotive traction services was 13.3%. As a result, the average increase in freight transportation regulated tariffs for the nine months ended 30 September 2024 was 12.7% (2023: 18%).

From 1 January 2024, the authorised body, represented by the Ministry of Transport of Kazakhstan agreed a 7% increase in passenger transportation tariffs for socially important interdistrict routes (2023: 7%).

The Group's operations are not subject to significant seasonal fluctuations. Revenue from freight transportation services is relatively stable throughout the year, however, due to the seasonality of passenger transportation, revenue is generally expected to increase in the second half of the year compared to the first half of the year, mainly due to the vacation season in the summer.

#### Operating environment

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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

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

In 2024, the National Bank of the Republic of Kazakhstan reduced the base rate from 15.75% to 14.5% per annum with a corridor of +/- 1.0 percentage points. In July 2024, the base rate further decreased to 14.25% per annum with a corridor of +/- 1.0 percentage points. However, the uncertainty still exists related to future development of the geopolitical risks and their impact on the economy of Kazakhstan.

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 the nine months ended 30 September 2024, the volume of freight transportation in transit route increased compared to the previous period.

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

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

## **2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**

### **Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

### **Going concern**

The Group's condensed interim consolidated financial statements have been prepared on a going concern basis. This assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future. As at 30 September 2024, the Group's current liabilities exceeded its current assets by 427,882 million tenge (31 December 2023: 382,665 million tenge). As at 30 September 2024, current liabilities include borrowings of 369,255 million tenge that are payable within twelve months after the reporting date. At the same time, profit for the nine months ended 30 September 2024 amounted to 80,302 million tenge (2023: 129,548 million

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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tenge), and cash inflows from operating activities amounted to 239,128 million tenge (2023: 238,826 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 the Republic 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. As at 30 September 2024, the Group has credit lines available in Halyk Bank of Kazakhstan JSC, Forte Bank JSC and Citibank with undrawn balances totalling 192,006 million tenge. Management of the Group has been having discussions with lenders to refinance borrowings due to be repaid within twelve months after the reporting date and the likelihood of 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. 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 condensed interim consolidated financial statements.

**Basis of preparation**

These condensed interim consolidated financial statements are unaudited and do not include all disclosures required for annual financial statements. The Group omitted disclosures, which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2023 prepared in accordance with International Financial Reporting Standards ("IFRSs"), (for example significant judgments used in applying accounting policy and details of accounts, which have not changed significantly in amount or composition).

These condensed interim consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements for 2023.

These condensed interim consolidated financial statements are based on the same accounting principles, accounting judgements, presentation methods and calculation methods as the consolidated financial statements of the Group as at 31 December 2023.

**Comparatives**

Where necessary, comparative figures are adjusted to conform in presentation in the current period.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

### 3. ADOPTION OF NEW AND REVISED STANDARDS

#### Adoption of new and revised standards

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (hereinafter – “IASB”) that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any significant impact on the disclosures or on the amounts reported in these condensed interim consolidated financial statements.

- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*;
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*;
- Amendments to IAS 1 *Non-current Liabilities with Covenants*.

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

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

Description of the standard and interpretation	Applicable to annual periods beginning on or after
Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB
Amendments to IAS 21 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to IFRS 7 and IFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

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

### 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### Critical judgements in applying accounting policies

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Group’s annual consolidated financial statements for 2023 prepared in accordance with IFRSs.

#### Key sources of estimation uncertainty

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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*Assessment of impairment indicators of property, plant and equipment*

The Group performs analysis of impairment indicators of the carrying value of property, plant and equipment at each reporting date.

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

As at 30 September 2024, 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 in comparison with 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 Francs.

The management of the Group did not identify any events that occurred for the nine months ended 30 September 2024 that could be considered as an indicator of the impairment of the single cash generating unit as at 30 September 2024.

*Corporate income tax*

For the purpose of the condensed interim consolidated financial statements, the Group calculates corporate income tax expense based on its best estimate of weighted average annual corporate income tax rate expected for the full financial year. The amounts accrued for corporate income tax expense in one interim period might be adjusted in the next interim period of the same financial year if there is a change in the estimate of the annual corporate income tax rate.

**5. SEGMENT INFORMATION**

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

Management of the Group tracks a number of segment profitability elements, such as profit before tax, profit for the period and gross profit. However, profit for the period is the primary measure used by management of the Group to allocate resources and assess segment performance.

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The Group does not have a specific pricing policy for inter-segmental sales.

	For the three months ended 30 September 2024 (unaudited)					Total
	Freight transportation	Passenger transportation	Reportable segments	Other	Consolidation	
<b>Key operating indicators</b>						
<b>Revenue and other income</b>						
Transportation revenue from third parties	471,733	31,664	503,397	-	-	503,397
Transportation revenue from intersegment transactions	443	18,113	18,556	-	(18,556)	-
Government grants	-	10,136	10,136	-	-	10,136
Other income from third parties	28,274	2,496	30,770	4,456	-	35,226
Other income from intersegment transactions	9,612	338	9,950	2,763	(12,713)	-
<b>Total revenue and other income</b>	<b>510,062</b>	<b>62,747</b>	<b>572,809</b>	<b>7,219</b>	<b>(31,269)</b>	<b>548,759</b>
Cost of sales	(362,377)	(56,002)	(418,379)	(5,537)	29,439	(394,477)
<b>Gross profit</b>	<b>147,685</b>	<b>6,745</b>	<b>154,430</b>	<b>1,682</b>	<b>(1,830)</b>	<b>154,282</b>
General and administrative expenses	(27,911)	(3,249)	(31,160)	(2,126)	386	(32,900)
Finance income	5,743	774	6,517	180	(1,901)	4,796
Finance costs	(48,256)	(3,391)	(51,647)	(56)	690	(51,013)
Foreign exchange (loss)/gain	(52,526)	(11,671)	(64,197)	80	568	(63,549)
Share of the profit of associates and joint ventures	4,285	-	4,285	-	-	4,285
Impairment reversal/(impairment) of financial assets and contract assets	92	(139)	(47)	(12)	-	(59)
Impairment reversal of non-financial assets	1	80	81	11	-	92
Other profit and losses	(1,655)	(22)	(1,677)	(159)	(6)	(1,842)
<b>Profit/(loss) before tax</b>	<b>27,458</b>	<b>(10,873)</b>	<b>16,585</b>	<b>(400)</b>	<b>(2,093)</b>	<b>14,092</b>
Corporate income tax expenses	(6,086)	(6,171)	(12,257)	(1,845)	2,684	(11,418)
<b>Profit/(loss) for the period</b>	<b>21,372</b>	<b>(17,044)</b>	<b>4,328</b>	<b>(2,245)</b>	<b>591</b>	<b>2,674</b>
<b>Other key segment information</b>						
Capital expenditures on property, plant and equipment	175,936	6,966	182,902	41,301	-	224,203
Depreciation of property, plant and equipment	38,585	5,361	43,946	444	(1)	44,389

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

	For the three months ended 30 September 2023					
	(unaudited)					
	Freight transportation	Passenger transportation	Reportable segments	Other	Consolidation	Total
<b>Key operating indicators</b>						
<b>Revenue and other income</b>						
Transportation revenue from third parties	422,501	28,825	451,326	-	-	451,326
Transportation revenue from intersegment transactions	354	15,113	15,467	-	(15,467)	-
Government grants	-	7,817	7,817	-	-	7,817
Other income from third parties	20,722	1,660	22,382	4,671	-	27,053
Other income from intersegment transactions	9,294	221	9,515	2,758	(12,273)	-
<b>Total revenue and other income</b>	<b>452,871</b>	<b>53,636</b>	<b>506,507</b>	<b>7,429</b>	<b>(27,740)</b>	<b>486,196</b>
Cost of sales	(341,351)	(51,799)	(393,150)	(5,748)	27,471	(371,427)
<b>Gross profit</b>	<b>111,520</b>	<b>1,837</b>	<b>113,357</b>	<b>1,681</b>	<b>(269)</b>	<b>114,769</b>
General and administrative expenses	(23,671)	(2,402)	(26,073)	(893)	365	(26,601)
Finance income	3,947	332	4,279	310	(514)	4,075
Finance costs	(37,706)	(4,986)	(42,692)	(94)	(469)	(43,255)
Foreign exchange (loss)/gain	(25,626)	(1,069)	(26,695)	52	1	(26,642)
Share of the profit of associates and joint ventures	1,776	-	1,776	-	-	1,776
Impairment of financial assets and contract assets	(444)	(404)	(848)	-	461	(387)
(Impairment)/impairment reversal of non-financial assets	(552)	10	(542)	(189)	-	(731)
Other profit and losses	428	24	452	89	(1)	540
<b>Profit/(loss) before tax</b>	<b>29,672</b>	<b>(6,658)</b>	<b>23,014</b>	<b>956</b>	<b>(426)</b>	<b>23,544</b>
Corporate income tax (expenses)/benefit	(5,619)	2,524	(3,095)	296	553	(2,246)
<b>Profit/(loss) for the period</b>	<b>24,053</b>	<b>(4,134)</b>	<b>19,919</b>	<b>1,252</b>	<b>127</b>	<b>21,298</b>
<b>Other key segment information</b>						
Capital expenditures on property, plant and equipment	192,614	35,257	227,871	45	-	227,916
Depreciation of property, plant and equipment	36,149	3,998	40,147	405	(2)	40,550

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

	For the nine months ended 30 September 2024 (unaudited)					
	Freight transportation	Passenger transportation	Reportable segments	Other	Consolidation	Total
<b>Key operating indicators</b>						
<b>Revenue and other income</b>						
Transportation revenue from third parties	1,335,601	82,430	1,418,031	-	-	1,418,031
Transportation revenue from intersegment transactions	1,248	54,167	55,415	-	(55,415)	-
Government grants	-	29,181	29,181	-	-	29,181
Other income from third parties	84,494	5,678	90,172	12,750	-	102,922
Other income from intersegment transactions	29,095	727	29,822	6,564	(36,386)	-
<b>Total revenue and other income</b>	<b>1,450,438</b>	<b>172,183</b>	<b>1,622,621</b>	<b>19,314</b>	<b>(91,801)</b>	<b>1,550,134</b>
Cost of sales	(1,077,692)	(165,500)	(1,243,192)	(15,410)	90,677	(1,167,925)
<b>Gross profit</b>	<b>372,746</b>	<b>6,683</b>	<b>379,429</b>	<b>3,904</b>	<b>(1,124)</b>	<b>382,209</b>
General and administrative expenses	(76,913)	(8,394)	(85,307)	(3,927)	897	(88,337)
Finance income	39,598	1,732	41,330	1,119	(5,528)	36,921
Finance costs	(125,553)	(22,030)	(147,583)	(203)	2,310	(145,476)
Foreign exchange (loss)/gain	(77,647)	(12,735)	(90,382)	259	568	(89,555)
Share of the profit of associates and joint ventures	8,672	-	8,672	-	-	8,672
Impairment reversal/(impairment) of financial assets and contract assets	1,585	(276)	1,309	40	3	1,352
Impairment of non-financial assets	(518)	(607)	(1,125)	(5)	-	(1,130)
Other profit and losses	3,371	2,531	5,902	(140)	(940)	4,822
<b>Profit/(loss) before income tax</b>	<b>145,341</b>	<b>(33,096)</b>	<b>112,245</b>	<b>1,047</b>	<b>(3,814)</b>	<b>109,478</b>
Corporate income tax expenses	(28,504)	(938)	(29,442)	(1,883)	2,149	(29,176)
<b>Profit/(loss) for the period</b>	<b>116,837</b>	<b>(34,034)</b>	<b>82,803</b>	<b>(836)</b>	<b>(1,665)</b>	<b>80,302</b>
<b>Other key segment information</b>						
Capital expenditures on property, plant and equipment	557,277	91,918	649,195	41,462	-	690,657
Depreciation of property, plant and equipment (Note 6)	109,783	15,020	124,803	1,271	(2)	126,072

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

	For the nine months ended 30 September 2023 (unaudited)					
	Freight transportation	Passenger transportation	Reportable segments	Other	Consolidation	Total
<b>Key operating indicators</b>						
<b>Revenue and other income</b>						
Transportation revenue from third parties	1,234,497	78,249	1,312,746			1,312,746
Transportation revenue from intersegment transactions	1,071	49,071	50,142		(50,142)	
Government grants	-	29,753	29,753			29,753
Other income from third parties	61,096	3,841	64,937	14,434		79,371
Other income from intersegment transactions	26,493	602	27,095	6,503	(33,598)	
<b>Total revenue and other income</b>	<b>1,323,157</b>	<b>161,516</b>	<b>1,484,673</b>	<b>20,937</b>	<b>(83,740)</b>	<b>1,421,870</b>
Cost of sales	(997,467)	(148,312)	(1,145,779)	(15,072)	83,067	(1,077,784)
<b>Gross profit</b>	<b>325,690</b>	<b>13,204</b>	<b>338,894</b>	<b>5,865</b>	<b>(673)</b>	<b>344,086</b>
General and administrative expenses	(65,637)	(6,969)	(72,606)	(2,395)	1,001	(74,000)
Finance income	21,098	1,011	22,109	916	(4,753)	18,272
Finance costs	(114,261)	(16,339)	(130,600)	(301)	1,831	(129,070)
Foreign exchange (loss)/gain	(18,650)	(970)	(19,620)	29	1	(19,590)
Gain on disposal of subsidiary not qualifying as discontinued operations	6,282	-	6,282			6,282
Share of the profit of associates and joint ventures	6,663	-	6,663			6,663
Impairment reversal/(impairment) of financial assets and contract assets	230	(791)	(561)	24	884	347
Impairment of non-financial assets	(895)	(109)	(1,004)	(213)		(1,217)
Other profit and losses	1,719	854	2,573	(86)	(625)	1,862
<b>Profit/(loss) before income tax</b>	<b>162,239</b>	<b>(10,109)</b>	<b>152,130</b>	<b>3,839</b>	<b>(2,334)</b>	<b>153,635</b>
Corporate income tax (expenses)/benefit	(28,641)	3,628	(25,013)	(252)	1,178	(24,087)
<b>Profit/(loss) for the period</b>	<b>133,598</b>	<b>(6,481)</b>	<b>127,117</b>	<b>3,587</b>	<b>(1,156)</b>	<b>129,548</b>
<b>Other key segment information</b>						
Capital expenditures on property, plant and equipment	377,131	45,190	422,321	205		422,526
Depreciation of property, plant and equipment (Note 6)	103,220	11,780	115,000	1,228	(4)	116,224

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 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 periods:

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Kazakhstan	526,414	468,552	1,489,633	1,377,173
Russia	10,822	7,563	28,455	21,908
China	7,318	3,221	19,564	6,050
Germany	1,470	5,590	5,558	13,641
Other	2,735	1,270	6,924	3,098
	<b>548,759</b>	<b>486,196</b>	<b>1,550,134</b>	<b>1,421,870</b>

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

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024

(in millions of Tenge, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	Rail track infrastructure	Buildings and constructions	Machinery and equipment	Vehicles	Land	Other	Construction-in- progress	Total
Carrying amount as at								
1 January 2023	1,291,479	295,342	245,620	1,267,851	3,959	10,937	126,317	3,241,505
Additions	139	60	3,484	24,991	2	526	381,992	411,194
Lease modifications	-	48	1,074	9,780	-	-	-	10,902
Disposals	-	(81)	5,251	1,912	-	-	-	7,082
Depreciation charge (Note 5)	(71)	(760)	(1,980)	(3,986)	(59)	(828)	(150)	(7,834)
Depreciation on disposal	(31,727)	(5,447)	(26,331)	(51,279)	-	(1,440)	-	(116,224)
Other movements and transfers <sup>1</sup>	57	349	1,749	3,982	-	822	-	6,959
	47,986	1,210	9,605	217,408	(31)	-	(277,884)	(1,706)
Carrying value as at 30 September 2023 (unaudited)	1,307,863	290,721	238,472	1,470,659	3,871	10,017	230,275	3,551,878
Cost	1,670,690	365,016	558,288	2,108,952	3,871	30,551	242,474	4,979,842
Accumulated depreciation and impairment	(362,827)	(74,295)	(319,816)	(638,293)	-	(20,534)	(12,199)	(1,427,964)
Carrying value as at 30 September 2023 (unaudited)	1,307,863	290,721	238,472	1,470,659	3,871	10,017	230,275	3,551,878
Including:								
Rights-of-use assets:								
Cost	-	1,862	49,577	86,063	-	9,131	-	146,633
Accumulated depreciation and impairment	-	(777)	(41,323)	(15,626)	-	(4,969)	-	(62,695)
Carrying value	-	1,085	8,254	70,437	-	4,162	-	83,938
Property, plant and equipment that are subject to operating lease (the Group as the lessor) <sup>2</sup>	-	205	28	78,282	-	-	-	78,515

<sup>1</sup> Other movements and transfers also include transfers to/from inventories, impairment/reversal of impairment.

<sup>2</sup> Comparative figures have been restated to be consistent with the current period.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024

(in millions of Tenge, unless otherwise stated)

	Rail track infrastructure	Buildings and constructions	Machinery and 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
Additions	13	2,886	12,408	3,994	3	1,070	586,509	606,883
Lease additions	-	6	27,261	55,253	-	-	-	82,520
Lease modifications	-	117	-	(41)	-	-	-	76
Disposals	(146)	(967)	(37,725)	(403)	(5)	(291)	(1,210)	(40,747)
Depreciation charge (Note 5)	(31,592)	(4,935)	(25,947)	(61,960)	-	(1,638)	-	(126,072)
Depreciation on disposal	112	441	35,069	401	-	262	-	36,285
Other movements and transfers <sup>3</sup>	25,416	87	12,659	325,494	-	782	(363,050)	1,388
Carrying value as at 30 September 2024 (unaudited)	1,409,547	311,100	271,699	1,930,288	3,869	10,685	417,624	4,354,812
Cost	1,803,784	392,095	590,516	2,637,640	3,869	32,478	428,238	5,888,620
Accumulated depreciation and impairment	(394,237)	(80,995)	(318,817)	(707,352)	-	(21,793)	(10,614)	(1,533,808)
Carrying value as at 30 September 2024 (unaudited)	1,409,547	311,100	271,699	1,930,288	3,869	10,685	417,624	4,354,812
Including:								
Rights-of-use assets:								
Cost	-	1,889	45,136	166,790	-	7,226	-	221,041
Accumulated depreciation and impairment	-	(1,078)	(18,343)	(10,185)	-	(4,197)	-	(33,803)
Carrying value	-	811	26,793	156,605	-	3,029	-	187,238
Property, plant and equipment that are subject to operating lease (the Group as the lessor)	-	330	-	89,145	-	-	-	89,475

<sup>3</sup> Other movements and transfers also include transfers to/from inventories, impairment/reversal of impairment.

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 7. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

For the nine months ended 30 September, movements in investments in associates and joint ventures are presented as follows:

	2024	2023
<b>Associates</b>		
As at 1 January	38,989	28,634
Acquisition	-	15
Foreign exchange difference on translation of foreign operations	1,959	(4,854)
Share in profit	8,849	6,673
Dividends receivable	(4,480)	(2,891)
<b>As at 30 September (unaudited)</b>	<b>45,317</b>	<b>27,577</b>
<b>Joint ventures</b>		
As at 1 January	1,579	165
Share in loss	(177)	(10)
Impairment	(231)	-
Charter capital contributions	75	-
<b>As at 30 September (unaudited)</b>	<b>1,246</b>	<b>155</b>

As at 30 September 2024, the Group's unrecognised share of the losses of its significant associate, Aktau Marine North Terminal LLP, amounted to 3,963 million tenge (31 December 2023: 600 million tenge).

### 8. OTHER NON-CURRENT ASSETS

	30 September 2024 (unaudited)	31 December 2023
Advances paid for property, plant and equipment	435,656	463,044
VAT recoverable	200,953	167,275
Investment property	8,885	8,379
Deferred expenses	8,313	93
Others	4,197	4,197
Less: allowance for non-recoverable VAT	(12,237)	(12,237)
Less: allowance for advances for property, plant and equipment	(1,115)	(1,616)
<b>Total other non-financial assets</b>	<b>644,652</b>	<b>629,135</b>
Restricted cash	14,094	14,175
Loans to employees	3,341	3,819
Bonds of commercial banks and other credit institutions, and other debt securities	1,207	1,432
Loans issued	985	3,938
Long-term trade accounts receivable (Note 11)	11	26
Others	1,706	1,144
Less: allowance for expected credit losses on loans issued	(310)	(3,092)
Less: allowance for expected credit losses on other non-current financial assets	(563)	(539)
<b>Total other financial assets</b>	<b>20,471</b>	<b>20,903</b>
	<b>665,123</b>	<b>650,038</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

Restricted cash is mostly amounts in Euros used as security on loans from HSBC Continental Europe. The restriction on cash will be released once the loans have been repaid.

As at 30 September 2024 and 31 December 2023, advances paid for property, plant and equipment included the following:

	30 September 2024 (unaudited)	31 December 2023
Construction of the railway	168,471	133,923
Passenger carriages supply	163,345	163,034
Electro locomotive supplies	85,498	90,447
Capital repairs of the railway	8,982	-
Diesel locomotive supplies	2,017	61,262
Railroad switch supplies	700	9,981
Others	6,643	4,397
	<b>435,656</b>	<b>463,044</b>

### 9. CASH AND CASH EQUIVALENTS

	30 September 2024 (unaudited)	31 December 2023
Short-term bank deposits in tenge	72,064	60,761
Short-term bank deposits in US Dollars	6,383	6,365
Short-term bank deposits in other currencies	-	165
Cash in bank current accounts in tenge	65,232	120,497
Cash in bank current accounts in US Dollars	8,478	13,075
Cash in bank current accounts in other currencies	4,474	3,758
Reverse repurchase agreements and other treasury securities with contractual maturity of three months or less	9,999	-
Cash on digital accounts in tenge	6,393	-
Petty cash	12	9
Less: allowance for expected credit losses on cash and cash equivalents	(11)	(16)
	<b>173,024</b>	<b>204,614</b>

As at 30 September 2024, 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 30 September 2024, the weighted average interest rate on cash in current accounts was 1.09% in tenge and 0.24% in other currencies (31 December 2023: 0.68% in tenge and 1.5% in other currencies).

Short-term bank deposits in tenge and in other currencies are placed for various periods of up to three months, depending on the Group's cash needs. As at 30 September 2024, the weighted average interest rate on short-term bank deposits was 13.93% in tenge and 3% in US Dollars (31 December 2023: 15.26% in tenge, 3% in US Dollars and 12% in other currencies).

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

As at 30 September 2024, cash placed by the Group on current accounts in Kazpost JSC, a related party of the Group, amounted to 55,146 million tenge (31 December 2023: 112,141 million tenge) (Note 26). In addition, the Group places cash and cash equivalents in banks and other financial institutions rated from A+ to B+. Based on this, the Group believes that its cash and cash equivalents credit risk as at 30 September 2024 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

	30 September 2024 (unaudited)	31 December 2023
Track structure materials	24,524	18,786
Fuel and lubricants	14,387	20,028
Materials and supplies	13,519	13,452
Spare parts	8,187	8,421
Construction materials	2,310	1,559
Others	7,791	4,135
	<b>70,718</b>	<b>66,381</b>
Less: allowance for inventories	(1,193)	(2,019)
	<b>69,525</b>	<b>64,362</b>

### 11. TRADE ACCOUNTS RECEIVABLE

	30 September 2024 (unaudited)	31 December 2023
Trade accounts receivable	15,864	20,316
Less: allowance for expected credit losses	(3,098)	(3,964)
	<b>12,766</b>	<b>16,352</b>
Current portion of trade accounts receivable	12,755	16,326
Non-current portion of trade accounts receivable (Note 8)	11	26
	<b>12,766</b>	<b>16,352</b>

As at 30 September 2024, trade accounts receivable from contracts with customers amounted to 14,876 million tenge (31 December 2023: 19,369 million tenge), expected credit losses on these trade accounts receivable amounted to 2,447 million tenge (31 December 2023: 3,574 million tenge).

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 12. OTHER CURRENT ASSETS

	30 September 2024 (unaudited)	31 December 2023
Other taxes prepaid	45,255	44,328
Advances paid	12,632	25,736
Deferred expenses	1,994	2,448
Others	6,337	5,494
Less: allowance for impairment of advances paid and other current non-financial assets	(7,596)	(6,396)
<b>Total other non-financial assets</b>	<b>58,622</b>	<b>71,610</b>
Restricted cash	15,025	6,789
Subsidies	11,112	15
Claims, interest and fines	2,169	3,974
Amounts due from employees	2,010	1,665
Dividends receivable	1,519	-
Others	5,486	5,176
Less: allowance for expected credit losses on other current financial assets	(2,811)	(3,120)
<b>Total other financial assets</b>	<b>34,510</b>	<b>14,499</b>
	<b>93,132</b>	<b>86,109</b>

### 13. EQUITY

#### Contributions

##### Other contributions

For the nine months ended on 30 September 2024, the Group recognised an adjustment to loans received from the Shareholder at below market rates to fair value of 44,074 million tenge (2023: 154,213 million tenge), net of deferred tax effect of 8,815 million tenge (2023: 30,842 million tenge) (Note 14).

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 14. BORROWINGS

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

	30 September 2024 (unaudited)		31 December 2023	
	Amount	Weighted average effective interest rate (%)	Amount	Weighted average effective interest rate (%)
<i>Fixed interest rate borrowings</i>				
Loans received	451,246		333,852	
- in tenge	217,703	9.53	223,035	8.69
- in Euros	56,837	5.31	59,611	5.31
- in Russian Roubles	90,219	8.39	51,206	5.94
- in Swiss Francs	86,487	3.34	-	-
Debt securities issued	1,151,274		1,079,764	
- in tenge	742,316	11.52	707,590	11.41
- in US Dollars	408,958	6.43	372,174	6.43
<i>Variable interest rate borrowings</i>				
Loans received	794,600		518,138	
- in tenge	44,279	19.54	122,925	18.83
- in Euros	199,260	7.64	139,143	5.32
- in Swiss Francs	551,061	3.23	256,070	3.55
Debt securities issued	52,588		185,793	
- in tenge	52,588	14.79	185,793	19.02
	<b>2,449,708</b>		<b>2,117,547</b>	
Current portion of borrowings	369,255		354,115	
Non-current portion of borrowings	2,080,453		1,763,432	
	<b>2,449,708</b>		<b>2,117,547</b>	

### Borrowings received

#### The Shareholder

In January 2024, the Group, represented by the Company, under a loan agreement with the Shareholder concluded on 21 October 2010, to finance the construction of railways "Korgos-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%. Interest on the loan is repaid in semi-annual payments. 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 (Note13).

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

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#### *ForteBank JSC*

During the nine months ended 30 September 2024, the Group, represented by the Company, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, received 55,000 million tenge with an interest rate of 16.25% to 16.75% and maturity up to six months. The Group made full early repayment of loans received.

#### *Societe Generale and Natixis*

During the nine months ended 30 September 2024, the Group, represented by its subsidiaries KTZ-Freight transportation LLP and KTZ-Passenger locomotives LLP, under the Master Framework 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 of 627,110,893 Euros, borrowed 112,297,770 Euros (55,910 million tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 1.15% margin. Principal is repaid semi-annually until full repayment in 2034.

#### *Halyk Bank of Kazakhstan JSC*

During the nine months ended 30 September 2024, the Group, represented by its subsidiary KTZ-Freight Transportation LLP, within the framework of a credit line agreement with Halyk Bank of Kazakhstan JSC concluded on 26 February 2015, received borrowings in the total amount of 39,000 million tenge with an interest rate of 16.5% to 17.25% with a maturity date of up to one year. The Group made full/partial early repayment of loans received.

#### *Eurasian Development Bank ("EDB")*

During the nine months ended 30 September 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, borrowed 7,640,071,200 Russian Roubles (37,956 million tenge). Loan interest is paid semi-annually at 7.8%. Principal is repaid semi-annually until full repayment in 2034 r.

#### *Citibank*

During the nine months ended 30 September 2024, the Group, represented by the Company, under the credit line Agreement with Citibank, dated 4 April 2024, borrowed funds in the total amount of 150,000,000 Swiss Francs (77,828 million tenge) with an interest rate of 3.21% to 3.4% and a repayment period of up to one year.

During the nine months ended 30 September 2024, the Group, represented by its subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP, under a loan agreement with Citibank N.A. 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, borrowed 342,880,041 Swiss Francs (176,254 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

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#### *Citibank Kazakhstan JSC*

In July 2024, the Group, represented by a subsidiary KTZ-Freight Transportation LLP, within the framework of a Master agreement with Citibank Kazakhstan on short-term loans, concluded on 30 November 2009, received borrowings in the total amount of 14,000 million tenge with an interest rate of 15% and maturity up to six months.

#### *European Bank for Reconstruction and Development ("EBRD")*

In July 2024, the Group, represented by the Company, under the loan agreement with EBRD, concluded on 4 July 2024, borrowed funds in the total amount of 200,000,000 Swiss Francs (107,986 million tenge). Loan interest is paid semi-annually at SARON 6m + 1.80% margin. Principal is repaid semi-annually until full repayment in 2029.

#### **Early repayment of non-current borrowings**

During the nine months ended 30 September 2024, the Group, represented by its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 22 October 2022, made a full early repayment of borrowings received of 60,540 million tenge.

During the nine months ended 30 September 2024, the Group, represented by its subsidiary KTZ-Passenger locomotives LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 20 October 2022, made a partial early repayment of borrowings received of 9,198 million tenge.

#### **Debt securities issued**

In June 2024, the Group, represented by the Company, for the implementation of Modernisation of the Dostyk-Moiynty railway transport corridor, issued debt securities at Kazakhstan Stock Exchange in favor of the Shareholder in the amount of 20,316 million tenge with a coupon rate of 9.25% per annum and a maturity date in 2044. The coupon is paid twice a year. The issuance was made in digital tenge (Note 9). 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 the fair value of bonds issued in the amount of 4,178 million tenge, net of deferred tax in the amount of 836 million tenge through equity in retained earnings as other contributions (Note 13).

In July 2024, the Group, represented by the Company, for the implementation of construction of the project for the construction of the Darbaza-Maktaaral railway line, issued debt securities at Kazakhstan Stock Exchange in favor 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. The coupon is paid twice a year. 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 the fair value of bonds issued 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).

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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**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 Dollars, which in turn were attracted and utilised for infrastructure modernisation, updating locomotives and freight carriages. The Agreement stipulates that the amount of subsidy should be provided for under the republican budget program "Subsidising the coupon rate on the carrier's bonds issued for the development of the main railway network and rolling stock of railway transport" (hereinafter – "the Program"). Since the budget Program is available to all transportation companies that have the status of a "carrier" in accordance with the Law on Railway Transport, the Group's management accounts for the financing under this Program as a government grant recognised within finance income.

For the nine months ended 30 September 2024, the Group recognised income from government subsidies under the Program in the amount of 16,725 million tenge as part of financial income. In addition, the Group recognised deferred income in the amount of 5,575 million tenge as part of other current liabilities as at 30 September 2024.

The fair value of borrowings is presented in Note 27.

**Credit agreements and breaches of credit agreements**

In accordance with arrangements with HSBC Continental Europe regarding financial and non-financial covenants, 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 30 September 2024, this covenant was met.

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 annual consolidated financial statements of the Group. As at 31 December 2023, this covenant was met.

Loan agreement with EDB includes certain financial covenants such as Debt to EBITDA and Interest coverage ratio calculated semi-annually based on 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 30 June 2024, these covenants were met.

Loan agreement with Citibank and Santander under the MIGA guarantee includes compliance 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 quarterly consolidated results of the Group. As at 30 September 2024, these covenants were met.

Loan agreement with EBRD includes certain financial covenant such as Debt to EBITDA calculated based on annual consolidated financial statements of the Group starting from 2025.

**KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**

*(in millions of Tenge, unless otherwise stated)*

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

	2024			2023		
	Borrowings and debt securities issued	Lease liabilities (Note 15)	Total	Borrowings and debt securities issued	Lease liabilities (Note 15)	Total
<b>As at 1 January</b>	<b>2,117,547</b>	<b>71,506</b>	<b>2,189,053</b>	<b>1,687,331</b>	<b>53,082</b>	<b>1,740,413</b>
<b>Changes due to cash flows from financing activities</b>						
Repayment of principal on borrowings	(337,898)	-	(337,898)	(122,566)	-	(122,566)
Proceeds from borrowings	553,691	-	553,691	426,559	-	426,559
Repayment of lease liabilities	-	(7,738)	(7,738)	-	(10,965)	(10,965)
<b>Total changes due to cash flows from financing activities</b>	<b>215,793</b>	<b>(7,738)</b>	<b>208,055</b>	<b>303,993</b>	<b>(10,965)</b>	<b>293,028</b>
<b>Other changes</b>						
Effect of changes in foreign currency exchange rates	87,507	(21)	87,486	17,335	142	17,477
Acquisition of property, plant and equipment through borrowings directly transferred to the supplier	55,910	-	55,910	76,470	-	76,470
New lease agreements	-	56,819	56,819	-	6,428	6,428
Fair value adjustments of borrowings received from the Shareholder at below market interest rate (Note 13)	(44,074)	-	(44,074)	(154,213)	-	(154,213)
Interest expenses and amortisation of discount, including those capitalised	152,166	13,716	165,882	135,616	6,597	142,213
Interest paid	(129,297)	(8,721)	(138,018)	(103,237)	(3,986)	(107,223)
Other changes	(5,844)	(152)	(5,996)	(3,184)	6,870	3,686
<b>Total other changes attributable to liabilities</b>	<b>116,368</b>	<b>61,641</b>	<b>178,009</b>	<b>(31,213)</b>	<b>16,051</b>	<b>(15,162)</b>
<b>As at 30 September (unaudited)</b>	<b>2,449,708</b>	<b>125,409</b>	<b>2,575,117</b>	<b>1,960,111</b>	<b>58,168</b>	<b>2,018,279</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 15. LEASE LIABILITIES

	30 September 2024 (unaudited)		31 December 2023	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Up to one year	30,695	28,234	18,461	16,951
From two to five years inclusive	95,936	55,702	47,066	26,930
Over five years	151,369	41,473	100,304	27,625
<b>Total</b>	<b>278,000</b>	<b>125,409</b>	<b>165,831</b>	<b>71,506</b>
Less unearned interest	(152,591)	-	(94,325)	-
<b>Present cost of lease liabilities</b>	<b>125,409</b>	<b>125,409</b>	<b>71,506</b>	<b>71,506</b>
Less amount due within 12 months		(28,234)		(16,951)
<b>Amount due after 12 months</b>		<b>97,175</b>		<b>54,555</b>

As at 30 September 2024, interest calculations are based on effective interest rates of between 2.5% and 21.69% (31 December 2023: от 2.5%-21.69%).

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

#### Finance lease agreements (hereinafter – “lease agreements”) with Industrial Development Fund JSC

##### *Flat carriages*

In November 2020, the Group, represented by its subsidiary KTZ Express JSC, entered into an agreement to lease 2,000 flat carriages with a total value of 47,391 million tenge (taking into account the additional agreement dated 29 September 2023) and at interest of 15% per annum, of which 10% per annum is subsidised by the State. The grace period for the principal is 2 years. The Group acts as the lessee.

During the nine months ended 30 September 2024, within the framework of the agreement, the Group received 193 flat carriages and recognised right-of-use assets of 5,077 million tenge for 32 years and a lease liability of 2,734 million tenge for 15 years.

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 10% per annum is subsidised by the State. The grace period for the principal is 5 years. The Group acts as the lessee.

During the nine months ended 30 September 2024, within the framework of the agreement, the Group received 200 flat carriages and recognised right-of-use assets of 6,493 million tenge for 32 years and a lease liability of 4,074 million tenge for 15 years.

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#### *Passenger carriages*

In September 2023, the Group, represented by its subsidiary Passenger Transportation JSC, entered into an agreement for the lease of 100 passenger carriages with a total value of 65,796 million tenge and an interest rate of 13.15% 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 the nine months ended 30 September 2024, within the framework of the agreement, the Group received 50 passenger carriages and recognised right-of-use assets of 33,431 million tenge for 40 years and a lease liability of 15,748 million tenge for 15 years.

#### *Freight open wagons*

In July 2023, the Group, represented by its subsidiary Kaztemirtrans JSC, entered into an agreement for the lease of 3,000 open wagons with a total value of 88,125 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 the nine months ended 30 September 2024, within the framework of the agreement, the Group received 349 open wagons and recognised right-of-use assets of 10,252 million tenge for 22 years and a lease liability of 6,997 million tenge for 14 years.

Requirements related to financial leasing agreements of the Group, represented by subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC, with Industrial Development Fund JSC, include, but are not limited to conditions related to restrictions on: change of legal status through voluntary liquidation; conclusion of an agreement or several agreements, the amount of which exceeds 10-25% of the carrying value of assets; transfer of leased items or part of leased items to sublease. In the event of events of default, determined by the terms of financial leasing agreements, the lessor has the right to demand uncontested reclamation of the leased items.

#### **Lease agreements with Transtelecom JSC**

During the nine months ended 30 September 2024, the Group, represented by the Company, entered into a lease agreement of communication channels with its associate Transtelecom JSC and recognised right-of-use assets and a lease liability in the amount of 27,261 million tenge for 5 years.

## **16. TRADE ACCOUNTS PAYABLE**

	30 September 2024 (unaudited)	31 December 2023
Accounts payable for inventories received	81,890	56,961
Accounts payable for services provided	75,800	92,628
Accounts payable for the supply of property, plant and equipment	50,021	46,789
Other accounts payable	6,235	4,591
	<b>213,946</b>	<b>200,969</b>

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Aa at 30 September 2024 and 31 December 2023, trade accounts payable were denominated in the following currencies:

	30 September 2024 (unaudited)	31 December 2023
Tenge	190,734	174,516
Euros	12,362	9,542
US Dollars	9,418	10,018
UAE Dirham	-	5,899
Other currencies	1,432	994
	<b>213,946</b>	<b>200,969</b>

### 17. CONTRACT LIABILITIES

	30 September 2024 (unaudited)	31 December 2023
Advances received on contracts with customers	77,093	105,103
Deferred income	14,943	10,765
	<b>92,036</b>	<b>115,868</b>

### 18. OTHER LIABILITIES

	30 September 2024 (unaudited)	31 December 2023
Deferred income (government grants)	82,040	44,804
Obligatory pension contributions, social contributions, insurance and obligatory medical insurance contributions	12,294	12,530
Advances received	10,220	10,015
Provisions	2,645	2,611
Others	2,845	3,397
<b>Total other non-financial liabilities</b>	<b>110,044</b>	<b>73,357</b>
Salary payable	33,912	15,511
Provisions for unused vacation and other employee benefits	29,481	36,225
Financial guarantee contract liabilities	27,479	28,536
Others	17,239	15,059
<b>Total other financial liabilities</b>	<b>108,111</b>	<b>95,331</b>
	<b>218,155</b>	<b>168,688</b>
Current portion of other liabilities	125,591	98,910
Non-current portion of other liabilities	92,564	69,778
	<b>218,155</b>	<b>168,688</b>

As disclosed in Note 25, the Group provided financial guarantees to banks on loans received by the entities of Nursultan Nazarbayev International Airport JSC and Aktobe Rail and Section Mill Plant LLP, and recognised obligations under financial guarantee agreements. As at 30 September 2024, liabilities under financial guarantee agreements amounted to 14,914 million tenge for Nursultan

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Nazarbayev International Airport JSC and 12,565 million tenge for Aktope Rail and Section Mill Plant LLP (31 December 2023: 15,315 million tenge for Nursultan Nazarbayev International Airport JSC, 13,202 million tenge for Aktope Rail and Section Mill Plant LLP and 19 million tenge for Transtelecom JSC).

As at 30 September 2024 and 31 December 2023, other liabilities were primarily denominated in tenge.

### 19. REVENUE

For the three and nine months ended 30 September 2024 and 2023, revenue from freight transportation included:

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Revenue from contracts with customers:				
International (transit) route	169,297	150,627	493,831	479,773
Domestic route	140,312	120,603	366,427	322,991
International (export) route	80,866	69,068	227,958	196,960
International (import) route	49,497	46,090	140,425	137,154
Additional charges related to the transportation process	14,362	14,772	50,749	45,326
Other revenue from freight transportation	17,399	21,341	56,211	52,293
	<b>471,733</b>	<b>422,501</b>	<b>1,335,601</b>	<b>1,234,497</b>

For the three and nine months ended 30 September 2024 and 2023, revenue from passenger transportation included:

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Revenue from contracts with customers:				
Passenger transportation	27,133	25,563	69,940	69,549
Other revenue from freight transportation	4,531	3,262	12,490	8,700
	<b>31,664</b>	<b>28,825</b>	<b>82,430</b>	<b>78,249</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 20. OTHER REVENUE

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Revenue from lease of wagons	16,427	12,022	47,496	33,315
Revenue from the sale of goods, provision of other services	14,547	11,695	40,264	36,148
Revenue from fines	2,477	2,081	9,793	6,619
Revenue from the lease of other property, plant and equipment	1,775	1,255	5,369	3,289
	<b>35,226</b>	<b>27,053</b>	<b>102,922</b>	<b>79,371</b>

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 leases of wagons are payable within one year. Operating leases do not include an extension option. The Group is not exposed to currency risk as a result of leases of wagons, as all leases are denominated in tenge. The lessee does not have an option to purchase wagons 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.

### 21. COST OF SALES

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Staff costs, including taxes, contributions and provisions for unused vacations	166,647	153,252	513,629	451,315
Repairs and maintenance	59,816	58,898	170,775	164,381
Fuel and lubricants	47,804	52,119	142,008	152,573
Depreciation and amortisation	42,790	39,031	122,022	111,828
Electricity	22,665	17,755	64,358	45,154
Work and services of a production nature	18,743	18,595	50,068	59,457
Materials and supplies	12,816	12,894	38,488	33,651
Property tax and other taxes than social tax and social contributions	7,430	6,895	22,553	20,891
Employee benefit expenses and other long-term employee benefits	2,302	2,125	6,073	5,694
Other costs	13,464	9,863	37,951	32,840
	<b>394,477</b>	<b>371,427</b>	<b>1,167,925</b>	<b>1,077,784</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 22. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Staff costs, including taxes, contributions and provisions for unused vacation	19,466	17,073	55,405	47,621
Property tax and other taxes, excluding social tax and social contributions	7,132	2,020	12,018	5,591
Other third party services	1,371	1,363	2,834	3,133
Depreciation and amortisation	921	974	2,797	3,242
Charity	-	-	2,000	-
Consulting, audit and legal services	597	196	1,895	697
Business trip expenses	636	502	1,660	1,410
Utilities and building maintenance	227	90	858	457
Lease expenses	295	220	832	694
Insurance	188	154	490	457
Telecommunication services	166	165	487	505
Employee benefit expenses and other long-term employee benefits	143	155	375	414
Banking services	110	100	334	326
Expenses to maintain social sphere facilities	77	65	300	265
Other expenses	1,571	3,524	6,052	9,188
	<b>32,900</b>	<b>26,601</b>	<b>88,337</b>	<b>74,000</b>

### 23. FINANCE INCOME AND COSTS

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<b>Finance income</b>				
Income from interest rate subsidies on financial liabilities	6,732	536	19,816	1,452
Interest income on cash and cash equivalents	3,503	3,376	8,747	9,225
Interest income on derivative financial instruments recognised at fair value through profit or loss	-	-	5,016	5,079
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	(6,351)	-	-	-
Other financial income	912	163	3,342	2,516
	<b>4,796</b>	<b>4,075</b>	<b>36,921</b>	<b>18,272</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Finance costs				
Interest expenses and amortisation of discount on borrowings	38,731	39,394	123,203	118,497
Lease interest expenses	4,888	2,352	13,716	6,597
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	6,352	825	6,352	2,914
Other finance costs	1,042	684	2,205	1,062
	<b>51,013</b>	<b>43,255</b>	<b>145,476</b>	<b>129,070</b>

### 24. EARNING PER SHARE

Basic earnings per share are calculated using the weighted average number of common shares issued during the period. Basic and diluted per share data are the same, as there are no dilutive instruments outstanding. As at 30 September 2024 and 31 December 2023, the Company had no outstanding antidilutive instruments.

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Weighted average of common shares	496,693,666	496,692,666	496,693,666	496,692,666
Profit for the period attributable to the Shareholder	2,120	19,876	78,189	126,847
Earnings per share (tenge)	<b>4</b>	<b>40</b>	<b>157</b>	<b>255</b>

The carrying amount of one share as at 30 September 2024 and 31 December 2023 is presented below:

	30 September 2024 (unaudited)	31 December 2023
Net assets, excluding intangible assets, goodwill and non-controlling interests	1,829,844	1,712,208
Quantity of common shares in circulation (registered)	496,693,666	496,693,666
Carrying amount of one share (tenge) <sup>4</sup>	<b>3,684</b>	<b>3,447</b>

<sup>4</sup> Carrying amount of shares is calculated in accordance with KASE requirements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024

(in millions of Tenge, unless otherwise stated)

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25. FINANCIAL AND CONTINGENT LIABILITIES

Investment liabilities

As at 30 September 2024, the Group had investment liabilities, including the modernisation of the Dostyk-Moiynty railway transport corridor, construction of the Darbaza-Maktaaral railway line and railway lines bypassing the Almaty station, liabilities under lease agreements with Industrial Development Fund JSC, for the capital repairs of railways, for the acquisition of equipment, freight and passenger electric locomotives, freight and passenger diesel locomotives, freight and passenger carriages for a total amount of 2,354,799 million tenge (31 December 2023: 1,867,649 million tenge).

*Liabilities under lease agreements with Industrial Development Fund JSC*

In August 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. The lease term is 14 years, with 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. As at 30 September 2024, the commitment for the undelivered open wagons was 70,764 million tenge.

In September 2023, the Group, represented by its subsidiary Passenger transportation JSC, entered into an agreement for the lease of 100 passenger carriages with a total value of 65,796 million tenge. The lease term is 15 years, with an interest rate of 13.15% 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. As at 30 September 2024, the commitment for the undelivered passenger carriages was 7,753 million tenge.

In May 2024, the Group, represented by its subsidiary Passenger transportation JSC, entered into an agreement for the lease 157 passenger carriages with a total value of 103,432 million tenge. The lease term is 15 years, with 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. As at 30 September 2024, the commitment for the undelivered passenger carriages was 103,125 million tenge.

In July 2024, the Group, represented by its subsidiary KTZ Express JSC, entered into an agreement for the lease of 2,000 flat carriages with a total value of 63,356 million tenge. The lease term is 15 years, with an interest rate 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. As at 30 September 2024, the commitment for the undelivered flat carriages was 56,864 million tenge.

In August 2024, the Group, represented by its subsidiary Passenger transportation JSC, entered into an agreement for the lease 3 electric trains with a total value of 11,891 million tenge. The lease term is 15 years, with 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. As at 30 September 2024, the commitment for the undelivered electric trains was 11,607 million tenge.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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**Other contractual liabilities**

As at 30 September 2024, 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.

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 30 September 2024, 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 30 September 2024 and 31 December 2023. It is not possible to determine the value of any unasserted claims that may manifest, 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 the Republic of 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.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### Environmental protection

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, management has analysed and classified the Group's assets that belongs to rail track infrastructure into the second category. The sea port assets in Aktau city were also classified to the second category. The remaining assets of the Group were classified into the third and fourth categories. The Group's management believes that its interpretation of the relevant legislation of the Republic of Kazakhstan is appropriate.

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

### Guarantees

As at 30 September 2024, guarantees were represented as follows:

Creditor	Purpose of the guarantee	Guarantee issue date	Guarantee period	Guarantee amount, (unaudited)
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	16,020
Development Bank of Kazakhstan JSC	Execute the obligations of Nursultan Nazarbayev International Airport JSC to finance its modernisation in Astana	28 March 2018	until 2033	21,940

Note 18 discloses the carrying value of these guarantees.

As at 30 September 2024 and 31 December 2023, there were no cases of using the financial guarantees listed above.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

### 26. RELATED PARTY TRANSACTIONS

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 30 September 2024 (unaudited) and 31 December 2023 are detailed below.

		Shareholder	Associates	Companies making up the Shareholder group	Other related parties <sup>5</sup>
Amounts due from related parties for goods, services and non-current assets, including advances paid	2024	-	1,764	142	3,778
	2023	-	3,374	146	3,214
<i>including allowances for expected credit losses and impairment of advances paid</i>	2024	-	(215)	(1)	(124)
	2023	-	(425)	(100)	(60)
Amounts due to related parties for goods, services and non-current assets, including advances received	2024	-	10,369	72,713	11,778
	2023	-	14,217	38,903	13,399
Cash on current accounts	2024	-	-	55,146	-
	2023	-	-	112,141	-
Cash on digital accounts	2024	-	-	-	6,393
	2023	-	-	-	-
Other current assets	2024	-	-	-	4
	2023	-	-	-	202
Loans received	2024	831,042	-	-	165,637
	2023	768,615	-	-	125,449
Lease liabilities	2024	-	32,195	-	90,009
	2023	-	9,831	-	58,445
Financial guarantee contract liabilities	2024	-	-	-	14,915
	2023	-	19	-	15,315
Dividends receivable	2024	-	1,519	-	-
	2023	-	-	-	-

<sup>5</sup> Other related parties include other commercial entities and financial institutes under common control and significant influence of the State.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

Related party transactions for the nine months ended 30 September (unaudited) are detailed below:

		Shareholder	Associates	Joint ventures	Companies making up the Shareholder Group	Other related parties <sup>5</sup>
Sale of goods, services and non-current assets	2024	-	86,767	-	20,112	75,154
	2023	-	55,306	-	18,109	59,859
Recovered/(accrued) allowances for expected credit losses and impairment of advances paid	2024	-	210	-	98	(44)
	2023	-	1,254	-	(5)	-
Purchase of goods, services and non-current assets	2024	-	18,998	-	76,424	53,113
	2023	-	17,574	-	113,533	17,872
Receipt of loans	2024	64,516	-	-	-	37,956
	2023	236,309	-	-	-	48,261
Repayment of loans received	2024	1,175	-	-	-	5,713
	2023	1,175	-	-	-	1,835
New lease agreements (Group as lessee)	2024	-	27,261	-	-	29,552
	2023	-	1,121	-	-	5,307
Lease liability payments	2024	-	9,387	-	-	7,930
	2023	-	10,948	-	-	1,962
Finance income	2024	-	19	-	-	400
	2023	-	203	-	-	108
Finance costs	2024	26,968	4,471	-	-	18,333
	2023	26,022	2,040	-	-	9,974
Dividends declared	2024	-	4,480	-	-	-
	2023	-	2,891	-	-	-
Charter capital contribution	2024	-	-	75	-	-
	2023	-	-	-	-	-

During the nine months ended 30 September 2024, the Group issued bonds in favour of the Shareholder in the amount of 64,516 million tenge (Note 14) (2023: received a loan in the amount of 162,600 million tenge and issued bonds in the amount of 173,709 million tenge).

As at 30 September 2024, the Group has borrowings from Industrial Development Fund JSC, Development Bank of Kazakhstan JSC and EDB for a total of 165,637 million tenge (31 December 2023: 125,449 million tenge).

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024**  
*(in millions of Tenge, unless otherwise stated)*

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As at 30 September 2024 and 31 December 2023, the Group issued guarantee on certain borrowings of the associate and other related and third parties to ensure the execution of obligations to the banks (Notes 18 and 25).

As at 30 September 2024, Group's borrowings from the Shareholder were mainly received at rates below market varying from 0.05% to 9.25% and maturity varying from 3 to 50 years and at initial recognition were reflected at fair value at rates from 6.43% to 13.99%.

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 to Shareholder group companies, associates and joint ventures, as well as other related parties.

*Compensation to key management personnel of the Group*

As at 30 September 2024, key management personnel comprise members of the Group's Management Board and Board of Directors, totalling 15 persons (31 December 2023: 16 persons). Total compensation to key management personnel included in personnel costs in the condensed interim consolidated statement of profit or loss and other comprehensive income comprised 584 million tenge for the nine months ended 30 September 2024 (2023: 711 million tenge). Compensation to key management personnel mainly consists of contractual salary costs, including related taxes and contributions, unused vacation allowance and other performance-based payments.

**27. FINANCIAL INSTRUMENTS. 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 forced or liquidation sale. As no readily available market exists for large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument.

Fair value of the derivative financial instrument is 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.

In preparation of these condensed interim consolidated financial statements, the same methodologies and assumptions for calculating the fair value of financial instruments were used as in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2023.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

*Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)*

As at 30 September 2024 and 31 December 2023, the fair value of financial assets and financial liabilities, except for loans issued, borrowings and debt securities issued, was not significantly different from their carrying amount. The carrying amount and fair value of loans issued and received, debt securities issued (bonds) and other financial assets as at 30 September 2024 and 31 December 2023 are presented as follows:

	30 September 2024 (unaudited)		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans issued	3,472	3,168	4,577	4,257
Other financial assets	30,558	29,234	22,037	20,320
Loans received	1,245,846	1,207,763	851,990	821,326
Debt securities	1,203,862	1,105,334	1,265,557	1,182,596

### *Fair value hierarchy*

The table below provides an analysis of financial instruments as at 30 September 2024 (unaudited) broken down into the fair value hierarchy levels.

	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- loans issued	-	3,168	-	3,168
- other financial assets	-	28,602	-	28,602
Financial assets at fair value through profit or loss:				
- other financial assets	-	-	632	632
<b>Total</b>	<b>-</b>	<b>31,770</b>	<b>632</b>	<b>32,402</b>
Financial liabilities at amortised cost:				
- debt securities	-	408,888	-	408,888
- debt securities from the Shareholder	-	696,446	-	696,446
- bank loans	-	1,141,192	-	1,141,192
- loans from the Shareholder	-	66,571	-	66,571
Financial liabilities at fair value through profit or loss:				
- derivative financial instruments	-	42,071	-	42,071
<b>Total</b>	<b>-</b>	<b>2,355,168</b>	<b>-</b>	<b>2,355,168</b>

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (in millions of Tenge, unless otherwise stated)

The table below provides an analysis of financial instruments as at 31 December 2023 broken down into the fair value hierarchy levels.

	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- loans issued	-	4,257	-	4,257
- other financial assets	-	20,247	-	20,247
Financial assets recognised at fair value through profit or loss:				
- other financial assets	-	-	73	73
<b>Total</b>	<b>-</b>	<b>24,504</b>	<b>73</b>	<b>24,577</b>
Financial liabilities recognised at amortised cost:				
- debt securities	-	564,075	-	564,075
- debt securities from the Shareholder	-	618,521	-	618,521
- bank loans	-	752,077	-	752,077
- loans from the Shareholder	-	69,249	-	69,249
Financial liabilities recognised at fair value through profit or loss:				
- derivative financial instruments	-	35,719	-	35,719
<b>Total</b>	<b>-</b>	<b>2,039,641</b>	<b>-</b>	<b>2,039,641</b>

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.

For the nine months ended 30 September 2024, there were no transfers between the fair value hierarchy levels.

## 28. EVENTS AFTER THE REPORTING DATE

### *Derivative financial instruments*

In October 2024, the Group, under cross-currency swap agreements, concluded in October and November 2022, received cash from Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) in the total amount of 8,877,167 US Dollars (4,309 million tenge) and of 2,281,189 Swiss Francs (1,281 million tenge).

### *Dividends received*

On 10 October 2024, the Group received dividends for 1<sup>st</sup> half 2024 in the amount of 263,989,989 Russian Roubles (1,333 million tenge) from an associate United Transport and Logistics Company - Eurasian Rail Alliance JSC.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024

*(in millions of Tenge, unless otherwise stated)*

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#### *Borrowings received*

In November 2024, the Group, represented by its subsidiaries KTZ-Freight Transportation LLP, under a loan agreement with Citibank N.A. 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, borrowed 39,443,180 Swiss Francs (22,188 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.