KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

Forms of consolidated annual financial statements
for publication by public interest entities
(other than financial institutions) for the year ended
31 December 2024, in accordance with the format
approved by the Order of the Minister of Finance of the
Republic of Kazakhstan dated 28 June 2017 No. 404
(with amendments from 2 March 2022 No. 241)

KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Management of Kazakhstan Temir Zholy National Company JSC ("the Company") is responsible for the preparation of the forms of consolidated annual financial statements that present fairly the consolidated financial position of the Company and its subsidiaries ("the Group") as at 31 December 2024, and the consolidated results of its operations, consolidated cash flows and consolidated changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and with the format of annual financial statements for publication by public interest entities in the media (other than financial institutions) approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 No. 404 (with amendments from 2 March 2022 No. 241) ("Order No.404").

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

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group`s consolidated financial position and consolidated financial performance;
- compliance with the format of annual financial statements approved by Order No.404, as well as compliance with the consolidated financial statements prepared in accordance with IFRS Accounting Standards; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group and ensure that the forms of the consolidated annual financial statements comply with the format of the annual financial statements approved by Order No.404, and which enable them to ensure the compliance with the consolidated financial statements of the Group prepared in accordance with IFRS Accounting Standards on the basis of which they were prepared;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS Accounting Standards;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

These forms of consolidated annual financial statements for the year ended 31 December 2024, were authorised for issue by management on 20 March 2025 and subject to further approval by the Board of Directors and the Shareholder.

On behalf of the Group`s management:

Serik Keulimzhayev	**Yelena Stankova**
Chief of Staff	**Chief Accountant**
20 March 2025	20 March 2025

Deloitte LLP
36 Al Farabi Avenue
Almaty, 050059
Republic of Kazakhstan

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INDEPENDENT AUDITOR'S REPORT ON THE FORMS OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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

Opinion

We have audited the forms of consolidated annual financial statements of Kazakhstan Temir Zholy National Company JSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and an explanatory note to the forms of consolidated annual financial statements, including material accounting policy information and other explanatory information.

In our opinion, the Group's accompanying forms of consolidated annual financial statements for the year ended 31 December 2024 is presented fairly, in all material respects, in accordance with the Order of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 No. 404 (with amendments from 2 March 2022 No. 241) ("Order No.404").

Basis for Opinion

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

Emphasis of Matter – basis for the preparation

We draw your attention to Note 2 to the forms of consolidated annual financial statements, which specifies the basis for their preparation. Forms of consolidated annual financial statements have been prepared to ensure that the Group complies with the requirements of Order No.404 regarding the preparation of forms of annual financial statements. As a result, these forms of consolidated annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Group prepared the separate set of the consolidated financial statements for 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, in respect of which we issued a separate audit opinion to the Board of Directors and the Shareholder of the Company on 13 March 2025.

Responsibilities of Management and Those Charged With Governance for the Forms of Consolidated Annual Financial Statements

Management is responsible for the preparation and fair presentation of the forms of consolidated annual financial statements in accordance with Order No.404, and for such internal control as management determines is necessary to enable the preparation of forms of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process of the forms of consolidated annual financial statements.

Auditor's Responsibilities for the Audit of the Forms of Consolidated Annual Financial Statements

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

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

- identify and assess the risks of material misstatement of the forms of consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the forms of consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group forms of annual financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Olga Belonogova
Engagement Partner
Qualified Auditor
of the Republic of Kazakhstan
Qualification Certificate
No. MF – 0000865
dated 13 August 2019

Zhangir Zhilysbayev
General Director
Deloitte LLP

State Audit License of the
Republic of Kazakhstan No. 0000015,
type MFU-2, issued by the Ministry of Finance
of the Republic of Kazakhstan
dated 13 September 2006

20 March 2025
Almaty, Republic of Kazakhstan

CONSOLIDATED BALANCE SHEET

reporting period 2024

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

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

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

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

as at 31 December 2024

in thousands of tenge

ASSETS	Line	At the end of the reporting period	At the beginning of the reporting period
I. Current assets			
Cash and cash equivalents	010	198,578,273	204,613,987
Current financial assets at amortised cost	011	2,693,406	3,732,403
Current financial assets at fair value through other comprehensive income	012	-	-
Current financial assets at fair value through profit or loss	013	-	-
Current derivative financial instruments	014	-	-
Other current financial assets	015	17,078,916	7,734,507
Current trade and other accounts receivable	016	24,328,167	18,802,191
Current lease receivables	017	219,079	555,365
Current contract assets	018	336,288	1,153,495
Current income tax	019	7,898,697	3,534,820
Inventories	020	57,819,858	64,362,477
Biological assets	021	-	-
Other current assets	022	143,229,082	81,106,971
Total current assets (sum of lines from 010 to 022)	**100**	**452,181,766**	**385,596,216**
Assets (or disposal groups) held for sale	101	-	-
II. Non-current assets			
Non-current financial assets at amortised cost	110	417,671	1,843,916
Non-current financial assets at fair value through other comprehensive income	111	-	-
Non-current financial assets at fair value through profit or loss	112	631,646	73,326
Non-current derivative financial instruments	113	-	-
Investments at cost	114	-	-
Equity method investments	115	50,073,630	40,567,674
Other non-current financial assets	116	14,780,852	15,117,737
Non-current trade and other accounts receivable	117	3,189,162	3,868,171
Non-current lease receivables	118	-	-
Non-current contract assets	119	-	-
Investment property	120	8,764,772	8,378,794
Property, plant and equipment	121	4,030,592,312	3,483,999,539
Right-of-use assets	122	272,293,683	115,112,443
Biological assets	123	-	-
Exploration and evaluation assets	124	-	-
Intangible assets	125	19,294,700	21,799,287
Deferred tax assets	126	20,789	59,788
Other non-current assets	127	1,106,515,295	863,789,244
Total non-current assets (sum of lines from 110 to 127)	**200**	**5,506,574,512**	**4,554,609,919**
Balance (line 100 + line 101 + line 200)		**5,958,756,278**	**4,940,206,135**

CONSOLIDATED BALANCE SHEET (CONTINUED)

reporting period 2024

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

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

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

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

as at 31 December 2024

in thousands of tenge

LIABILITIES AND EQUITY	Line	At the end of the reporting period	At the beginning of the reporting period
III. Current liabilities			
Current financial liabilities at amortised cost	210	812,965,422	354,114,654
Current financial liabilities at fair value through profit or loss	211	-	-
Current derivative financial instruments	212	32,697,478	-
Other current financial liabilities	213	1,123,525	267,656
Current trade and other accounts payable	214	247,985,454	214,999,563
Current provisions	215	747,693	2,611,327
Current income tax liabilities	216	71,791	207,185
Employee benefits	217	66,632,709	59,343,857
Current lease liabilities	218	36,715,572	17,978,930
Current contract liabilities	219	133,169,530	115,868,316
Government subsidies	220	7,555,339	3,294,070
Dividends payable	221	-	-
Other current liabilities	222	41,955,142	39,697,084
Total current liabilities (sum of lines from 210 to 222)	**300**	**1,381,619,655**	**808,382,642**
Disposal group liabilities held for sale	301	-	-
IV. Non-current liabilities			
Non-current financial liabilities at amortised cost	310	1,840,422,999	1,763,431,856
Non-current financial liabilities at fair value through profit or loss	311	-	-
Non-current derivative financial instruments	312	-	35,718,764
Other non-current financial liabilities	313	26,325,789	28,268,253
Non-current trade and other accounts payable	314	-	-
Non-current provisions	315	-	-
Deferred tax liabilities	316	468,057,345	411,888,219
Employee benefits	317	41,104,732	37,396,040
Non-current lease liabilities	318	139,465,434	54,554,532
Non-current contract liabilities	319	-	-
Government subsidies	320	92,443,614	41,510,130
Other non-current liabilities	321	-	-
Total non-current liabilities (sum of lines from 310 to 321)	**400**	**2,607,819,913**	**2,372,767,794**

CONSOLIDATED BALANCE SHEET (CONTINUED)

reporting period 2024

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

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

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

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

as at 31 December 2024

in thousands of tenge

LIABILITIES AND EQUITY	Line	At the end of the reporting period	At the beginning of the reporting period
V. Equity			
Charter (shareholder's) capital	410	1,123,906,535	1,110,633,868
Share premium	411	-	-
Redeemed equity instruments	412	-	-
Components of other comprehensive income	413	(29,575,769)	7,219,735
Retained earnings (accumulated deficit)	414	856,708,911	623,698,021
Other capital	415	97	97
Total equity, attributable to the owners (sum of lines from 410 to 415)	**420**	**1,951,039,774**	**1,741,551,721**
Non-controlling interests	421	18,276,936	17,503,978
Total equity (line 420 + line 421)	**500**	**1,969,316,710**	**1,759,055,699**
Balance (line 300 + line 301 + line 400 + line 500)		**5,958,756,278**	**4,940,206,135**

On behalf of the Group`s management:

Serik Keulimzhayev
Chief of Staff
20 March 2025

Yelena Stankova
Chief Accountant
20 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

reporting period 2024

Submitted: to the depository of financial statements in electronic format via software
The administrative data form is available on the Internet resource: www.minfin.gov.kz
Administrative data form index: No.2 - SPL
Periodicity: annual
Range of persons providing information: public interest entities based on the results of the financial year
Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year
Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
Revenue from sale of goods, operations and services	010	2,163,942,032	1,934,095,382
Cost of goods, operations and services sold	011	(1,620,017,412)	(1,498,583,313)
Gross profit (loss) (line 010 – line 011)	**012**	**543,924,620**	**435,512,069**
Selling expenses	013	-	-
Administrative expenses	014	(128,883,521)	(105,762,273)
Total operating profit (loss) (+/- lines from 012 to 014)	**020**	**415,041,099**	**329,749,796**
Finance income	021	54,888,334	32,221,447
Finance costs	022	(184,983,900)	(208,381,859)
Share of the profit (loss) of associates and joint ventures accounted by equity method	023	10,771,527	8,144,723
Other income	024	9,767,316	19,718,588
Other expenses	025	(81,955,764)	(20,070,032)
Profit (loss) before tax (+/- lines from 020 to 025)	**100**	**223,528,612**	**161,382,663**
Corporate income tax expense (-) (income (+))	101	(62,724,559)	(24,598,550)
Profit (loss) after tax from continuing operations (line 100 + line 101)	**200**	**160,804,053**	**136,784,113**
Profit (loss) after tax from continued operations	201	-	-
Profit for the year (line 200 + line 201), attributable to:	**300**	**160,804,053**	**136,784,113**
owners of the parent company		157,817,359	133,507,617
non-controlling interests		2,986,694	3,276,496
Other comprehensive income, total (sum of 420 and 440):	**400**	**(33,106,860)**	**(5,457,565)**
including:			
revaluation of debt financial instruments designated as at fair value through other comprehensive income	410	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	411	-	-
effect of a change in income tax rate on deferred tax	412	-	-
cash flow hedging	413	(48,624,990)	-
foreign exchange difference on investments in foreign entities	414	1,774,728	(4,918,269)
hedging of net investments in foreign operations	415	-	-
other components of other comprehensive income	416	-	-
reclassification adjustment to profit (loss)	417	412,200	-
tax effect of components of other comprehensive income	418	9,642,558	-
Total other comprehensive income that may be reclassified subsequently to profit or loss (net of income tax) (sum of lines from 410 to 418)	**420**	**(36,795,504)**	**(4,918,269)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

reporting period 2024

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

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

Administrative data form index: No.2 - SPL

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
revaluation of property, plant and equipment and intangible assets	431	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	432	-	-
actuarial gain (loss) on pension obligations	433	3,688,644	(539,296)
tax effect of components of other comprehensive income	434	-	-
revaluation of debt financial instruments designated as at fair value through other comprehensive income	435	-	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss (net of income tax) (sum of lines from 431 to 435)	**440**	**3,688,644**	**(539,296)**
Total comprehensive income (line 300 + line 400)	**500**	**127,697,193**	**131,326,548**
Total comprehensive income, attributable to:			
owners of the parent company		124,699,047	128,058,255
non-controlling interests		2,998,146	3,268,293
Earnings per share:	**600**	**0.318**	**0.269**
including:			
Basic:			
from continuing operations		0.318	0.269
from discontinued operations		-	-
Diluted:			
from continuing operations		-	-
from discontinued operations		-	-

On behalf of the Group`s management:

"КТЖ" ҰК" АҚ
АО "НК "КТЖ"

Serik Keulimzhayev
Chief of Staff
20 March 2025

Yelena Stankova
Chief Accountant
20 March 2025

CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD)

reporting period 2024

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

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

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

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
I. Cash flows from operating activities:			
1. Total cash inflows (sum of lines from 011 to 016)	**010**	**2,228,638,781**	**1,973,170,353**
including:			
sale of goods and services	011	2,032,773,635	1,765,284,473
other revenue	012	-	-
advances received from customers, clients	013	112,844,714	155,336,772
receipts under insurance contracts	014	-	-
interest received	015	21,001,388	20,968,170
other receipts	016	62,019,044	31,580,938
2. Total cash outflows (sum of lines from 021 to 027)	**020**	**(1,892,041,607)**	**(1,666,776,005)**
including:			
payments to suppliers for goods and services	021	(755,696,772)	(671,426,956)
advances paid to suppliers for goods and services	022	(12,282,455)	(29,893,846)
salaries paid	023	(561,570,711)	(491,782,202)
interest paid	024	(188,409,482)	(150,226,049)
payments under insurance contracts	025	-	-
income tax and other payments to budget	026	(192,794,597)	(184,168,152)
other payments	027	(181,287,590)	(139,278,800)
3. Net cash from operating activities (line 010 – line 020)	**030**	**336,597,174**	**306,394,348**

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

reporting period 2024

Submitted: to the depository of financial statements in electronic format via software
The administrative data form is available on the Internet resource: www.minfin.gov.kz
Administrative data form index: No.3 – SCF-P
Periodicity: annual
Range of persons providing information: public interest entities based on the results of the financial year
Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year
Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
II. Cash flows from investing activities:			
1. Total cash inflows (sum of lines from 041 to 052)	**040**	**11,508,356**	**16,178,413**
including:			
sale of property, plant and equipment	041	187,210	84,532
sale of intangible assets	042	-	-
sale of other non-current assets	043	1,292,917	1,353,503
sale of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	044	-	-
sale of debt instruments	045	1,481,395	-
compensation for loss of control over subsidiaries	046	-	11,948,444
cash deposits withdrawal	047	-	100
sale of other financial assets	048	-	72,830
futures and forward contracts, options and swaps	049	-	-
dividends received	050	4,419,398	2,719,004
interest received	051	-	-
other receipts	052	4,127,436	-
2. Total cash outflows (sum of lines from 061 to 073)	**060**	**(745,569,599)**	**(818,879,915)**
including:			
acquisition of property, plant and equipment	061	(741,695,475)	(811,829,551)
acquisition of intangible assets	062	(526,815)	(737,893)
acquisition of other non-current assets	063	(468,341)	-
purchase of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	064	(16)	(4,565)
purchase of debt instruments	065	(500,000)	-
acquisition of control over subsidiaries	066	-	-
placement of cash deposits	067	-	-
interest paid	068	-	-
acquisition of other financial assets	069	(558,320)	-
loans issued	070	-	-
futures and forward contracts, options and swaps	071	-	-
investments in associates and subsidiaries	072	(1,820,632)	(6,307,906)
other payments	073	-	-
3. Net cash from investing activities (line 040 – line 060)	**080**	**(734,061,243)**	**(802,701,502)**

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

reporting period 2024

Submitted: to the depository of financial statements in electronic format via software
The administrative data form is available on the Internet resource: www.minfin.gov.kz
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Periodicity: annual
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Deadline for submission of the administrative data form: annually not later than 31 August of the year following the reporting year
Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
III. Cash flows from financing activities:			
1. Total cash inflows (sum of lines from 091 to 094)	**090**	**893,035,004**	**833,040,270**
including:			
issue of shares and other financial instruments	091	251,441,274	198,018,872
proceeds from borrowings	092	641,593,730	635,021,398
interest received	093	-	-
other receipts	094	-	-
2. Total cash outflows (sum of lines from 101 to 105)	**100**	**(499,667,797)**	**(398,769,977)**
including:			
repayment of borrowings	101	(491,889,329)	(389,010,717)
interest paid	102	-	-
dividends paid	103	(2,225,188)	(1,293,929)
payments to owners on the shares of the entity	104	-	-
other payments	105	(5,553,280)	(8,465,331)
3. Net cash from financing activities (line 090 – line 100)	**110**	**393,367,207**	**434,270,293**
4. Effect of foreign currency exchange rates to tenge	120	(1,944,824)	(322,336)
5. Effect of changes in cash and cash equivalents	130	5,972	17,453
6. Increase +/– decrease in cash and cash equivalents (line 030 +/– line 080 +/– line 110 +/– line 120+/– line 130)	**140**	**(6,035,714)**	**(62,341,744)**
7. Cash and cash equivalents at the beginning of the reporting period	**150**	**204,613,987**	**266,955,731**
8. Cash and cash equivalents at the end of the year	**160**	**198,578,273**	**204,613,987**

On behalf of the Group`s management:

Serik Keulimzhayev
Chief of Staff
20 March 2025

Yelena Stankova
Chief Accountant
20 March 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

reporting period 2024

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

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

Administrative data form index: No.5 – CE

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	Equity, attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Balance as at 1 January of the previous year	**010**	**1,086,324,360**	-	-	**12,138,004**	**348,376,288**	**97**	**15,853,097**	**1,462,691,846**
Change in accounting policy	011	-	-	-	-	-	-	-	-
Restated balance (line 010 +/– line 011)	**100**	**1,086,324,360**	-	-	**12,138,004**	**348,376,288**	**97**	**15,853,097**	**1,462,691,846**
Total comprehensive income (line 210 + line 220):	**200**	-	-	-	**(4,918,269)**	**132,976,524**	-	**3,268,293**	**131,326,548**
Profit (loss) for the year	210	-	-	-	-	133,507,617	-	3,276,496	136,784,113
Total other comprehensive income (sum of lines from 221 to 229):	**220**	-	-	-	**(4,918,269)**	**(531,093)**	-	**(8,203)**	**(5,457,565)**
including:									
revaluation of debt financial instruments designated as at fair value through other comprehensive income (net of tax effect)	221	-	-	-	-	-	-	-	-
revaluation of equity financial instruments designated as at fair value through other comprehensive income (net of tax effect)	222	-	-	-	-	-	-	-	-
revaluation of property, plant and equipment and intangible assets (net of tax effect)	223	-	-	-	-	-	-	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	224	-	-	-	-	-	-	-	-
actuarial gain (loss) on pension obligations	225	-	-	-	-	(531,093)	-	(8,203)	(539,296)
effect of a change in income tax rate on deferred tax	226	-	-	-	-	-	-	-	-
cash flow hedging (net of tax effect)	227	-	-	-	-	-	-	-	-
hedging of net investments in foreign operations	228	-	-	-	-	-	-	-	-
foreign exchange difference on investments in foreign entities	229	-	-	-	(4,918,269)	-	-	-	(4,918,269)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

reporting period 2024

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

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

Administrative data form index: No.5 – CE

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	Equity, attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Total operations with owners (sum of lines from 310 to 318):	**300**	**24,309,508**	**-**	**-**	**-**	**142,345,209**	**-**	**(1,617,412)**	**165,037,305**
including:		-	-	-	-	-	-	-	-
Share-based remuneration to employees:	310								
including:		-	-	-	-	-	-	-	-
cost of employee services		-	-	-	-	-	-	-	-
issuance of shares under an employee share scheme		-	-	-	-	-	-	-	-
tax benefit in relation to the employee share scheme		-	-	-	-	-	-	-	-
Owners contributions	311	24,309,508	-	-	-	-	-	-	24,309,508
Issue of own equity instruments (shares)	312	-	-	-	-	-	-	-	-
Issuance of equity instruments related to a business combination	313	-	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	314	-	-	-	-	-	-	-	-
Dividends payment	315	-	-	-	-	-	-	(1,617,412)	(1,617,412)
Other distributions to owners	316	-	-	-	-	-	-	-	-
Other operations with owners	317	-	-	-	-	142,345,209	-	-	142,345,209
Changes in interest in subsidiaries that do not result in a loss of control	318	-	-	-	-	-	-	-	-
Other operations	**319**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

reporting period 2024

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

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

Administrative data form index: No.5 – CE

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	Equity, attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Balance as at 1 January of the reporting year (line 100 + line 200 + line 300 + line 319)	**400**	**1,110,633,868**	-	-	**7,219,735**	**623,698,021**	**97**	**17,503,978**	**1,759,055,699**
Change in accounting policy	401	-	-	-	-	-	-	-	-
Restated balance (line 400 +/– line 401)	**500**	**1,110,633,868**	-	-	**7,219,735**	**623,698,021**	**97**	**17,503,978**	**1,759,055,699**
Total comprehensive income (line 610 + line 620):	**600**	-	-	-	**(36,795,504)**	**161,494,551**	-	**2,998,146**	**127,697,193**
Profit (loss) for the year	610	-	-	-	-	157,817,359	-	2,986,694	160,804,053
Total other comprehensive income (sum of lines from 621 to 629):	**620**	-	-	-	**(36,795,504)**	**3,677,192**	-	**11,452**	**(33,106,860)**
including:									
revaluation of debt financial instruments designated as at fair value through other comprehensive income (net of tax effect)	621	-	-	-	-	-	-	-	-
revaluation of equity financial instruments designated as at fair value through other comprehensive income (net of tax effect)	622	-	-	-	-	-	-	-	-
revaluation of property, plant and equipment and intangible assets (net of tax effect)	623	-	-	-	-	-	-	-	-
share of other comprehensive income (loss) of associates and joint ventures accounted by equity method	624	-	-	-	-	-	-	-	-
actuarial gain (loss) on pension obligations	625	-	-	-	-	3,677,192	-	11,452	3,688,644
effect of a change in income tax rate on deferred tax	626	-	-	-	-	-	-	-	-
cash flow hedging (net of tax effect)	627	-	-	-	(38,570,232)	-	-	-	(38,570,232)
hedging of net investments in foreign operations	628	-	-	-	-	-	-	-	-
foreign exchange difference on investments in foreign entities	629	-	-	-	1,774,728	-	-	-	1,774,728

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

reporting period 2024

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

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

Administrative data form index: No.5 – CE

Periodicity: annual

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

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

Name of the entity: Kazakhstan Temir Zholy National Company JSC

for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	Equity, attributable to owners						Non-controlling interests	Total equity
		Charter (shareholder's) capital	Share premium	Redeemed equity instruments	Components of other comprehensive income	Retained earnings	Other capital		
Total operations with owners (sum of lines from 710 to 718):	**700**	**13,272,667**	**-**	**-**	**-**	**71,516,339**	**-**	**(2,225,188)**	**82,563,818**
including:		-	-	-	-	-	-	-	-
Share-based remuneration to employees:	710								
including:		-	-	-	-	-	-	-	-
cost of employee services		-	-	-	-	-	-	-	-
issuance of shares under an employee share scheme		-	-	-	-	-	-	-	-
tax benefit in relation to the employee share scheme		-	-	-	-	-	-	-	-
Owners contributions	711	13,272,667	-	-	-	-	-	-	13,272,667
Issue of own equity instruments (shares)	712	-	-	-	-	-	-	-	-
Issuance of equity instruments related to a business combination	713	-	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	714	-	-	-	-	-	-	-	-
Dividends payment	715	-	-	-	-	-	-	(2,225,188)	(2,225,188)
Other distributions to owners	716	-	-	-	-	-	-	-	-
Other operations with owners	717	-	-	-	-	71,516,339	-	-	71,516,339
Changes in interest in subsidiaries that do not result in a loss of control	718	-	-	-	-	-	-	-	-
Other operations	719	-	-	-	-	-	-	-	-
Balance as at 31 December of the reporting year (line 500 + line 600 + line 700 + line 719)	**800**	**1,123,906,535**	**-**	**-**	**(29,575,769)**	**856,708,911**	**97**	**18,276,936**	**1,969,316,710**

On behalf of the Group`s management:

Serik Keulimzhayev
Chief of Staff
20 March 2025

Yelena Stankova
Chief Accountant
20 March 2025

1. GENERAL INFORMATION

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

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

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

The Kazakhstan Ministry of the National Economy's Committee for the Regulation of Natural Monopolies ("CRNM") approved main railway network service tariffs for 2021-2025. From 1 January, 4 June and 6 December 2024, increase in tariffs for mainline railway network services was 4%, 8.8% and 7.8%, respectively. From 20 September and 12 December 2024, increase in tariffs for locomotive traction services was 13.3% and 16%, respectively. As a result, the average increase in regulated freight transportation tariffs for the year ended 31 December 2024 was 24% (2023: 23.7%).

The authorised body, represented by the Ministry of Transport of Kazakhstan, agreed to increase tariffs for the transportation of passengers on socially important interdistrict routes from 1 January 2024 by 7% and from 1 October 2024 by 19.99% (2023: 7%).

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.

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. The global geopolitical situation continues to exert pressure on oil and gas prices across the world. Also, the government expenses on major infrastructure projects and various socio-economic development programs have a significant impact on the country's economy.

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

In 2024, the average price for Brent crude oil was 81 USD per barrel (2023: 83 USD per barrel). According to preliminary estimates, Kazakhstan's gross domestic product ("GDP") grew by 4.4% per annum in 2024 (2023: grew by 5.1%). Inflation in the country slowed down in 2024 to 8.6% per annum (2023: 9.8%).

In 2024, the National Bank of the Republic of Kazakhstan (NBRK) decreased the base rate from 15.75% to 15.25% per annum with a corridor of +/- 1.0 percentage points. In March 2025, the base rate increased to 16.5% per annum with a corridor of +/- 1.0 percentage points. Thus, uncertainty still exists with respect to the future development of geopolitical risks and their impact on the Kazakhstan economy.

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 2024, the volume of freight transportation in transit route increased compared to the previous year.

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

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

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

Statement of compliance

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

Going concern

The Group's form of consolidated annual financial statements have been prepared on a going concern basis. This assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future. As at 31 December 2024, current Group liabilities exceeded its current assets by 929,437,889 thousand tenge (31 December 2023: 422,786,426 thousand tenge). As at 31 December 2024, current liabilities include borrowings of 812,965,422 thousand tenge (31 December 2023: 354,114,654 thousand tenge) that are payable within twelve months after the reporting date, including borrowings from the Shareholder for the amount of 460,804,801 thousand tenge (31 December 2023: 41,740,771 thousand tenge). At the same time, profit for the year ended 31 December 2024 amounted to 160,804,053 thousand tenge (2023: 136,784,113 thousand tenge), and cash inflows from operating activities amounted to 336,597,174 thousand tenge (2023: 306,394,348 thousand tenge).

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

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. Besides that, the Group received a Letter of Support from the Shareholder regarding its intent and ability to render the Group continuous ongoing financial and operating support in the foreseeable future. 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 (Note 36) and that the going concern basis is appropriate in preparing these forms of consolidated annual financial statements.

Basis for measurement

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

Basis of consolidation

The forms of consolidated annual financial statements comprise the financial statements of the Company and entities controlled by it and by the subsidiaries listed in Note 34. The Group's investments in which it has significant influence are accounted for using the equity method. All intragroup transactions, balances, and unrealised gains and losses of the Group are eliminated on consolidation.

Functional and presentation currency

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

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

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

(in thousands of tenge, unless stated otherwise)

The following table presents foreign currency exchange rates to tenge:

	31 December 2024	31 December 2023	Average rate for 2024	Average rate for 2023
US$	525.11	454.56	469.44	456.31
Euro	546.74	502.24	507.86	493.33
Swiss Franc	580.68	541.08	533.96	508.16
Russian Rouble	4.88	5.06	5.08	5.40
UAE Dirham	142.99	123.78	127.82	124.25

3. MATERIAL ACCOUNTING POLICIES

Adoption of new and revised standards

In the current year, the Group has applied the below amendments to IFRS Accounting Standards and Interpretations issued by the 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 forms of consolidated annual 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*.

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

The Group's subsidiary Kazakhstan Temir Zholy B.V. is registered in the Netherlands where Pillar II Model Rules have been enacted and entered into force from in 2024.

The Group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

As at 31 December 2024, the Group is in the process of assessing the potential exposure to Pillar II income taxes, which is currently not known or reasonably estimable.

Management doesn't anticipate significant impact of this assessment on the forms of consolidated annual financial statements of the Group.

(in thousands of tenge, unless stated otherwise)

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

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

Description of the standard and interpretation	Applicable to annual periods beginning on or after
Amendments to IAS 21 *Lack of Exchangeability*	1 January 2025
Amendments to IFRS 7 and IFRS 9 *Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11: *IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7*	1 January 2026
IFRS 18 *Presentation and Disclosures in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

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

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

Material accounting policy information

Property, plant and equipment

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

Subsequent costs

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

Costs are capitalised only if those costs qualify for recognition as assets in accordance with IAS 16 *Property, Plant and Equipment*.

Construction-in-progress

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

Borrowing costs

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

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

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

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

Lease contracts

The Group as lessee

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

In accordance with IFRS 16 *Leases*, the Group applies practical expedient for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, for the leases with variable lease rates that do not depend on an index or rate and for the leases of low value assets (less than 2,000 thousand tenge). The Group recognises short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease.

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

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

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

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

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

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items (Notes 13 and 24).

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

Inventories

Inventories are valued at the lower of cost or net realisable value. Costs comprise of charges incurred to bring the inventory to its present location and condition for its intended use. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. When inventories are released into production, sold or otherwise disposed of, they are valued at the weighted-average cost basis.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value.

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

Wherein:

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

For the years ended 31 December 2024 and 2023, the Group did not designate any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

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

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

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

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

Derivative financial instruments

The Group uses the currency swap derivative financial instrument to manage its currency risk on borrowings. These derivative financial instruments are designated into hedging relationships from 1 October 2024 in the forms of consolidated annual financial statements.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The net gain or loss incorporates interest income on derivative financial instruments and is included in the finance income. The change in fair value of derivative financial instruments is reflected in finance income or finance costs (Note 27 and 28).

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

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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

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

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

Cash flow hedges

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

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

Hedge accounting is discontinued when:

a) the Group revokes the hedging relationship;

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

c) it no longer qualifies for hedge accounting.

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

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

Equity

Charter (shareholder's) capital

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

Consideration received for common shares yet to be legally registered is recognised as other capital until they are registered, when any proceeds are transferred to charter (shareholder's) capital.

Other operations with owner

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

Government grants

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

Government grants to subsidise part of interest rate on loans and finance leases are accounted as deferred income and recognised as finance income during the periods in which the Group recognises the relevant finance costs.

Government grants are recognised in profit or loss on a systematic basis as expenses due to be compensated by the subsidies are recognised simultaneously in profit or loss. In particular, the government allows the Group to receive subsidies in the form of government grants to partially cover the cost of transporting passengers on socially important routes in Kazakhstan. Government grants are recognised on a systematic basis over the periods as the subsidies are used to cover carrier costs to transport passengers on socially important routes.

Revenue

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

Revenue from freight transportation services

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

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

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

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

Pursuant to the CRNM Order *on the Approval of a Temporary Decreasing Coefficient for Railway Freight Transportation Tariffs*, certain contracts envisage discounts dependent on the volumes of services consumed. Revenue from these services is recognised based on contractual prices less estimated discounts. The Group uses the expected value method to estimate the discount amount.

As at 31 December 2024 and 2023, the Group has no obligations to counterparties associated with provision of discounts.

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

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

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

Revenue from passenger transportation services

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

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

Other revenue

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

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

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

Sale and lease back transactions

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

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

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

Comparatives

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

Control assessment

Subsidiaries are those entities controlled by the Group. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Losses are attributed to non-controlling interests in full, even if this results in a debit balance ("deficit") (Note 34).

Under the trust management agreement with the Shareholder, the Company recognised Aktau Sea Commercial Port National Company JSC as a subsidiary because of the extensive authority given to the Company by the Shareholder. The trust management agreement of 100% shares gives it the practical ability to manage the relevant activities of the entity unilaterally. The Company is also entitled to receive residual returns in the entity.

Loans at a rate below the market interest rate

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

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

Cash-generating unit identification

The Group considers all segments as a single cash-generating unit (CGU) because under the Group's current operating model, cash flows for each segment are not considered sufficiently independent. Railway infrastructure is holistic and is not differentiated into freight and passenger transportation lines. Accordingly, there is no objective allocation of infrastructure assets for cash flows from freight and passenger transportation. Due to the specifics of freight transportation tariff regulation and the need to cross-subsidise passenger transportation, railway infrastructure cannot generate independent cash flows. Accordingly, the Group is treated as one CGU.

The Government of Kazakhstan, as the Company's Ultimate Shareholder, has approved a privatisation plan for certain Group entities and the Concept for the Development of the Transport and Logistics Potential of Kazakhstan, which, if implemented, would result in a new interaction mechanism among its various business units. As the Group's restructuring processes have not been completed, these possible developments were not taken into account in the identification of CGUs for the current year. Subsequent changes in the identification of CGUs may affect the carrying amount of the Group's assets.

Assessment of impairment indicators of property, plant and equipment

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

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

As at 31 December 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 versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

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

The management of the Group did not identify any events that occurred in 2024 that could be considered as an indicator of the impairment of the single CGU as at 31 December 2024.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

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

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

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

Key sources of estimation uncertainty

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

Impairment of property, plant and equipment

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

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

(in thousands of tenge, unless stated otherwise)

Recoverability of VAT

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

In accordance with the Tax legislation of Kazakhstan, up to 70% of the accrued VAT receivable is subject to refund from the budget on a quarterly basis, after the submission of the tax declaration. The remaining part of the accrued VAT is subject to refund based on the results of the tax audit, within 5 years. In 2024, the Group conducted an analysis of major suppliers and did not identify any signs of unreliability in accordance with the criteria of the Rules for the refund of excess VAT. Based on this analysis, the Group indicated a requirement to conduct a thematic tax audit for the period from first quarter of 2020 to fourth quarter 2023 in the amount of 142,426,755 thousand tenge in order to confirm the amounts of excess VAT and receive a refund. In January 2025, an order was received from the tax authorities to conduct a tax audit to confirm the amounts of excess VAT from 1 January 2020 to 30 September 2024 in accordance with the Kazakhstan tax legislation.

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

As at 31 December 2024, total VAT recoverable amounted to 315,184,119 thousand tenge (31 December 2023: 204,656,204 thousand tenge), of which 120,475,249 thousand tenge were classified as current assets (31 December 2023: 49,618,081 thousand tenge). The Group expects that the current portion of VAT will be refunded by tax authorities or offset against future VAT payable during 2025 and believes that the total VAT receivable is fully recoverable.

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

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

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

Buildings and constructions	10-140
Rail track infrastructure	5-100
Machinery and equipment	3-35
Vehicles	4-40
Others	2-50
Intangible assets	1-10

Taxation

Kazakhstan legislative acts and regulations are not always clearly written. Instances of inconsistent opinions between local, regional and national tax authorities are possible. Where additional taxes are imposed by the tax authorities, fines and interest applied are significant; fines are generally assessed at 80% of additional taxes accrued, and interest is in average assessed at 18.27% of additional accruals or overdue taxes. As a result, fines and interest can exceed the amount of additional accrued taxes.

Because of the uncertainties disclosed above, the ultimate amount of taxes, fine and interest, if any, imposed may be in excess of the amount expensed to date and accrued as at 31 December 2024. Any differences between the estimated amount and the actual amount paid, if any, could have a significant impact on future operating results.

5. SEGMENT INFORMATION

The Group's operating segments are based on services provided. It 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 income tax, profit for the year and gross profit. However, profit for the year is the primary measure used by management of the Group to allocate resources and assess segment performance.

(in thousands of tenge, unless stated otherwise)

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

	For the year ended 31 December 2024					
	Freight transportation	**Passenger transportation**	**Reportable segments**	**Others**	**Consolidation**	**Total**
Key operating indices						
Revenue from sale of goods, operations and services						
Transportation revenue from third parties	1,875,557,909	110,522,759	1,986,080,668	-	-	1,986,080,668
Transportation revenue from intersegment transactions	1,702,163	90,490,324	92,192,487	-	(92,192,487)	-
Government grants	-	41,123,686	41,123,686	-	-	41,123,686
Other income from third parties	114,078,082	5,454,175	119,532,257	17,205,421	-	136,737,678
Other income from intersegment transaction	38,942,537	999,638	39,942,175	13,639,943	(53,582,118)	-
Total revenue from sale of goods, operations and services	**2,030,280,691**	**248,590,582**	**2,278,871,273**	**30,845,364**	**(145,774,605)**	**2,163,942,032**
Cost of goods, operations and services sold	(1,512,468,218)	(226,167,721)	(1,738,635,939)	(26,175,594)	144,794,121	(1,620,017,412)
Gross profit (loss)	**517,812,473**	**22,422,861**	**540,235,334**	**4,669,770**	**(980,484)**	**543,924,620**
Administrative expenses	(111,132,367)	(12,554,033)	(123,686,400)	(6,448,331)	1,251,210	(128,883,521)
Total operating income (loss)	**406,680,106**	**9,868,828**	**416,548,934**	**(1,778,561)**	**270,726**	**415,041,099**
Finance income	57,554,742	3,872,880	61,427,622	959,166	(7,498,454)	54,888,334
Finance costs	(158,367,408)	(29,278,313)	(187,645,721)	(247,028)	2,908,849	(184,983,900)
Share of the profit (loss) of associates and joint ventures accounted by equity method	10,771,527	-	10,771,527	-	-	10,771,527
Other income	8,220,658	1,697,961	9,918,619	753,364	(904,667)	9,767,316
Other expenses	(67,925,062)	(14,367,298)	(82,292,360)	(337,242)	673,838	(81,955,764)
Profit (loss) before tax	**256,934,563**	**(28,205,942)**	**228,728,621**	**(650,301)**	**(4,549,708)**	**223,528,612**
Corporate income tax expense (-) (income (+))	(47,986,076)	(976,362)	(48,962,438)	(3,343,127)	(10,418,994)	(62,724,559)
Profit (loss) after tax from continuing operations	**208,948,487**	**(29,182,304)**	**179,766,183**	**(3,993,428)**	**(14,968,702)**	**160,804,053**
Other key segment information						
Capital expenditures on property, plant and equipment and construction in progress	1,006,017,712	110,003,198	1,116,020,910	54,217,363	-	1,170,238,273
Depreciation of property, plant and equipment	150,379,202	20,489,165	170,868,367	2,054,898	(2,464)	172,920,801

(in thousands of tenge, unless stated otherwise)

	For the year ended 31 December 2023					
	Freight transportation	**Passenger transportation**	**Reportable segments**	**Others**	**Consolidation**	**Total**
Key operating indices						
Revenue from sale of goods, operations and services						
Transportation revenue from third parties	1,682,550,477	101,682,302	1,784,232,779	-	-	1,784,232,779
Transportation revenue from intersegment transactions	1,443,012	67,151,222	68,594,234	-	(68,594,234)	-
Government grants	-	38,912,103	38,912,103	-	-	38,912,103
Other income from third parties	86,988,084	5,353,460	92,341,544	18,608,956	-	110,950,500
Other income from intersegment transactions	35,982,280	797,992	36,780,272	9,678,543	(46,458,815)	-
Total revenue from sale of goods, operations and services	**1,806,963,853**	**213,897,079**	**2,020,860,932**	**28,287,499**	**(115,053,049)**	**1,934,095,382**
Cost of goods, operations and services sold	(1,389,101,282)	(201,563,001)	(1,590,664,283)	(21,441,064)	113,522,034	(1,498,583,313)
Gross profit (loss)	**417,862,571**	**12,334,078**	**430,196,649**	**6,846,435**	**(1,531,015)**	**435,512,069**
Administrative expenses	(94,118,712)	(9,463,291)	(103,582,003)	(3,584,998)	1,404,728	(105,762,273)
Total operating income (loss)	**323,743,859**	**2,870,787**	**326,614,646**	**3,261,437**	**(126,287)**	**329,749,796**
Finance income	36,847,094	1,439,798	38,286,892	1,121,534	(7,186,979)	32,221,447
Finance costs	(188,971,287)	(22,378,233)	(211,349,520)	(430,100)	3,397,761	(208,381,859)
Share of the profit (loss) of associates and joint ventures accounted by equity method	8,144,723	-	8,144,723	-	-	8,144,723
Other income	19,012,065	1,392,595	20,404,660	106,588	(792,660)	19,718,588
Other expenses	(17,379,836)	(2,540,463)	(19,920,299)	(308,928)	159,195	(20,070,032)
Profit (loss) before tax	**181,396,618**	**(19,215,516)**	**162,181,102**	**3,750,531**	**(4,548,970)**	**161,382,663**
Corporate income tax expense (-) (income (+))	(34,229,423)	5,361,569	(28,867,854)	(508,692)	4,777,996	(24,598,550)
Profit (loss) after tax from continuing operations	**147,167,195**	**(13,853,947)**	**133,313,248**	**3,241,839**	**229,026**	**136,784,113**
Other key segment information						
Capital expenditures on property, plant and equipment and construction in progress	628,237,407	76,151,187	704,388,594	540,000	-	704,928,594
Depreciation of property, plant and equipment	139,365,403	16,171,664	155,537,067	1,647,267	(6,395)	157,177,939

(in thousands of tenge, unless stated otherwise)

Geographical information of the Group

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

Customer location	**2024**	**2023**
Kazakhstan	2,077,544,414	1,875,851,404
Russia	37,356,298	28,412,425
China	28,419,303	9,329,301
Germany	8,530,508	16,707,872
Other	12,091,509	3,794,380
Total	**2,163,942,032**	**1,934,095,382**

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

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

	31 December 2024	**31 December 2023**
Short-term bank deposits in tenge	61,779,414	60,761,482
Short-term bank deposits in US$	2,338,895	6,365,048
Short-term bank deposits in other currencies	-	164,556
Cash in digital accounts in tenge	116,635,055	-
Cash in tenge current accounts	7,325,845	120,498,281
Cash in US$ current bank accounts	4,762,504	13,074,545
Cash in Russian Rouble current bank accounts	2,484,220	1,244,671
Cash in Euro current bank accounts	1,181,767	781,931
Cash in bank accounts in other currencies	2,070,375	1,730,998
Petty cash	10,511	8,760
	198,588,586	**204,630,272**
Less: allowance for expected credit losses on cash and cash equivalents	(10,313)	(16,285)
Total	**198,578,273**	**204,613,987**

As at 31 December 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 15).

As at 31 December 2024, the weighted average interest rate on cash in current accounts was 8.19% in tenge and 0.16% in other currencies (31 December 2023: 0.68% in tenge and 1.5% in other currencies).

Short-term tenge and foreign currency bank deposits are placed for three months and less, depending on the Group’s cash needs. As at 31 December 2024, the weighted average interest rate on short-term bank deposits was 14.9% in tenge and 3% in US$ (31 December 2023: 15.26% in tenge, 3% in US$ and 12% in other currencies).

(in thousands of tenge, unless stated otherwise)

As at 31 December 2024, the carrying value of cash placed by the Group on current accounts in Kazpost JSC and on digital accounts in the National Bank of Kazakhstan, which are related parties of the Group, amounted to 1,151 thousand tenge (31 December 2023: 112,141,348 thousand tenge) and 116,631,095 thousand tenge (31 December 2023: nil tenge), respectively (Note 36). 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 31 December 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.

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

	31 December 2024	31 December 2023
Restricted cash	30,166,664	20,963,604
Other financial assets	1,937,734	3,068,171
Less: allowance for expected credit losses on restricted cash	(483)	(850)
Less: allowance for expected credit losses on other financial assets	(244,147)	(1,178,681)
Total	**31,859,768**	**22,852,244**
Current portion of other financial assets	17,078,916	7,734,507
Non-current portion of other financial assets	14,780,852	15,117,737
Total	**31,859,768**	**22,852,244**

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

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

	31 December 2024	31 December 2023
Trade receivables arising from contracts with customers	24,288,078	19,370,480
Other receivables	7,458,519	8,492,077
Less: allowance for expected credit losses on trade receivables from contracts with customers	(2,841,357)	(3,573,543)
Less: allowance for impairment of other receivables	(1,387,911)	(1,618,652)
Total	**27,517,329**	**22,670,362**
Current portion of trade and other receivables	24,328,167	18,802,191
Non-current portion of trade and other receivables	3,189,162	3,868,171
Total	**27,517,329**	**22,670,362**

(in thousands of tenge, unless stated otherwise)

9. INVENTORIES (line 020 of Consolidated balance sheet)

	31 December 2024	31 December 2023
Railway materials	15,648,318	18,786,347
Materials and supplies	15,454,278	13,452,131
Fuel and lubricants	13,552,548	20,028,312
Spare parts	8,742,800	8,421,320
Construction materials	1,452,936	1,559,276
Others	4,409,046	4,134,103
	59,259,926	**66,381,489**
Less: allowance for impairment of inventories	(1,440,068)	(2,019,012)
Total	**57,819,858**	**64,362,477**

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

	31 December 2024	31 December 2023
VAT recoverable	120,475,249	49,618,081
Short-term advances paid	20,183,327	25,735,750
Other taxes prepaid	6,189,544	4,207,602
Prepaid expenses	2,690,485	2,447,998
Others	5,683,768	5,493,238
	155,222,373	**87,502,669**
Less: allowance for impairment of other current assets	(11,993,291)	(6,395,698)
Total	**143,229,082**	**81,106,971**

As at 31 December 2023, the Group reclassified a portion of other taxes prepaid of 40,120,586 thousand tenge to other non-current assets (Note 14).

(in thousands of tenge, unless stated otherwise)

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

Description	Primary activity	Main country of operation / country of registration	31 December 2024		31 December 2023	
			Carrying amount	Ownership interest	Carrying amount	Ownership interest
Associates						
United Transport and Logistics Company - Eurasian Rail Alliance JSC (UTLC ERA JSC)	Domestic and international rail transportation and freight forwarding	Russia	16,962,953	33.33%	15,890,331	33.33%
Transtelecom JSC	Telecommunication services	Kazakhstan	15,607,115	25%	10,767,726	25%
Chinese-Kazakhstan International Logistics Company in Lianyungang	International multimodal transportation	China	8,712,274	49%	7,194,449	49%
China-Kazakhstan International Trade and Logistics Company LLC (Xi'an)	International multimodal transportation, terminal services, etc.	China	5,817,899	49%	5,136,468	49%
Others			1,577,800	40-49%	-	40-47%
Total investment in associates			**48,678,041**		**38,988,974**	
Joint ventures						
Private Company KPMC Ltd.	Organisation of container block trains and freight forwarding activities for land-sea freight routes	China/Kazakhstan	875,430	49%	1,077,581	49%
KIF Warehouses LLP	Warehouse operations and supporting transport operations	Kazakhstan	276,894	50%	496,863	50%
CRK-Terminal LLC	Organisation of domestic and international freight transportation, provision of multimodal and transport and logistics services, freight forwarding services, construction of terminal and warehouse infrastructure, reconstruction and renewal of fixed assets	Russia	164,985	33.3%	-	-
Private Company Middle Corridor Multimodal Ltd.	Organisation of domestic and international freight transportation, multimodal, transport and logistics services on the Trans-Caspian International Transport route	Kazakhstan	78,280	33.33%	4,256	33.33%
Total investment in joint ventures			**1,395,589**		**1,578,700**	
Total equity method investments			**50,073,630**		**40,567,674**	

(in thousands of tenge, unless stated otherwise)

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

	2024		
	Associates	**Joint ventures**	**Total equity method investments**
As at 1 January	**38,988,974**	**1,578,700**	**40,567,674**
Acquisition	1,577,800	16	1,577,816
Foreign exchange difference on translation of foreign operations	1,927,114	(5,096)	1,922,018
Share of profit/(loss)	10,961,770	(190,243)	10,771,527
Contributions to charter capital	-	242,832	242,832
Impairment reversal	(298,124)	(230,620)	(528,744)
Dividends receivable	(4,479,493)	-	(4,479,493)
As at 31 December	**48,678,041**	**1,395,589**	**50,073,630**

	2023		
	Associates	**Joint ventures**	**Total equity method investments**
As at 1 January	**28,633,763**	**164,875**	**28,798,638**
Acquisition	5,196,488	4,565	5,201,053
Fair value of the remaining interest upon loss of control over the subsidiary Private company KPMC Ltd.	-	459	459
Foreign exchange difference on translation of foreign operations	(4,588,086)	-	(4,588,086)
Share of profit/(loss)	8,190,347	(45,624)	8,144,723
Contributions to charter capital	-	1,111,418	1,111,418
Impairment reversal	4,697,383	343,007	5,040,390
Dividends receivable	(3,140,921)	-	(3,140,921)
As at 31 December	**38,988,974**	**1,578,700**	**40,567,674**

During 2024, the Group, represented by the Company, made an additional cash contribution of 75,333 thousand tenge to the charter capital of the Private Company Middle Corridor Multimodal Ltd.

During 2024, the Group, represented by its subsidiary KTZ Express JSC, made a cash contribution of 33,303,330 Russian Roubles (167,499 thousand tenge) to the charter capital of the joint venture CRK-Terminal LLC. The Group's ownership interest in the joint venture is 33.3%.

During 2024, the Group, represented by its subsidiary KTZ Express JSC, made a cash contribution of 1,577,800 thousand tenge to the charter capital of Aktau International Container Hub LLP, which is distributed between the Group, represented by subsidiaries KTZ Express JSC and NC Aktau International Sea Trade Port JSC, and Shanhai (Hong Kong) Investment & Development Co. Ltd. The Group's ownership interest in the associate is 49%.

(in thousands of tenge, unless stated otherwise)

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

	2024 г.				
	China-Kazakhstan Trade and Logistics Company LLC (Xi'an)	**Chinese-Kazakhstan International Logistics Company in Lianyungang**	**Aktau Marine North Terminal LLP**	**Transtelecom JSC**	**UTLC ERA JSC**
Current assets	8,780,716	8,704,785	1,025,315	51,979,406	53,561,416
Non-current assets	4,697,572	23,851,503	33,776,353	72,970,143	51,462,299
Total assets	**13,478,288**	**32,556,288**	**34,801,668**	**124,949,549**	**105,023,715**
Current liabilities	346,075	1,235,466	13,216,864	29,296,484	19,162,170
Non-current liabilities	1,258,950	337,118	31,073,327	42,119,598	34,972,686
Total liabilities	**1,605,025**	**1,572,584**	**44,290,191**	**71,416,082**	**54,134,856**
Total net assets/(liabilities)	**11,873,263**	**30,983,704**	**(9,488,523)**	**53,533,467**	**50,888,859**
Ownership interest	49%	49%	40%	25%	33.33%
Net assets/(liabilities) attributable to the Group	5,817,899	15,182,015	(3,795,409)	13,383,367	16,962,953
Accumulated impairment	-	(6,469,741)	-	-	-
Net assets/(liabilities) attributable to the Group, inclusive of impairment	5,817,899	8,712,274	(3,795,409)	13,383,367	16,962,953
Accumulated unrecognised loss	-	-	(3,795,409)	-	-
Adjustment to the carrying amount of investments in a change to investee net assets (fair value adjustment of the concessional loan from another shareholder)	-	-	-	2,223,748	-
Carrying amount of investment	**5,817,899**	**8,712,274**	**-**	**15,607,115**	**16,962,953**
Revenue	216,144	2,530,540	3,120,811	86,173,839	378,196,018
Profit/(loss) and total comprehensive income/(loss) for the year	71,764	265,849	(7,988,104)	19,357,557	17,870,852
Recognised share of the Group in profit	**35,164**	**130,266**	**-**	**4,839,389**	**5,956,951**

(in thousands of tenge, unless stated otherwise)

	2023 г.				
	China-Kazakhstan Trade and Logistics Company LLC (Xi'an)	Chinese-Kazakhstan International Logistics Company in Lianyungang	Aktau Marine North Terminal LLP	Transtelecom JSC	UTLC ERA JSC
Current assets	11,635,388	6,975,154	733,768	43,439,660	51,594,988
Non-current assets	-	21,998,101	35,215,073	146,464,355	54,397,617
Total assets	**11,635,388**	**28,973,255**	**35,948,841**	**189,904,015**	**105,992,605**
Current liabilities	33,850	1,447,881	5,346,866	114,014,756	20,564,002
Non-current liabilities	1,118,950	247,688	32,102,391	41,713,347	37,757,609
Total liabilities	**1,152,800**	**1,695,569**	**37,449,257**	**155,728,103**	**58,321,611**
Total net assets/(liabilities)	**10,482,588**	**27,277,686**	**(1,500,416)**	**34,175,912**	**47,670,994**
Ownership interest	49%	49%	40%	25%	33.33%
Net assets/(liabilities) attributable to the Group	5,136,468	13,366,066	(600,166)	8,543,978	15,890,331
Accumulated impairment	-	(6,171,617)	-	-	-
Net assets/(liabilities) attributable to the Group, inclusive of impairment	5,136,468	7,194,449	(600,166)	8,543,978	15,890,331
Accumulated unrecognised loss	-	-	(600,166)	-	-
Adjustment to the carrying amount of investments in a change to investee net assets (fair value adjustment of the concessional loan from another shareholder)	-	-	-	2,223,748	-
Carrying amount of investment	**5,136,468**	**7,194,449**	**-**	**10,767,726**	**15,890,331**
Revenue	152,532	10,588,410	3,911,625	84,185,754	298,970,347
(Loss)/profit and total comprehensive (loss)/income for the year	(53,648)	333,692	6,886,704	9,063,229	17,361,958
Recognised share of the Group in (loss)/profit	**(26,288)**	**163,509**	**-**	**2,265,807**	**5,787,319**

(in thousands of tenge, unless stated otherwise)

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

Movements in property, plant and equipment for the years ended 31 December 2024 and 2023 are as follows:

	Rail track infrastructure	Buildings and constructions	Machinery and equipment	Vehicles	Land	Others	Total
Carrying value as at 1 January 2023	**1,291,479,013**	**293,823,807**	**236,654,500**	**1,205,785,658**	**3,959,203**	**6,253,554**	**3,037,955,735**
Additions	590,888	653,376	11,407,810	39,775,659	2,412	1,397,810	53,827,955
Disposals	(72,520)	(775,222)	(1,657,893)	(1,748,222)	(59,467)	(1,090,962)	(5,404,286)
Depreciation charge	(41,979,733)	(7,388,091)	(25,654,230)	(66,743,357)	-	(1,231,047)	(142,996,458)
Depreciation on disposal	56,969	427,430	1,425,065	1,693,815	-	1,088,680	4,691,959
Impairment reversal/(impairment)	28,241	(22,869)	(80,374)	253,507	-	(106,947)	71,558
Other movements and transfers[1]	165,641,363	25,749,360	19,967,605	323,757,625	(31,399)	768,522	535,853,076
Carrying value as at 31 December 2023	**1,415,744,221**	**312,467,791**	**242,062,483**	**1,502,774,685**	**3,870,749**	**7,079,610**	**3,483,999,539**
Cost	1,779,867,412	388,045,727	525,947,891	2,143,113,801	3,870,749	23,994,604	4,864,840,184
Accumulated depreciation and impairment	(364,123,191)	(75,577,936)	(283,885,408)	(640,339,116)	-	(16,914,994)	(1,380,840,645)
Property, plant and equipment that are subject to operating lease (Group as the lessor)	-	238,963	90	88,773,759	-	14	89,012,826
Carrying value as at 1 January 2024	**1,415,744,221**	**312,467,791**	**242,062,483**	**1,502,774,685**	**3,870,749**	**7,079,610**	**3,483,999,539**
Additions	364,602	4,907,728	20,710,208	4,162,594	28,575	1,526,464	31,700,171
Disposals	(456,827)	(1,834,634)	(13,770,951)	(2,202,059)	(7,034)	(639,879)	(18,911,384)
Depreciation charge	(42,239,551)	(6,782,647)	(27,440,325)	(80,473,168)	-	(1,828,790)	(158,764,481)
Depreciation on disposal	296,250	697,204	11,381,684	2,167,938	-	601,343	15,144,419
(Impairment)/impairment reversal	(58,250)	(298,486)	(35,316)	(23,685)	-	103,413	(312,324)
Other movements and transfers [2]	162,457,948	40,403,057	20,106,352	453,662,908	-	1,106,107	677,736,372
Carrying value as at 31 December 2024	**1,536,108,393**	**349,560,013**	**253,014,135**	**1,880,069,213**	**3,892,290**	**7,948,268**	**4,030,592,312**
Cost	1,933,490,868	431,986,251	560,548,732	2,601,468,114	3,892,290	25,704,750	5,557,091,005
Accumulated depreciation and impairment	(397,382,475)	(82,426,238)	(307,534,597)	(721,398,901)	-	(17,756,482)	(1,526,498,693)
Property, plant and equipment that are subject to operating lease (Group as the lessor)	-	397,563	-	87,187,820	-	-	87,585,383

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

(in thousands of tenge, unless stated otherwise)

As at 31 December 2024 and 2023, the Group's property, plant and equipment with a carrying amount of 95,257,800 thousand tenge and 10,880,993 thousand tenge, respectively, was used as collateral for specific borrowings. As at 31 December 2024, collateral is mainly represented by freight locomotives transferred during 2024 as collateral under a loan agreement with the Eurasian Development Bank ("EDB").

As at 31 December 2024 and 2023, the cost of the Group's fully depreciated property, plant and equipment in use was 375,511,363 thousand tenge and 372,173,813 thousand tenge, respectively.

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

	Buildings and constructions	**Machinery and equipment**	**Vehicles**	**Others**	**Intangible assets (software)**	**Total**
Carrying value as at 1 January 2023	**1,517,283**	**8,966,182**	**62,065,000**	**4,683,758**	**11,654**	**77,243,877**
Lease additions	48,328	1,073,094	45,236,973	655	-	46,359,050
Lease modifications	(76,443)	5,250,598	8,092,729	-	-	13,266,884
Disposals	(243,681)	(1,317,010)	(8,834,197)	-	-	(10,394,888)
Depreciation charge	(313,010)	(9,378,122)	(3,821,440)	(668,909)	(4,240)	(14,185,721)
Depreciation on disposal	65,088	1,317,010	8,834,197	-	-	10,216,295
Other movements and transfers	-	-	(6,797,496)	(595,558)	-	(7,393,054)
Carrying value as at 31 December 2023	**997,565**	**5,911,752**	**104,775,766**	**3,419,946**	**7,414**	**115,112,443**
Cost	1,843,597	42,734,389	111,578,358	7,319,751	24,018	163,500,113
Accumulated depreciation and impairment	(846,032)	(36,822,637)	(6,802,592)	(3,899,805)	(16,604)	(48,387,670)
Carrying value as at 1 January 2024	**997,565**	**5,911,752**	**104,775,766**	**3,419,946**	**7,414**	**115,112,443**
Lease additions	6,184	27,261,487	144,259,613	-	-	171,527,284
Lease modifications	116,955	(381,996)	(41,466)	-	-	(306,507)
Disposals	(77,453)	(24,859,455)	-	-	-	(24,936,908)
Depreciation charge	(346,162)	(8,423,092)	(4,934,697)	(452,369)	(4,239)	(14,160,559)
Depreciation on disposal	26,818	24,859,455	-	-	-	24,886,273
Other movements and transfers	-	-	-	171,657	-	171,657
Carrying value as at 31 December 2024	**723,907**	**24,368,151**	**244,059,216**	**3,139,234**	**3,175**	**272,293,683**
Cost	1,889,283	44,754,425	255,796,505	7,954,527	24,018	310,418,758
Accumulated depreciation and impairment	(1,165,376)	(20,386,274)	(11,737,289)	(4,815,293)	(20,843)	(38,125,075)

(in thousands of tenge, unless stated otherwise)

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

	31 December 2024	31 December 2023
Construction in-progress	490,174,738	207,149,985
Advances paid for property, plant and equipment	384,164,931	463,043,831
VAT recoverable	207,245,818	167,275,071
Corporate income tax withheld at the source of payment	36,441,171	40,120,586
Intangible assets under development	9,330,468	9,235,474
Others	6,006,214	4,290,790
Total	**1,133,363,340**	**891,115,737**
Less: allowance for impairment of construction in-progress	(10,830,651)	(11,775,085)
Less: allowance for impairment of VAT recoverable	(12,536,948)	(12,236,948)
Less: allowance for impairment of intangible assets under development	(1,858,004)	(1,698,039)
Less: allowance for impairment of corporate income tax withheld at the source of payment	(1,028,330)	-
Less: allowance for impairment of advances paid for property, plant and equipment	(521,799)	(1,616,421)
Less: allowance for impairment of other non-current assets	(72,313)	-
Total	**1,106,515,295**	**863,789,244**

As at 31 December 2024, construction-in-progress mainly consists of project costs for the modernisation of the Dostyk-Moiynty railway transport corridor, the construction of the Darbaza-Maktaaral, Zhezkazgan-Beineu railway lines, a bypass railway line bypassing the Almaty station and other railway reconstruction infrastructure.

For the years ended 31 December 2024 and 2023, capitalised borrowing costs amounted to 52,176,602 thousand tenge and 26,591,021 thousand tenge, respectively. The Group's average capitalisation rate varies between 5.29% and 14.5% (2023: between 3.25% and 19.35%).

As at 31 December 2024, the Group performed an analysis of assets related to corporate income tax withheld at the source of payment due to the accumulated carried forward corporate income tax losses. These assets expire for tax purposes within 10 years from the date of their occurrence. As at 31 December 2024, the Group and classified corporate income tax withheld assets for the amount of 35,412,841 thousand tenge as non-current, as the Group does not expect that it will be able to utilise them within the next twelve months in accordance with the effective Kazakhstan tax legislation. The Group revised the classification of assets related to corporate income tax withheld as at 31 December 2023 and reclassified the assets in the amount of 40,120,586 thousand tenge from other current assets to other non-current assets (Note 10). This reclassification had no impact on the consolidated statement of profit or loss, the consolidated statement of changes in equity and consolidated statement of cash flows.

(in thousands of tenge, unless stated otherwise)

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

	31 December 2024	31 December 2023
Passenger carriages supply	163,047,221	163,034,166
Construction of the railway	128,983,625	133,922,810
Electric locomotive supplies	82,510,007	90,446,725
Railroad switch supplies	4,990,518	9,981,468
Diesel locomotive supplies	2,016,747	61,261,996
Others	2,616,813	4,396,666
Total	**384,164,931**	**463,043,831**

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

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

	31 December 2024		31 December 2023	
	Amount	Weighted average effective interest rate (%)	Amount	Weighted average effective interest rate (%)
Fixed interest rate loans	475,243,201		333,852,322	
- in tenge	*285,231,313*	*10.88*	*223,034,819*	*8.69*
- in Euro	*51,253,034*	*5.85*	*59,610,554*	*5.31*
- in Swiss Francs	*59,482,924*	*3.40*	*-*	*-*
- in Russian Roubles	*79,275,930*	*9.02*	*51,206,949*	*5.94*
Floating interest rate loans	886,252,701		518,137,526	
- in tenge	*40,231,912*	*19.24*	*122,925,345*	*18.83*
- in Euro	*217,681,841*	*7.34*	*139,142,911*	*5.32*
- in Swiss Francs	*628,338,948*	*3.04*	*256,069,270*	*3.55*
Fixed interest rate debt securities issued	1,207,802,385		1,079,763,788	
- in tenge	*759,017,615*	*11.78*	*707,589,454*	*11.41*
- in US$	*448,784,770*	*6.42*	*372,174,334*	*6.43*
Floating interest rate debt securities issued	84,090,134		185,792,874	
- in tenge	*84,090,134*	*14.78*	*185,792,874*	*19.02*
Total	**2,653,388,421**		**2,117,546,510**	
Current portion of loans and debt securities issued	812,965,422		354,114,654	
Non-current portion of loans and debt securities issued	1,840,422,999		1,763,431,856	
Total	**2,653,388,421**		**2,117,546,510**	

(in thousands of tenge, unless stated otherwise)

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

	31 December 2024	31 December 2023
During the year	341,413,106	122,037,341
1-2 years	134,519,141	78,270,434
2-3 years	129,196,773	79,636,710
3-4 years	127,409,265	75,027,008
4-5 years	115,432,528	73,444,778
Over 5 years	513,525,089	423,573,577
Total	**1,361,495,902**	**851,989,848**

Loans 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 "Khorgos-Zhetygen" and "Uzen-Turkmenistan Border" for a total amount of 30,000,000 thousand tenge, signed an additional agreement to extend the repayment period from 2024 until 2044 and change the interest rate from 2% to 9.25%. 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 6,003,488 thousand tenge, net of deferred tax in the amount of 1,200,697 thousand tenge through equity in retained earnings as other operations with owners (Note 23).

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 14,000,000 thousand tenge with an interest rate of 15%. In December 2024, the Group signed an additional agreement to extend the maturity until July 2025 and to change the interest rate from 15% to 16.5%.

ForteBank JSC

In 2024, the Group, represented by the Company and its subsidiary KTZ-Freight Transportation LLP, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, received 97,000,000 thousand tenge with an interest rate of 15.75% to 16.75% and maturity up to six months. The Group made full/partial early repayment of loans received in the amount of 55,000,000 thousand tenge.

Societe Generale and Natixis

In 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 amount of 627,110,893 Euros, borrowed 134,375,973 Euros (67,738,003 thousand tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 1.15%. Principal is repaid semi-annually until full repayment in 2035.

Halyk Bank of Kazakhstan JSC

In 2024, the Group, represented by the Company and its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 26 February 2015, borrowed 97,000,000 thousand tenge with an interest rate of 15.75% to 17.25% and a maturity of up to one year. The Group has made full/partial early repayment of loans received in the total amount of 78,000,000 thousand tenge.

Eurasian Development Bank ("EDB")

In 2024, the Group, represented by its subsidiary KTZ-Freight transportation LLP, 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 (37,956,298 thousand tenge). Loan interest is paid semi-annually at 7.8%. Principal is repaid semi-annually until full repayment in 2034.

Citibank

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

In 2024, the Group, represented by its subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP, under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 7 May 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593,952,912 US Dollars in Swiss Francs equivalent, borrowed 443,076,513 Swiss Francs (234,669,609 thousand tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.

European Bank for Reconstruction and Development ("EBRD")

In 2024, the Group, represented by the Company, under the credit line agreement with EBRD, dated 4 July 2024, borrowed funds in the total amount of 200,000,000 Swiss Francs (107,986,000 thousand tenge). Interest is repaid semi-annually at SARON 6m + 1.80% margin. The principal is repayable semi-annually until full repayment in 2029.

(in thousands of tenge, unless stated otherwise)

Early repayment of non-current borrowings

In 2024, the Group, represented by its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 22 October 2022, made an early full repayment of borrowings received of 60,540,068 thousand tenge.

In 2024, the Group, represented by its subsidiary KTZ-Passenger locomotives LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 20 October 2022, made an early partial repayment of borrowings received of 9,197,855 thousand tenge.

Debt securities issued

As at 31 December, debt securities issued included:

	Repayment date	Exchanges	2024	2023
Bonds issued, by price[2]				
2% Eurobonds (100%) in US$	28 October 2025	KASE	448,784,770	372,174,334
11.5% Bonds (100%) in tenge	3 October 2034	KASE	308,433,333	308,433,333
8.74% Bonds (100%) in tenge	12 June 2043	KASE	136,716,822	136,146,200
9.25% Bonds (100%) in tenge	24 June 2044	KASE	114,750,452	-
7.37% Bonds (100%) in tenge	30 December 2042	KASE	101,716,682	100,854,652
Inflation rate + 2.52% (12.03%) Bonds (100%) in tenge	25 April 2026	KASE	54,090,134	56,301,943
11.5% Bonds (100%) in tenge	12 September 2034	KASE	41,379,992	41,379,996
NBRK Base rate+0.75% (16%) Bonds (100%) in tenge	30 January 2026	AIX	30,000,000	-
11% Bonds (100%) in tenge	23 July 2027	KASE	26,184,034	26,184,032
2% Bonds (100%) in tenge	20 August 2034	KASE	18,947,368	17,760,512
1.8% Bonds (100%) in tenge	10 July 2044	AIX	10,888,932	-
TONIA Compounded 6M + 3% margin (17.43%) Bonds (100%) in tenge	22 July 2024	KASE	-	129,490,931
9.25% Bonds (100%) in tenge	15 November 2024	KASE	-	76,830,729
Total debt securities issued			**1,291,892,519**	**1,265,556,662**
Current portion of debt securities issued			471,552,316	232,077,313
Long-term portion of debt securities issued			820,340,203	1,033,479,349
			1,291,892,519	**1,265,556,662**

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

In June and December 2024, the Group, represented by the Company, to implement the project "Modernisation of the railway transport corridor Dostyk-Aktogay-Moiynty-Zharyk-Zhezkazgan-Saksaulskaya-Kandyagash-Aktobe-Iletsk (construction of second tracks of the Dostyk-Moiynty railway section)", issued bonds on the Kazakhstan Stock Exchange in favour of the Shareholder in the amount of 20,315,849 thousand tenge and 143,652,758 thousand tenge, respectively, with a coupon rate of 9.25% per annum and a maturity date in 2044. Coupon payment - twice a year. Digital tenge were used in this issue (Note 6). The bonds were issued with a coupon rate below the market rate and the fair value was calculated based on the market rate of 12.34% and 14.50%, respectively. The Group recognised an adjustment to fair value of the bonds in the amount of 49,498,753 thousand tenge, net of deferred tax in the amount of 9,899,750 thousand tenge through equity in retained earnings as other operations with owners (Note 23).

In July 2024, the Group, represented by the Company, to implement the project "Construction of Darbaza-Maktaaral railway line", issued bonds on the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 44,200,000 thousand tenge, with a coupon rate of 1.8% per annum and a maturity date in 2044. Coupon payment - twice a year. The bonds were issued with a coupon rate below the market rate and the fair value was calculated based on the market rate of 12.34%. The Group recognised an adjustment to fair value of the bonds in the amount of 33,893,182 thousand tenge, net of deferred tax in the amount of 6,778,637 thousand tenge through equity in retained earnings as other operations with owners (Note 23).

In December 2024, the Group, represented by the Company, to refinance obligations, issued bonds on the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 30,000,000 thousand tenge, with a coupon rate of Base rate of National Bank of Kazakhstan + 0.75% margin per annum and a maturity date in 2026. Coupon payment - twice a year.

State subsidy of the interest rate

In May 2020, the Group, represented by the Company, entered into a contract with the Ministry of Industry and Construction of the Republic of Kazakhstan to subsidise part of the coupon rate in the amount of 307,194,406 thousand tenge, on bonds issued in 2019 at the coupon rate of 11.5% per annum and used for early repayment of Eurobonds issued in 2017 in the amount of 780,000,000 US Dollars, which in turn were attracted and utilised for infrastructure modernisation, updating locomotives and freight carriages. The Agreement stipulates that the amount of subsidy should be provided for under the republican budget program "Subsidising the coupon rate on the carrier's bonds issued for the development of the main railway network and rolling stock of railway transport" (hereinafter – "the Program"). Since the budget Program is available to all transportation companies that have the status of a "carrier" in accordance with the Law on Railway Transport, the Group's management accounts for the financing under this Program as a government grant recognised within finance income.

In 2024, the Group recognised income from government subsidies under the Program in the amount of 22,300,000 thousand tenge as part of finance income (Note 27).

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

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 31 December 2024, this covenant was met. As at 31 December 2024, the carrying value of this loan is 51,253,034 thousand tenge (31 December 2023: 59,610,554 thousand tenge).

Loan agreements with Societe Generale and Natixis include financial covenant Net Debt to Equity (at the same time, concessional loans from the Shareholder should not exceed 50% of the total debt) calculated based on the annual consolidated financial statements of the Group. As at 31 December 2024, this covenant was met. As at 31 December 2024, the carrying value of this loan is 217,681,841 thousand tenge (31 December 2023: 139,142,911 thousand tenge).

Loan agreement with EDB includes certain financial covenants such as Debt to EBITDA and Interest coverage ratio calculated semi-annually based on the consolidated results of the Group. In addition, the Group should comply with the covenant that the Company has any two of three corporate ratings (S&P, Fitch, Moody’s) of at least BB. As at 31 December 2024, these covenants were met. As at 31 December 2024, the carrying value of this loan is 79,275,930 thousand tenge (31 December 2023: 51,206,949 thousand tenge).

Loan agreement with Citibank and Santander under the MIGA guarantee includes compliance with certain financial covenants such as EBITDA to interest expense and Total debt to EBITDA (with the share of subsidiaries’ debt to third parties not exceeding 35% of total debt) calculated based on the consolidated results of the Group. As at 31 December 2024, these covenants were met. As at 31 December 2024, the carrying value of this loan is 274,189,900 thousand tenge (31 December 2023: 256,069,270 thousand tenge).

Loan agreement with EBRD includes compliance with financial covenant of Debt to EBITDA calculated based on the consolidated results of the Group. As at 31 December 2024, this covenant was met. As at 31 December 2024, the carrying value of this loan is 103,881,331 thousand tenge (31 December 2023: nil tenge).

Under the loan agreement with Citibank under the guarantee of the Export-Import Bank of the United States (US EXIM Bank), as at the end of each financial year, the total aggregate assets and total revenue of the Company, Kaztemirtrans JSC, KTZ-Passenger Locomotives LLP and KTZ-Freight Transportation LLP must be equal to or greater than 75% of the Group's total aggregate assets and total revenue, respectively, calculated on the basis of the Group's annual consolidated results. As at 31 December 2024, these conditions were met. The carrying amount of the loan as at 31 December 2024 is 220,910,412 thousand tenge (31 December 2023: nil tenge).

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

(in thousands of tenge, unless stated otherwise)

Reconciliation of changes in liabilities and cash flows from financing activity

	2024			2023		
	Borrowings and debt securities issued	**Lease liabilities (Note 19)**	**Total**	**Borrowings and debt securities issued**	**Lease liabilities (Note 19)**	**Total**
As at 1 January	**2,117,546,510**	**71,505,722**	**2,189,052,232**	**1,687,331,006**	**53,081,812**	**1,740,412,818**
Changes due to cash flows from financing activities						
Repayment of borrowings	(480,531,540)	-	(480,531,540)	(367,321,124)	-	(367,321,124)
Proceeds from borrowings	879,762,337	-	879,762,337	808,730,762	-	808,730,762
Repayment of lease liabilities	-	(11,357,789)	(11,357,789)	-	(21,689,593)	(21,689,593)
Total changes due to cash flows from financing activities	**399,230,797**	**(11,357,789)**	**387,873,008**	**441,409,638**	**(21,689,593)**	**419,720,045**
Other changes						
Effect of changes in foreign exchange rates	68,605,428	34,011	68,639,439	13,861,720	43,258	13,904,978
Cash flow hedging	62,214,527	-	62,214,527	-	-	-
Acquisition of property, plant and equipment through borrowings directly transferred to the supplier	67,738,003	-	67,738,003	114,106,065	-	114,106,065
New lease agreements	-	107,742,344	107,742,344	-	24,334,360	24,334,360
Adjustment to the fair value of loans received from the Shareholder at rates lower than market (Note 23)	(89,395,423)	-	(89,395,423)	(177,931,511)	-	(177,931,511)
Interest costs and discount amortisation, including capitalised	204,960,350	19,501,905	224,462,255	188,582,882	8,994,678	197,577,560
Interest paid	(171,648,002)	(12,049,790)	(183,697,792)	(144,301,467)	(6,251,960)	(150,553,427)
Other changes	(5,863,769)	(393,911)	(6,257,680)	(5,511,823)	12,993,167	7,481,344
Total other changes attributable to liabilities	**136,611,114**	**114,834,559**	**251,445,673**	**(11,194,134)**	**40,113,503**	**28,919,369**
As at 31 December	**2,653,388,421**	**174,982,492**	**2,828,370,913**	**2,117,546,510**	**71,505,722**	**2,189,052,232**

(in thousands of tenge, unless stated otherwise)

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

As at 31 December 2024, liabilities under financial guarantee contracts include other current financial liabilities in the amount of 1,123,525 thousand tenge (31 December 2023: 267,656 thousand tenge) and other non-current financial liabilities in the amount of 26,325,789 thousand tenge (31 December 2023: 28,268,253 thousand tenge).

As disclosed in Note 33, the Group has provided financial guarantees to banks on loans received by Nursultan Nazarbayev International Airport JSC and Aktobe Rail and Section Mill Plant LLP and recognised obligations under financial guarantee agreements. As at 31 December 2024, liabilities under financial guarantee agreements amounted to 14,896,620 thousand tenge for Nursultan Nazarbayev International Airport JSC and 12,552,694 thousand tenge for Aktobe Rail and Section Mill Plant LLP (31 December 2023: 15,314,459 thousand tenge for Nursultan Nazarbayev International Airport JSC, 13,202,435 thousand tenge for Aktobe Rail and Section Mill Plant LLP and 19,015 thousand tenge for Transtelecom JSC).

As at 31 December, other financial liabilities were represented in the following currencies:

	31 December 2024	31 December 2023
Tenge	25,725,799	26,783,994
US$	1,723,515	1,751,915
Total	**27,449,314**	**28,535,909**

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

	31 December 2024	31 December 2023
Trade accounts payable	230,152,543	199,941,295
Other accounts payable	17,832,911	15,058,268
Total	**247,985,454**	**214,999,563**

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

	31 December 2024	31 December 2023
Tenge	201,822,363	173,490,450
Euros	13,414,325	9,541,615
US$	12,999,574	10,018,129
UAE Dirham	-	5,898,808
In other currencies	1,916,281	992,293
Total	**230,152,543**	**199,941,295**

Other accounts payable were mainly denominated in tenge.

The average turnover period for trade accounts payable is 48 days (2023: 38 days).

(in thousands of tenge, unless stated otherwise)

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

As at 31 December employee benefits included the following:

	31 December 2024	31 December 2023
Post-employment defined employee benefits and other long-term employee benefits	48,702,453	45,003,572
Allowances for unused vacation and other employee benefits	40,068,883	36,224,971
Salary payable	18,966,105	15,511,354
Total	**107,737,441**	**96,739,897**
Current portion of employee benefits	66,632,709	59,343,857
Non-current portion of employee benefits	41,104,732	37,396,040
Total	**107,737,441**	**96,739,897**

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

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

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

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

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

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

(in thousands of tenge, unless stated otherwise)

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

Post-employment defined employee benefits:

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

Other long-term employee benefits:

- financial support for sanatorium-resort treatment to employees;
- financial assistance on denture treatment to employees;
- a one-time payment to employees on anniversaries;
- the reimbursement of railway ticket expense to employees.

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

	31 December 2024	**31 December 2023**
Non-current portion of post-employment defined employee benefits and other long-term employee benefits	41,104,732	37,396,040
Current portion of post-employment defined employee benefits and other long-term employee benefits	7,597,721	7,607,532
Total liabilities as at the end of the year	**48,702,453**	**45,003,572**

(in thousands of tenge, unless stated otherwise)

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

	2024	2023
Total liabilities at the beginning of the year	45,003,572	43,619,132
Current service cost	2,254,484	1,888,009
Past service cost	9,693,683	-
Interest costs	5,107,906	4,623,627
Actuarial (profit)/loss on other long-term employee benefits	(2,393,966)	426,907
Total expenses recognised in profit or loss	14,662,107	6,938,543
Actuarial revaluation recognised in other comprehensive income:	(3,688,644)	539,296
- change in financial assumptions	*855,668*	*(329,805)*
- experience-based adjustments	*(1,850,465)*	*(923,302)*
- change in demographic assumptions	*(2,693,847)*	*1,792,403*
Payments made for the year	(7,274,582)	(6,093,399)
Total liabilities as at the end of the year	**48,702,453**	**45,003,572**

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

	2024	2023
Cost of goods, operations and services sold (Note 25)	14,149,753	6,610,763
Administrative expenses (Note 26)	512,354	327,780
Total recognised in profit or loss for the year	**14,662,107**	**6,938,543**

The calculation of the Group's obligation has been prepared on the basis of published mortality statistics, as well as the Group's actual data on the number, age, gender and years of service of employees and retirees, and statistics on changes in the number of employees, the expectation that all employees who will be given the opportunity to benefit from the Rules No. 1, Rules No. 2 and Rules No. 3 will take advantage of them. The average longevity after retirement age for current and former employees who have retired is 15.6 years for men and 19.6 years for women.

Other significant actuarial assumptions as at the reporting date for the consolidated balance sheet are as follows:

	2024	2023
Discount rate	12.4%	11.9%
Expected annual growth in material aid in the future	5.3% (average)	5.2% (average)
Expected annual minimum salary growth in the future	6.6% (average)	6.6% (average)
Expected annual future growth in rail ticket cost	7.6% (average)	5.9% (average)

According to an actuarial sensitivity analysis, the maximum increase in employee benefit obligations is 8.5% caused by an inflation rate increase of 1%, and 7.9% caused by a discount rate decrease of 1%.

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

(in thousands of tenge, unless stated otherwise)

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

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

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

	31 December 2024	31 December 2023
Short-term leases	1,198,514	1,027,740
Lease liabilities	174,982,492	71,505,722
Total	**176,181,006**	**72,533,462**
Current lease liabilities	36,715,572	17,978,930
Non-current lease liabilities	139,465,434	54,554,532
Total	**176,181,006**	**72,533,462**

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

	2024		2023	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within one year	38,423,304	35,517,058	18,461,203	16,951,190
2-5 years inclusive	141,989,256	83,386,859	47,065,929	26,930,003
Over 5 years	232,330,450	56,078,575	100,304,047	27,624,529
Total	**412,743,010**	**174,982,492**	**165,831,179**	**71,505,722**
Less unearned interest	(237,760,518)	-	(94,325,457)	-
Present cost of lease liabilities	**174,982,492**	**174,982,492**	**71,505,722**	**71,505,722**
Less amounts due within 12 months		(35,517,058)		(16,951,190)
Amount due after 12 months		**139,465,434**		**54,554,532**

As at 31 December 2024 and 2023, interest calculations are based on effective interest rates of between 2.5%-21.69%.

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

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 47,391,389 thousand 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 a lessee.

In 2024, within the framework of the agreement, the Group received 193 flat carriages and recognised right-of-use assets of 5,077,402 thousand tenge for 32 years and a lease liability of 2,734,460 thousand tenge for 15 years.

In July 2024, the Group, represented by its subsidiary KTZ Express JSC, entered into a lease agreement for 2,000 flat cars with a total amount of 63,355,988 thousand tenge and an interest rate of 13.75% per annum, of which 7% per annum is subsidised by the State. The grace period for the payment of the principal debt is 5 years. The group acts as a lessee.

In 2024, within the framework of this agreement, the Group received 373 flat carriages and recognised right-of-use assets of 12,107,831 thousand tenge for 32 years and a lease liability of 7,582,838 thousand tenge for 15 years.

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 65,795,625 thousand 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 2024, under this agreement, the Group received 62 passenger carriages and recognised right-of-use assets in the amount of 41,244,332 thousand tenge for 40 years and a lease liability in the amount of 19,581,109 thousand tenge for 15 years.

In May 2024, the Group, represented by its subsidiary Passenger Transportation JSC, entered into a lease agreement for 157 passenger carriages with a total amount of 103,432,232 thousand tenge and an interest rate of 13.75% per annum, of which 10% per annum is subsidised by the State. The grace period for the payment of the principal debt is 5 years. The group acts as a lessee.

During 2024, under this agreement, the Group received 50 passenger carriages and recognised right-of-use assets in the amount of 32,829,875 thousand tenge for 40 years and a lease liability of 15,234,781 thousand tenge for 15 years.

In August 2024, the Group, represented by its subsidiary Passenger Transportation JSC, entered into a lease agreement for 3 electric trains with a total amount of 11,802,474 thousand tenge (taking into account the additional agreement dated 29 August 2024) and an interest rate of 14.5% per annum, of which 10% per annum is subsidised by the State. The grace period for the payment of the principal debt is 5 years. The group acts as a lessee.

(in thousands of tenge, unless stated otherwise)

During 2024, under this agreement, the Group received 1 electric train and recognised a right-of-use asset in the amount of 3,910,714 thousand tenge for 40 years and a lease liability in the amount of 1,817,492 thousand tenge for 15 years.

Freight open wagons

In July 2023, the Group, represented by its subsidiary Kaztemirtrans JSC, entered into an agreement for the lease of 3,000 open wagons with a total value of 88,125,000 thousand tenge and an interest rate of 13.15% per annum, of which 6% per annum is subsidised by the State. The grace period for the principal is 2 years. The Group acts as a lessee.

In 2024, under this agreement, the Group received 1,689 open wagons and recognised right-of-use assets of 49,089,459 thousand tenge for 22 years and a lease liability of 33,523,993 thousand tenge for 14 years.

The terms and conditions of lease agreements of the Group, represented by subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC, with Industrial Development Fund JSC, includes compliance with the financial covenant "Debt Security Coverage Ratio" calculated on the basis of the annual consolidated results of the Group. As at 31 December 2024, this condition was met.

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

Lease agreements with Transtelecom JSC

In 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 27,261,487 thousand tenge for 5 years.

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

	31 December 2024	31 December 2023
Advances received on contracts with customers	117,972,804	105,102,708
Deferred income	15,196,726	10,765,608
Total	**133,169,530**	**115,868,316**

Revenue recognised in the reporting period, which was included in the balance of advances received and deferred income at the beginning of the year amounted to 95,810,978 thousand tenge (2023: 100,493,605 thousand tenge).

(in thousands of tenge, unless stated otherwise)

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

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

	31 December 2024	31 December 2023
Taxes and other obligatory payments to the budget, including:		
VAT	5,796,169	4,680,575
Personal income tax	5,719,744	5,254,539
Social tax	3,202,375	2,891,169
Property tax	95,190	174,843
Others	808,842	753,249
Obligatory pension contributions, social insurance and obligatory medical insurance contributions	14,302,401	12,530,282
Advances received	9,700,113	10,015,278
Others	2,330,308	3,397,149
Total	**41,955,142**	**39,697,084**

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

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

	31 December 2024	31 December 2023
Deferred tax assets:		
Tax losses carried forward	128,414,408	125,892,753
Accrued employee liabilities	7,912,376	7,134,876
Lease liabilities	7,009,825	2,639,976
Derivative financial instruments	6,432,037	7,036,294
Liabilities under financial guarantee contracts	5,489,864	5,707,182
Difference in accounts receivable	3,889,185	3,959,084
Other	2,690,758	2,633,352
	161,838,453	**155,003,517**
Less: deferred tax assets offset against deferred tax liabilities	(161,817,664)	(154,943,729)
Deferred tax assets	**20,789**	**59,788**
Deferred tax liabilities:		
Property, plant and equipment and other non-current assets	(507,804,810)	(457,336,541)
Fair value adjustment to borrowings received from the Shareholder at rates below market	(122,065,675)	(109,487,750)
Other	(4,524)	(7,657)
	(629,875,009)	**(566,831,948)**
Less: deferred tax liabilities offset against deferred tax assets	161,817,664	154,943,729
Deferred tax liabilities	**(468,057,345)**	**(411,888,219)**
Total net deferred tax liabilities	**(468,036,556)**	**(411,828,431)**

(in thousands of tenge, unless stated otherwise)

Movement in deferred tax liabilities for the years ended 31 December is presented as follows:

	2024	2023
Net deferred tax liabilities as at the beginning of the year	**(411,828,431)**	**(357,427,105)**
Recognised in profit or loss (Note 31)	(47,971,599)	(18,815,024)
Recognised in consolidated statement of changes in equity (Note 23)	(17,879,084)	(35,586,302)
Recognised in other comprehensive income (Note 23)	9,642,558	-
Net deferred tax liabilities as at the end of the year	**(468,036,556)**	**(411,828,431)**

The Group has not recognised deferred tax assets relating to the portion of tax losses carried forward of subsidiaries. Management believes it is improbable that there will be sufficient taxable income available in the future against which any such deferred tax assets can be utilised. As at 31 December 2024, the total tax effect of unrecognised tax losses carried forward amounted to 9,470,064 thousand tenge (31 December 2023: 420,068 thousand tenge). These tax losses carried forward expire in 10 years from the date they were incurred.

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

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

	No. of shares authorised for issue	No. of shares issued	Charter capital, thousand tenge	Other capital, thousand tenge
As at 1 January 2023	**502,040,458**	**496,692,666**	**1,086,324,360**	**97**
Shares issued	-	1,000	24,309,508	-
As at 31 December 2023	**502,040,458**	**496,693,666**	**1,110,633,868**	**97**
Shares issued	-	1,000	13,272,667	-
As at 31 December 2024	**502,040,458**	**496,694,666**	**1,123,906,535**	**97**

The Company's charter (shareholder's) capital was established through a series of share issuances in exchange for either cash or property, plant and equipment, intangible assets or shares. The Shareholder is entitled to dividends, a part of the Company's assets in the event of liquidation, and preference in purchasing the Company's shares or other securities convertible into Company shares.

During 2024, the Group issued 1,000 shares that were paid in cash of 13,272,667 thousand tenge by the Shareholder (2023: 24,309,508 thousand tenge)

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

In 2024, the Group recognised an adjustment to loans received from Shareholder at rates lower than market to fair value of 89,395,423 thousand tenge (2023: 177,931,511 thousand tenge) less the deferred tax effect of 17,879,084 thousand tenge (2023: 35,586,302 thousand tenge) (Notes 15 and 22).

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

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

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

Strategy 1 (effective from 1 October 2024)

Eurobonds with the nominal amount of 882,978,000 US Dollars issued in October 2022 on the Kazakhstan Stock Exchange in favour of the Shareholder, and due on 28 October 2025, as well as cross-currency swaps in the amount of 881,881,000 Swiss Francs with maturity date on 25 October 2025 are hedging instruments that are separately identifiable and reliably measurable. As at 31 December 2024, the carrying value of Eurobonds amounted to 448,784,770 thousand tenge. The hedged item in this respect is the probable revenue from freight transit transportation of 875,066,510 Swiss Francs for the period from 1 January 2025 to 22 October 2025.

At the commencement date of the hedging relationship, the hedge effectiveness was recognised at 100%, except for the market interest rate component, which was approximately 3% of the fair value of the cross-currency swap. As at 31 December 2024, hedge effectiveness decreased to 88.57%, due to a reduction in the expected volumes of the probable revenue from freight transit transportation following the introduction of the second hedging strategy, which resulted in a partial reallocation of originally projected revenue to the second strategy.

As at 31 December 2024, the effective portion of 28,225,909 thousand tenge was allocated to the components of other comprehensive income as fair value loss arising on cash flow hedging instruments. The deferred tax effect amounted to 5,645,182 thousand tenge (Note 22). The ineffective portion in the amount of 3,608,843 thousand tenge was reclassified to finance costs (Note 28).

Strategy 2 (effective from 21 November 2024)

The principal debt of the Group's loans of 1,070,208,399 Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at 31 December 2024, the carrying value of these loans amounted to 598,981,643 thousand tenge. The hedged item in this respect is the highly probable revenue from transit transportation of 1,070,208,399 Swiss Francs for the period from 21 November 2024 to 15 November 2034, of which 139,167,166 Swiss Francs are repayable in 2025.

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

(in thousands of tenge, unless stated otherwise)

As at 31 December 2024, the effective portion of 20,399,081 thousand tenge was allocated to the components of other comprehensive income as fair value loss arising on cash flow hedging instruments. The deferred tax effect amounted to 4,079,816 thousand tenge (Note 22).

In December 2024, the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 412,200 thousand tenge attributable to the hedging instrument was reclassified from components of other comprehensive loss to revenue from sale of goods, operations and services (Note 24). The deferred tax effect amounted to 82,440 thousand tenge (Note 22).

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

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

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

Revenue for the years ended 31 December included the following:

	2024	2023
Revenue from freight transportation	1,875,557,909	1,682,550,477
Revenue from passenger transportation	110,522,759	101,682,302
Government grants	41,123,686	38,912,103
Other revenue	136,737,678	110,950,500
Total	**2,163,942,032**	**1,934,095,382**

In 2024 and 2023, revenue from freight transportation included:

	2024	2023
Revenue from contracts with customers:		
International (transit) routes	698,796,877	655,888,380
Domestic routes	507,500,898	439,856,825
International (export) routes	322,631,389	274,068,506
International (import) routes	194,278,923	185,757,620
Additional charges related to the transportation process	67,769,200	60,675,444
Other revenue from freight transportation	84,580,622	66,303,702
Total	**1,875,557,909**	**1,682,550,477**

In December 2024, the Group received international (transit) freight transportation revenue, which is the cash flow hedged item, therefore, the accumulated loss in the amount of 412,200 thousand tenge attributable to the hedging instrument was reclassified from components of other comprehensive income to revenue from sale of goods, operations and services (Note 23).

Revenue from freight transportation is recognised over time.

(in thousands of tenge, unless stated otherwise)

In 2024 and 2023, revenue from passenger transportation included:

	2024	2023
Revenue from contracts with customers:		
Passenger transportation	94,002,415	89,866,658
Other revenue from passenger transportation	16,520,344	11,815,644
Total	**110,522,759**	**101,682,302**

Revenue from passenger transportation of 1,763,066 thousand tenge, attributable to portion of other revenue from passenger transportation, was recognised at a point in time (2023: 1,449,006 thousand tenge), and 108,759,693 thousand tenge was recognised over time (2023: 100,233,296 thousand tenge).

In 2024 and 2023 other revenue included:

	2024	2023
Revenue from the lease of carriages	63,367,705	45,952,508
Revenue from the sale of goods and provision of other services	61,172,010	49,615,238
Revenue from fines	6,382,475	10,474,563
Revenue from the lease of other property, plant and equipment	5,815,488	4,908,191
Total	**136,737,678**	**110,950,500**

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

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

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

Revenue of 18,544,400 thousand tenge is recognised at a point in time (2023: 21,479,208 thousand tenge), and of 49,010,085 thousand tenge – over time (2023: 38,610,593 thousand tenge).

(in thousands of tenge, unless stated otherwise)

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

	2024	2023
Staff costs, including taxes, contributions and provisions for unused vacations	702,499,958	616,248,030
Repairs and maintenance	234,960,734	229,397,911
Fuel and lubricants	195,945,382	219,738,829
Depreciation and amortisation	165,925,267	151,593,499
Electricity	90,967,092	64,980,471
Work and services of a production nature	71,246,378	77,113,441
Materials and supplies	62,300,261	58,189,577
Property tax and other taxes, excluding social tax and social contributions	29,815,621	27,655,334
Employee benefit expenses and other long-term employee benefits (Note 18)	14,149,753	6,610,763
Utilities and building maintenance	7,730,076	5,890,693
Telecommunication services	3,125,142	2,630,606
Other costs	41,351,748	38,534,159
Total	**1,620,017,412**	**1,498,583,313**

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

	2024	2023
Staff costs, including taxes, contributions and provisions for unused vacation	78,473,290	67,433,387
Property tax and other taxes, excluding social tax and social contributions	17,942,470	7,852,789
Depreciation and amortisation	4,446,408	4,698,423
Other third party services	3,808,900	4,299,222
Expenses to hold celebrations and cultural and mass events	3,273,321	2,716,811
Consulting, audit and legal services	2,873,293	1,561,321
Business trip expenses	2,590,174	1,945,353
Charity	2,000,000	-
Membership fees	1,298,985	855,015
Repairs and maintenance	1,215,606	1,310,083
Utilities and building maintenance	1,170,261	751,547
Lease expenses	1,132,919	935,578
Telecommunication services	652,503	658,833
Insurance	636,390	582,543
Employee benefit expenses and other long-term employee benefits (Note 18)	512,354	327,780
Banking services	441,744	431,391
Expenses to maintain social sphere facilities	431,429	405,355
Other expenses	5,983,474	8,996,842
Total	**128,883,521**	**105,762,273**

(in thousands of tenge, unless stated otherwise)

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

	2024	2023
Income from interest rate state subsidies on financial liabilities	28,018,731	2,220,128
Income from interest on cash and cash equivalents	11,517,126	12,209,262
Interest income on derivative financial instruments recognised at fair value through profit or loss	10,010,007	10,490,517
Income from guarantees issued	1,322,019	1,427,441
Income from recovery of allowance for expected credit losses on financial instruments	1,933,337	-
Other finance income	2,087,114	5,874,099
Total	**54,888,334**	**32,221,447**

Income from interest rate state subsidies on financial liabilities mainly represents income from subsidising a portion of the coupon rate on bonds in the amount of 22,300,000 thousand tenge (Note 15).

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

	2024	2023
Interest expense and discount amortisation on loans	152,776,629	161,944,970
Interest expenses on lease	19,501,905	8,994,678
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	6,363,180	35,181,469
Loss from the ineffective part of hedging instruments (Note 23)	3,608,843	-
Expenses on accrual of allowance for expected credit losses on financial instruments	-	16,492
Other finance costs	2,733,343	2,244,250
Total	**184,983,900**	**208,381,859**

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

	2024	2023
Recovery of expenses on recognition of provisions	2,483,833	-
Income from investment property	1,920,817	1,720,900
Income from disposal of property, plant and equipment, intangible assets and other non-current assets	241,299	65,356
Gain on disposal of subsidiary not qualifying as discontinued operations	-	6,283,523
Income from reversal of allowance on impairment of investments in associates and joint ventures	-	5,040,390
Income from reversal of allowance for expected credit losses on receivables and allowance for impairment of other current assets	-	2,678,813
Other	5,121,367	3,929,606
Total	**9,767,316**	**19,718,588**

(in thousands of tenge, unless stated otherwise)

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

	2024	2023
Foreign exchange loss, net (Note 36)	69,619,844	14,123,563
Expenses on accrual of allowance for impairment of non-financial assets	7,335,702	3,891,732
Expenses on disposal of property, plant and equipment, intangible assets and other non-current assets	4,095,337	711,907
Accrual of expenses on recognition of provisions	-	173,969
Expenses on accrual of allowance for expected credit losses on receivables and allowance for impairment of other current assets	331,931	-
Other	572,950	1,168,861
Total	**81,955,764**	**20,070,032**

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

Corporate income tax expense for the years ended 31 December included the following:

	2024	2023
Current income tax expenses	14,969,801	6,010,712
Adjustment of income tax for prior years	(216,841)	(227,186)
Deferred income tax expense	37,810,604	17,450,556
Change in unrecognised deferred tax assets, including for tax losses carried forward	10,160,995	1,364,468
Total	**62,724,559**	**24,598,550**

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

	2024	2023
Profit before tax from continuing operations	**223,528,612**	**161,382,663**
Official tax rate	20%	20%
Calculated corporate income tax expense at the official rate	**44,705,722**	**32,276,533**
Tax effect of non-deductible expenses/(non-taxable income) for tax calculation purposes, and other effect:		
Adjustment of income tax for prior years	(216,841)	(227,186)
Non-deductible expenses/(non-taxable income)	8,074,683	(8,815,265)
Change in unrecognised deferred tax assets, including for tax losses carried forward	10,160,995	1,364,468
Corporate income tax expenses (-) (income (+) reflected in profit or loss from continuing operations	**62,724,559**	**24,598,550**

(in thousands of tenge, unless stated otherwise)

32. EARNINGS PER SHARE (line 600 of Consolidated statement of profit or loss)

Basic earnings per share are calculated using the weighted average number of common shares issued during the year. Basic and diluted per share data are the same, as there are no dilutive instruments outstanding. During 2024 and 2023, there were no antidilutive instruments outstanding.

	2024	2023
Weighted average of common shares	496,693,715	496,692,677
Profit for the year attributable to the Shareholder	157,817,359	133,507,617
Earnings per common share (tenge)	**318**	**269**

In accordance with the requirements of the Kazakhstan Stock Exchange (KASE), the Company has calculated the carrying amount of one share.

	31 December 2024	31 December 2023
Net assets excluding intangible assets, goodwill and non-controlling interests	1,924,269,435	1,712,207,585
Quantity of common shares in circulation (registered)	496,694,666	496,693,666
Carrying amount of one share, in tenge	**3,874**	**3,447**

33. FINANCIAL AND CONTINGENT LIABILITIES

Investment liabilities

As at 31 December 2024, the Group had investment liabilities, including the modernisation of the Dostyk-Moiynty railway transport corridor, the construction of the Darbaza-Maktaaral railway line, the construction of a bypass railway line bypassing the Almaty station, liabilities under lease agreements with Industrial Development Fund JSC, overhaul of railway tracks, acquisition of equipment, long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives, passenger carriages for a total amount of 2,427,217,418 thousand tenge (31 December 2023: 1,867,649,313 thousand tenge).

Other contractual liabilities

As at 31 December 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 31 December 2024, the outflow of resources embodying economic benefits under this agreement is not highly probable.

Contingent liabilities

Litigation

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

Contingent liabilities related to the Kazakhstan tax system

Due to the uncertainties inherent in the Kazakhstan tax system, the ultimate amount of taxes, fines and late payment interest may exceed the amount expensed as at 31 December 2024 and 2023. It is not possible to determine the value of any unasserted claims that may be charged, if any, or the likelihood of any unfavourable outcome.

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

Insurance

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

Environmental protection

Legislation on environmental protection in Kazakhstan is in the process of development and therefore is subject to constant changes. From 1 July 2021, amendments to the Environmental Code of Kazakhstan ("the Code") has become effective. This Code includes set of principles aimed at minimising the consequences of environmental damage to the activities of entities and/or the full restoration of the environment to its original state. Depending on the level and risk of negative impact on the environment, assets are classified into four categories, where the asset that have a significant negative impact on the environment are classified to the first category. In accordance with the Code, 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.

(in thousands of tenge, unless stated otherwise)

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

Guarantees

As at 31 December 2024 guarantees included the following:

Creditor	Purpose of the guarantee	Guarantee issue date	Guarantee period	Guarantee amount
Development Bank of Kazakhstan JSC	Execution of the obligations of the associate Aktobe Rail and Section Mill Plant LLP to finance the construction of a rail and section mill plant in Aktobe	4 July 2013	Until 2033	15,907,323
Development Bank of Kazakhstan JSC	Execution of the obligations of Nursultan Nazarbayev International Airport JSC in Astana to finance its modernisation	28 March 2018	Until 2033	21,939,750

Note 16 discloses the carrying value of these guarantees.

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

Financial guarantee agreements with Industrial Development Bank of Kazakhstan JSC provide for the Company's compliance with certain financial covenants, such as debt to EBITDA and interest coverage ratio on an annual basis, as well as compliance with the condition that the Company has any two of the three corporate ratings (S&P, Fitch, Moody's) at a level not lower than BB-.
As at 31 December 2024 these terms have been met.

(in thousands of tenge, unless stated otherwise)

34. SUBSIDIARIES

Information on the composition of the Group is provided below:

№	Subsidiary[3]	Activities	Country	Ownership interest, % 31 December 2024	Ownership interest, % 31 December 2023
1	Kaztemirtrans JSC	Freight carriage operation	Kazakhstan	100	100
2	Passenger Transportation JSC	Passenger transportation	Kazakhstan	100	100
3	KTZ-Freight Transportation LLP	Freight transportation and locomotive haulage	Kazakhstan	100	100
4	KTZ Express JSC	Multimodal transportation	Kazakhstan	100	100
5	Kedentransservice JSC	Freight forwarding services, handling rolling stock, terminal services	Kazakhstan	100	100
6	Temirzholsu JSC	Utilities	Kazakhstan	100	100
7	Militarised Railway Security LLP	Security	Kazakhstan	100	100
8	Aktau International Sea Commercial Port National Company JSC[4]	Vessel loading and unloading work, vessel servicing	Kazakhstan	100	100
9	Port Kuryk LLP	Freight transhipment and vessel servicing	Kazakhstan	100	100
10	KTZ-Passenger Locomotives LLP	Locomotive rolling stock services	Kazakhstan	100	100

On 13 December 2022, the Group, represented by its subsidiary Kaztemirtrans JSC, entered into a sale agreement with a third party for a 100% interest in the charter capital of Railway Passenger Coach Construction Plant LLP. On 27 January 2023, the Group completed the sale of its interest and lost control over the subsidiary.

35. RELATED PARTY TRANSACTIONS

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

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

[3] First level subsidiaries, some of which include subsidiaries that have non-controlling interests.
[4] In November 2013, the Shareholder transferred a 100% ownership interest in National Company Aktau International Sea Commercial Port JSC to the Group's trust management. National Company Aktau Sea Commercial Port JSC is recognised as a Group subsidiary although the Group does not legally hold shares in it.

(in thousands of tenge, unless stated otherwise)

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

		Shareholder	Associates	Companies making up the Shareholder Group	Other related parties[5]
Amounts due from related parties for goods, services and non-current assets, including advances paid	2024 г	-	2,162,372	211,193	5,202,238
	2023 г.	-	3,374,399	146,344	3,213,702
including allowances for expected credit losses and impairment of advances paid	*2024 г*	-	*(30,447)*	*(3,744)*	*(150,267)*
	2023 г.	-	*(424,630)*	*(99,751)*	*(59,501)*
Amounts due to related parties for goods, services and non-current assets, including advances received	2024 г.	-	14,856,560	29,487,075	14,621,852
	2023 г.	-	14,216,705	38,902,751	13,399,021
Cash on current accounts	2024 г.	-	-	1,151	-
	2023 г.	-	-	112,141,348	-
Cash on digital accounts (Note36)	2024 г.	-	-	-	116,631,095
	2023 г.	-	-	-	-
Restricted cash	2024 г.	-	-	-	196,543
	2023 г.	-	-	-	201,752
Loans received	2024 г.	1,002,574,915	-	-	154,299,103
	2023 г.	768,615,242	-	-	125,449,285
Lease liabilities	2024 г.	-	31,296,093	-	140,393,122
	2023 г.	-	9,830,679	-	58,444,797
Financial guarantee contract liabilities	2024 г.	-	-	-	14,896,620
	2023 г.	-	19,015	-	15,314,459

[5] Other related parties include other commercial entities under common control of the ultimate Shareholder.

(in thousands of tenge, unless stated otherwise)

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

		Shareholder	Associates	Joined ventures	Companies making up the Shareholder Group	Other related parties[8]
Sale of goods, services and non-current assets	2024	-	110,475,821	-	29,434,477	103,418,128
	2023	-	72,316,461	-	22,635,024	83,861,976
Recovered/(accrued) allowances for expected credit losses and impairment of advances paid	*2024*	-	*394,183*	-	*96,007*	*(69,828)*
	2023	-	*1,232,862*	-	*(4,395)*	*(12,485)*
Purchase of goods, services and non-current assets	2024	-	26,623,473	-	93,220,703	75,277,855
	2023	-	33,214,612	-	124,841,853	33,999,087
Receipt of loans	2024	238,168,607	-	-	-	37,956,298
	2023	336,309,364	-	-	-	50,345,241
Repayment of loans received	2024	1,174,923	-	-	-	11,159,983
	2023	1,174,923	-	-	-	4,629,411
New lease agreements (Group as lessee)	2024	-	27,261,487	-	-	80,474,673
	2023	-	1,121,422	-	-	23,212,938
Lease payments	2024	-	11,187,698	-	-	16,904,291
	2023	-	20,944,146	-	-	3,675,150
Finance income	2024	-	19,015	-	-	417,839
	2023	-	361,998	-	-	234,341
Finance costs	2024	36,853,246	5,754,886	-	-	26,047,239
	2023	34,563,887	2,522,563	-	-	14,482,293
Dividends due	2024	-	4,479,493	-	-	-
	2023	-	2,891,491	-	-	-
Charter (shareholder's) capital contribution	2024	13,272,667	1,577,800	242,848	-	-
	2023	24,309,508	5,196,488	1,115,983	-	-

In 2024, the Group issued bonds in favour of the Shareholder in the amount of 238,168,607 thousand tenge (Note 15) (2023: 173,709,364 thousand tenge).

As at 31 December 2024, the Group has borrowings from Industrial Development Fund JSC, Development Bank of Kazakhstan JSC and EDB for a total of 154,299,103 thousand tenge (31 December 2023: 125,449,285 thousand tenge).

As at 31 December 2024, Group borrowings from the Shareholder were mainly received at rates below market varying from 0.075% to 9.25% (31 December 2023: from 0.075% to 8.74%) and maturity varying from 13 to 50 years and at initial recognition were reflected at fair value at rates from 6.53% to 14.5% (31 December 2023: from 5.4% 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 and lease of rolling stock to Shareholder group companies, associates and joint ventures, as well as other related parties.

Compensation to key management personnel of the Group

As at 31 December 2024, key management personnel comprise members of the Group's Management Board and Board of Directors, totalling 18 persons (31 December 2023: 16 persons). Total compensation to key management personnel included in personnel costs in the consolidated statement of profit or loss comprised 815,971 thousand tenge for the year ended 31 December 2024 (2023: 789,603 thousand tenge). Compensation to key management personnel mainly consists of contractual salary costs, including related taxes and contributions, unused vacation reserve and other performance-based payments.

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

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

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the Shareholder by optimising debt and equity balance. The Group's overall strategy remains unchanged from 2023.

There are no mandatory minimum capital requirements for the Group.

The Group's equity structure includes net debt (loans, debt securities and lease liabilities less cash and cash equivalents) and Group's equity (which comprises charter (share) capital, components of other comprehensive income, retained earnings, other equity and non-controlling interests).

(in thousands of tenge, unless stated otherwise)

Financial risk management objectives

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

Market risk

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

Interest rate risk

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

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

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

	31 December 2024		**31 December 2023**	
	Interest rate increase/ (decrease) in basis points[6]	**Effect on profit /equity**	**Interest rate increase/ (decrease) in basis points[6]**	**Effect on profit /equity**
Borrowings in tenge	397/(397)	(3,790,613)/ 3,790,613	397/(397)	(9,186,258)/ 9,186,258
Borrowings in euros	397/(397)	(6,796,981)/ 6,796,981	397/(397)	(4,368,860)/ 4,368,860
Borrowings in Swiss Francs	397/(397)	(19,862,125)/ 19,862,125	397/(397)	(8,099,304)/ 8,099,304

[6] 1 basis point 0.01%

(in thousands of tenge, unless stated otherwise)

Currency risk

The Group undertakes transactions denominated in foreign currencies, consequently, exposing itself to exchange rate fluctuations.

A significant portion of the Group's short-term and long-term foreign currency debt is denominated in US$, Swiss Francs and Euros and Russian Roubles. A change in the tenge value against the US$, or any other foreign currency in which debt is denominated will result in a foreign exchange gain or loss. During 2024, the Group incurred a foreign exchange gain and loss of 101,995,301 thousand tenge and 182,874,872 thousand tenge, respectively (2023 г.: 129,852,480 thousand tenge and 145,902,352 thousand tenge, respectively). Note 30 presents foreign exchange gains and losses on a net basis.

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

	31 December 2024			31 December 2023		
	Exchange rate increase/ (decrease)	**Effect on profit**	**Direct effect on equity**	**Exchange rate increase/ (decrease)**	**Effect on profit**	**Direct effect on equity**
US$	9%/ (7%)	1,371,620/ (1,108,151)	(32,620,659) / 26,354,703	14%/ (14%)	(40,333,730)/ 40,333,730	-
Euros	9%/ (6%)	(19,263,035)/ 12,735,930	-	13%/ (13%)	(20,079,772)/ 20,079,772	-
Russian Roubles	2%/ (23%)	(1,236,131)/ 14,185,668	-	29%/ (29%)	(11,449,182)/ 11,449,182	-
Swiss francs	12%/ (4%)	(8,580,536)/ 2,804,315	(58,552,583) / 19,136,321	17%/ (17%)	(34,438,631)/ 34,438,631	-
In other currencies	9%/ (13%)	138,256/ (213,906)	-	17%/ (17%)	(455,190)/ 455,190	-

In October-November 2022, the Group entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US$. Borrowings represent interest and principal payments on US$ denominated Eurobonds in the amount of 882,978,000 US$ with a coupon rate of 2% per annum and maturity in October 2025 and the holder is the Shareholder.

The Group pays a fixed amount of Swiss Francs in exchange for a fixed amount of US$. The payment of these fixed amounts in Swiss Francs is a manage of the foreign exchange risk of borrowings, as the Group has a share of revenue denominated in Swiss Francs. These derivative financial instruments are designated into hedging relationships from 1 October 2024 in the forms of consolidated annual financial statements.

During 2024, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of 17,674,778 US Dollars (8,221,321 thousand tenge) and 4,540,916 Swiss Francs (2,384,914 thousand tenge) (2023: 17,478,556 US$ (8,145,440 thousand tenge) and 4,485,525 Swiss Francs (2,345,077 thousand tenge)).

As at 31 December 2024, the fair value of derivative financial instruments, accounted at fair value through profit or loss, under agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) in the amount of 62,267,864 US Dollars (32,697,478 thousand tenge) was recognised within *Current derivative financial instruments* 212 line item (31 December 2023: 78,578,766 US Dollars (35,718,764 thousand tenge) within *Non-current derivative financial instruments* 312 line item).

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss francs, as part of two strategies (Note 23). Potential sources of ineffectiveness under both Strategy 1 and Strategy 2 are differences in the timing of cash flows from hedged items and hedging instruments, as well as changes in forecasted revenue from freight transit transportation. An additional source of ineffectiveness under Strategy 1 is the change in the fair value of the cross-currency swap due to changes in market interest rates in Swiss Francs and US Dollars. The Group considers that the ineffectiveness of the hedge has a remote probability due to the high probability of cash flows from freight transit revenue in Swiss Francs during the relevant period.

Credit risk

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

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

As at 31 December 2024, carrying value of cash held by the Group of 116,631,095 thousand tenge on digital accounts in National Bank of Kazakhstan, which is other related party of the Group (58.73% of cash and cash equivalents) (Note 35). In addition, cash and cash equivalents are mainly held in Halyk Bank of Kazakhstan JSC with a credit rating of BBB- (29.45% of cash and cash equivalents).

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

In addition, the Group is exposed to credit risk on financial guarantees provided to banks. The maximum risk of the Group in this regard is equal to the maximum amount that the Group will be obliged to pay in the event of claims for guarantees disclosed in Note 33.

(in thousands of tenge, unless stated otherwise)

Liquidity risk

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

As at 31 December 2024, the Group has credit lines available in Halyk Bank of Kazakhstan JSC, ForteBank JSC and Citibank with undrawn balances totalling 128,068,000 thousand tenge (31 December 2023: in Halyk Bank of Kazakhstan JSC and ForteBank JSC for the total amount of 131,000,000 thousand tenge).

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

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

	Up to 1 month	**1-3 months**	**3 months – 1 year**	**1-5 years**	**Over 5 years**	**Total**
2024						
Interest-free:						
Trade and other accounts payable	241,046,815	47,751,372	18,222,255	-	-	**307,020,442**
Lease	1,156,384	42,130	-	-	-	**1,198,514**
Interest-bearing:						
Loans and debt securities issued	5,266,700	53,609,381	891,822,947	1,132,752,734	2,608,152,971	**4,691,604,733**
Lease liabilities	7,370,708	3,898,733	27,153,863	141,989,256	232,330,450	**412,743,010**
Derivative financial instruments	-	-	34,311,722	-	-	**34,311,722**
Financial guarantees	-	3,339,236	4,892,726	36,232,374	27,950,223	**72,414,559**
	254,840,607	**108,640,852**	**976,403,513**	**1,310,974,364**	**2,868,433,644**	**5,519,292,980**
2023						
Interest-free:						
Trade and other accounts payable	204,874,716	36,418,335	25,442,837	-	-	**266,735,888**
Lease	1,026,320	1,420	-	-	-	**1,027,740**
Interest-bearing:						
Loans and debt securities issued	44,503,872	14,033,813	412,196,871	1,258,816,618	2,257,050,330	**3,986,601,504**
Lease liabilities	3,249,935	1,309,929	13,901,339	47,065,929	100,304,047	**165,831,179**
Derivative financial instruments	-	-	(10,364,292)	49,442,022	-	**39,077,730**
Financial guarantees	-	3,064,187	3,782,973	35,314,456	36,727,590	**78,889,206**
	253,654,843	**54,827,684**	**444,959,728**	**1,390,639,025**	**2,394,081,967**	**4,538,163,247**

(in thousands of tenge, unless stated otherwise)

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

The following table reflects the expected maturity of the Group's financial assets. It was prepared based on undiscounted contractual cash flows for financial assets, including interest received on these assets, except when the Company expects the cash flow in a different period.

	Up to 1 month	1-3 months	3 months – 1 year	Over 1 year	Unspecified maturity[7]	Total
2024						
Interest-bearing:						
Short-term deposits	63,652,227	434,855	-	-	4,467	**64,091,549**
Interest on short-term deposits	26,760	-	-	-	-	**26,760**
Cash and cash equivalents	3,702,654	-	-	-	5,846	**3,708,500**
Loans issued	1,123,511	-	1,796,193	-	1,362,867	**4,282,571**
Restricted cash[8]	-	6,019,016	8,443,215	15,155,904	175	**29,618,310**
Interest-free:						
Cash and cash equivalents	130,761,777	-	-	-	-	**130,761,777**
Restricted cash	-	430,000	1,971,598	2,120	308	**2,404,026**
Trade accounts receivable	20,214,292	1,172,969	59,460	-	2,841,357	**24,288,078**
Lease receivables	207,023	12,056	-	-	665,228	**884,307**
	219,688,244	**8,068,896**	**12,270,466**	**15,158,024**	**4,880,248**	**260,065,878**

	Up to 1 month	1-3 months	3 months – 1 year	Over 1 year	Unspecified maturity[7]	Total
2023						
Interest-bearing:						
Short-term deposits	67,232,979	-	-	-	7,208	67,240,187
Interest on short-term deposits	105,920	-	-	-	-	105,920
Cash and cash equivalents	1,110,459	-	-	-	9,077	1,119,536
Loans issued	776,908	-	3,615,258	1,190,618	3,091,953	8,674,737
Interest-free:						
Cash and cash equivalents	136,219,650	-	-	-	-	136,219,650
Restricted cash	-	-	6,788,143	14,174,611	850	20,963,604
Trade accounts receivable	14,563,198	1,171,885	35,836	26,018	3,573,543	19,370,480
Lease receivables	543,564	11,801	-	-	390,230	945,595
	220,552,678	**1,183,686**	**10,439,237**	**15,391,247**	**7,072,861**	**254,639,709**

7 Amounts with unspecified maturity represent amounts for which expected credit losses have accrued.
8 In 2024, the Company entered into an additional agreement dated 29 August 2024 under the loan agreement with HSBC Continental Europe dated 31 May 2012, thus, interest at the rate of "ECB minus 20bps" is accrued quarterly on the funds restricted in use pledged as collateral for these loans. Restricted cash pledged as collateral for loans received from Citibank, N.A. under the loan agreement dated 7 May 2024 is subject to a monthly interest rate of "Overnight SOFR minus 75bps".

Fair value of financial instruments

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

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

Cash and cash equivalents

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

Financial assets and liabilities

For assets and liabilities maturing within twelve months, the carrying value approximates fair value due to the relatively short-term maturity of these financial instruments.

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

Derivative financial instruments

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

Borrowings

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

(in thousands of tenge, unless stated otherwise)

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

As at 31 December 2024 and 2023, the fair value of financial assets and financial liabilities, except for loans issued, borrowings and debt securities was not significantly different from carrying value. The carrying value and fair value of financial instruments as at 31 December is presented as follows:

	2024		2023	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Loans issued	2,691,612	2,515,900	4,576,753	4,256,723
Other financial assets	31,217,292	30,068,606	22,035,646	20,319,850
Borrowings	1,361,495,902	1,337,390,585	851,989,848	821,325,864
Debt securities	1,291,892,519	1,208,325,768	1,265,556,662	1,182,596,044

Fair value hierarchy

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

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

(in thousands of tenge, unless stated otherwise)

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

	Level 1	Level 2	Level 3	Total
Financial assets recognised at amortised cost:				
- loans issued	-	2,515,900	-	2,515,900
- other financial assets	-	29,436,960	-	29,436,960
Financial assets recognised at fair value through profit of loss:				
- other financial assets	-	-	631,646	631,646
Total	**-**	**31,952,860**	**631,646**	**32,584,506**
Financial liabilities recognised at amortised cost:				
- debt securities	-	347,514,501	-	347,514,501
- debt securities from the Shareholder	-	860,811,267	-	860,811,267
- bank loans	-	1,268,630,902	-	1,268,630,902
- loans from the Shareholder	-	68,759,683	-	68,759,683
Financial liabilities recognised at fair value through profit of loss:				
- derivative financial instruments	-	32,697,478	-	32,697,478
Total	**-**	**2,578,413,831**	**-**	**2,578,413,831**

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 recognised at amortised cost:				
- loans issued	-	4,256,723	-	4,256,723
- other financial assets	-	20,246,524	-	20,246,524
Financial assets recognised at fair value through profit of loss:				
- other financial assets	-	-	73,326	73,326
Total	**-**	**24,503,247**	**73,326**	**24,576,573**
Financial liabilities recognised at amortised cost:				
- debt securities	-	564,074,861	-	564,074,861
- debt securities from the Shareholder		618,521,183	-	618,521,183
- bank loans	-	752,077,338	-	752,077,338
- loans from the Shareholder	-	69,248,526	-	69,248,526
Financial liabilities recognised at fair value through profit of loss:				
- derivative financial instruments	-	35,718,764	-	35,718,764
Total	**-**	**2,039,640,672**	**-**	**2,039,640,672**

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 year ended 31 December 2024, there were no transfers between levels in the fair value hierarchy.

37. EVENTS AFTER THE REPORTING DATE

Citibank

In January-February 2025, the Group, represented by its subsidiary KTZ-Freight Transportation LLP, under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated 7 May 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593,952,912 US Dollars in Swiss Francs equivalent, borrowed 86,498,042 Swiss Francs (49,328,253 thousand tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.

Societe Generale and Natixis

In January-February 2025, 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 amount of 627,110,893 Euros, borrowed 108,256,091 Euros (57,076,737 thousand tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 1.15%. Principal is repaid semi-annually until full repayment in 2035.

Halyk Bank of Kazakhstan JSC

In February 2025, the Group, represented by its subsidiary KTZ-Freight transportation LLP, under the credit line agreement with Halyk Bank of Kazakhstan JSC, concluded on 26 February 2015, borrowed 30,000,000 thousand tenge with an interest rate of 16.75% and a maturity of up to one year.