

# **KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC**

Forms of separate 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 SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### TABLE OF CONTENTS

---

	Page
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS	1
INDEPENDENT AUDITOR'S REPORT ON THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS	2-4
FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS:	
Separate balance sheet (Form No.1-B)	5-7
Separate statements of profit or loss (Form No.2-SPL)	8-9
Separate statement of cash flows (Form No.3-SCF-P)	10-12
Separate statement of changes in equity (Form No.5-CE)	13-16
Explanatory note to the forms of separate annual financial statements	17-72

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES  
FOR THE PREPARATION AND APPROVAL OF THE FORMS OF SEPARATE 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 separate annual financial statements that present fairly the separate financial position of the Company as at 31 December 2024, and the separate results of its operations, separate cash flows and separate 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 separate 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 Company's separate financial position and separate financial performance;
- compliance with the format of annual financial statements approved by Order No.404, as well as compliance with the separate financial statements prepared in accordance with IFRS Accounting Standards; and
- making an assessment of the Company'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 Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the separate financial position of the Company and ensure that the forms of the separate 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 separate financial statements of the Company 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 Company; and
- preventing and detecting fraud and other irregularities.

These forms of separate 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 Company's management:**



**Serik Keulimzhayev**  
Chief of Staff  
20 March 2025



**Yelena Stankova**  
Chief Accountant  
20 March 2025

## INDEPENDENT AUDITOR'S REPORT ON THE FORMS OF SEPARATE 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 separate annual financial statements of Kazakhstan Temir Zholy National Company JSC ("the Company"), which comprise the separate balance sheet as at 31 December 2024, and the separate statement of profit or loss, separate statement of cash flows and separate statement of changes in equity for the year then ended, and an explanatory note to the forms of separate annual financial statements, including material accounting policy information and other explanatory information.

In our opinion the Company's accompanying forms of separate 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 Separate Annual Financial Statements* section of our report. We are independent of the Company 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 separate 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**

We draw your attention to:

- Note 2 to the forms of separate annual financial statements, which specifies the basis for their preparation. Forms of separate annual financial statements have been prepared to ensure that the Company complies with the requirements of Order No.404 regarding the preparation of forms of annual financial statements. As a result, these forms of separate annual financial statements may not be suitable for another purpose.
- Note 32 to the forms of separate annual financial statements, which discloses significant transactions of the Company with related parties.

Our opinion is not modified in respect of these matters.

## **Other Information**

The Company prepared the separate set of the separate financial statements for 2024 in accordance with IFRS Accounting Standards, in respect of which we issued a separate audit opinion to the Board of Directors and the Shareholder of the Company on 18 March 2025.

## **Responsibilities of Management and Those Charged With Governance for the Forms of Separate Annual Financial Statements**

Management is responsible for the preparation and fair presentation of the forms of separate 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 separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the forms of separate annual financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's responsibilities for the audit of the forms of separate annual financial statements**

Our objectives are to obtain reasonable assurance about whether the forms of separate 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 separate 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 separate 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 Company'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 Company'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 separate 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 Company to cease to continue as a going concern.

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 Zhilyshbayev  
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

## SEPARATE 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](http://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 (restated) <sup>1</sup>
<b>I. Current assets</b>			
Cash and cash equivalents	010	126,138,971	139,416,391
Current financial assets at amortised cost	011	83,243,662	104,223,612
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	3,922,983	6,269,967
Current trade and other accounts receivable	016	303,827,591	184,034,990
Current lease receivables	017	53,297	41,712
Current contract assets	018	-	-
Current income tax	019	265,623	265,623
Inventories	020	26,840,892	27,732,349
Biological assets	021	-	-
Other current assets	022	18,509,299	8,892,619
<b>Total current assets (sum of lines from 010 to 022)</b>	<b>100</b>	<b>562,802,318</b>	<b>470,877,263</b>
Assets (or disposal groups) held for sale	101	-	-
<b>II. Non-current assets</b>			
Non-current financial assets at amortised cost	110	424,254,299	541,071,166
Non-current financial assets at fair value through other comprehensive income	111	-	-
Non-current financial assets at fair value through profit or loss	112	558,320	-
Non-current derivative financial instruments	113	-	-
Investments at cost	114	1,277,818,052	1,105,480,981
Equity method investments	115	-	-
Other non-current financial assets	116	1,405,686	1,631,844
Non-current trade and other accounts receivable	117	2,131,448	2,565,396
Non-current lease receivables	118	-	-
Non-current contract assets	119	-	-
Investment property	120	-	-
Property, plant and equipment	121	2,014,893,867	1,873,674,441
Right-of-use assets	122	23,683,266	4,319,754
Biological assets	123	-	-
Exploration and evaluation assets	124	-	-
Intangible assets	125	2,775,109	4,673,241
Deferred tax assets	126	-	-
Other non-current assets	127	660,734,988	395,514,676
<b>Total non-current assets (sum of lines from 110 to 127)</b>	<b>200</b>	<b>4,408,255,035</b>	<b>3,928,931,499</b>
<b>Balance (line 100 + line 101 + line 200)</b>		<b>4,971,057,353</b>	<b>4,399,808,762</b>

<sup>1</sup> Comparative information has been restated as disclosed in Note 5.



## SEPARATE 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](http://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
<b>III. Current liabilities</b>			
Current financial liabilities at amortised cost	210	673,880,730	318,255,247
Current financial liabilities at fair value through profit or loss	211	-	-
Current derivative financial instruments	212	32,697,478	-
Other current financial liabilities	213	7,095,731	3,377,439
Current trade and other accounts payable	214	107,089,787	66,096,512
Current provisions	215	-	-
Current income tax liabilities	216	-	-
Employee benefits	217	19,637,790	16,629,741
Current lease liabilities	218	15,223,243	6,258,323
Current contract liabilities	219	3,801,137	3,113,186
Government subsidies	220	-	-
Dividends payable	221	-	-
Other current liabilities	222	9,336,380	9,022,049
<b>Total current liabilities (sum of lines from 210 to 222)</b>	<b>300</b>	<b>868,762,276</b>	<b>422,752,497</b>
Disposal group liabilities held for sale	301	-	-
<b>IV. Non-current liabilities</b>			
Non-current financial liabilities at amortised cost	310	1,250,511,528	1,368,469,668
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	70,474,895	52,306,133
Non-current trade and other accounts payable	314	-	-
Non-current provisions	315	-	-
Deferred tax liabilities	316	289,171,099	258,071,707
Employee benefits	317	11,692,100	7,805,193
Non-current lease liabilities	318	15,984,630	2,763,849
Non-current contract liabilities	319	-	-
Government subsidies	320	-	-
Other non-current liabilities	321	-	-
<b>Total non-current liabilities (sum of lines from 310 to 321)</b>	<b>400</b>	<b>1,637,834,252</b>	<b>1,725,135,314</b>



**SEPARATE 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](http://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 (restated) <sup>2</sup>
<b>V. Equity</b>			
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	(68,941)	58,929
Retained earnings (accumulated deficit)	414	1,340,623,134	1,141,228,057
Other capital	415	97	97
<b>Total equity, attributable to the owners (sum of lines from 410 to 415)</b>	<b>420</b>	<b>2,464,460,825</b>	<b>2,251,920,951</b>
Non-controlling interests	421	-	-
<b>Total equity (line 420 + line 421)</b>	<b>500</b>	<b>2,464,460,825</b>	<b>2,251,920,951</b>
<b>Balance (line 300 + line 301 + line 400 + line 500)</b>		<b>4,971,057,353</b>	<b>4,399,808,762</b>

**On behalf of the Company's management:**

  
**Yelena Stankova**  
**Chief Accountant**

20 March 2025

<sup>2</sup> Comparative information has been restated as disclosed in Note 5.

## SEPARATE 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](http://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	948,187,977	859,547,144
Cost of goods, operations and services sold	011	(667,118,061)	(591,172,301)
<b>Gross profit (loss) (line 010 – line 011)</b>	<b>012</b>	<b>281,069,916</b>	<b>268,374,843</b>
Selling expenses	013	-	-
Administrative expenses	014	(64,279,588)	(51,772,419)
<b>Total operating profit (loss) (+/- lines from 012 to 014)</b>	<b>020</b>	<b>216,790,328</b>	<b>216,602,424</b>
Finance income	021	139,693,642	149,373,720
Finance costs	022	(120,910,190)	(162,037,310)
Share of the profit (loss) of associates and joint ventures accounted by equity method	023	-	-
Other income	024	1,170,056	2,160,373
Other expenses	025	(89,848,041)	(20,228,580)
<b>Profit (loss) before tax (+/- lines from 020 to 025)</b>	<b>100</b>	<b>146,895,795</b>	<b>185,870,627</b>
Expenses (-) (income (+)) of corporate income tax	101	(18,872,270)	(21,292,533)
<b>Profit (loss) after tax from continuing operations (line 100 + line 101)</b>	<b>200</b>	<b>128,023,525</b>	<b>164,578,094</b>
Profit (loss) after tax from continued operations	201	-	-
<b>Profit for the year (line 200 + line 201), attributable to:</b>	<b>300</b>	<b>128,023,525</b>	<b>164,578,094</b>
owners of the parent company		128,023,525	164,578,094
non-controlling interests		-	-
<b>Other comprehensive income, total (sum of 420 and 440):</b>	<b>400</b>	<b>(272,657)</b>	<b>(133,494)</b>
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	-	-
foreign exchange difference on investments in foreign entities	414	(127,870)	(266,592)
hedging of net investments in foreign operations	415	-	-
other components of other comprehensive income	416	-	-
reclassification adjustment to profit (loss)	417	-	-
tax effect of components of other comprehensive income	418	-	-
<b>Total other comprehensive income that may be reclassified subsequently to profit or loss (net of income tax) (sum of lines from 410 to 418)</b>	<b>420</b>	<b>(127,870)</b>	<b>(266,592)</b>
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	(144,787)	133,098
tax effect of components of other comprehensive income	434	-	-
revaluation of debt financial instruments designated as at fair value through other comprehensive income	435	-	-
<b>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)</b>	<b>440</b>	<b>(144,787)</b>	<b>133,098</b>

# SEPARATE 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](http://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

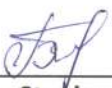
for the year ending 31 December 2024

in thousands of tenge

DESCRIPTION	Line	At the end of the reporting period	At the beginning of the reporting period
Total comprehensive income (line 300 + line 400)	500	127,750,868	164,444,600
Total comprehensive income, attributable to:			
owners of the parent company		127,750,868	164,444,600
non-controlling interests		-	-
Earnings per share:	600	0.258	0.331
including:			
Basic:			
from continuing operations		0.258	0.331
from discontinued operations		-	-
Diluted:			
from continuing operations		-	-
from discontinued operations		-	-

On behalf of the Company's management:

  
**Serik Keulimzhayev**  
**Chief of Staff**  
 20 March 2025

  
**Yelena Stankova**  
**Chief Accountant**  
 20 March 2025

**SEPARATE 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](http://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
<b>I. Cash flows from operating activities:</b>			
<b>1. Total cash inflows (sum of lines from 011 to 016)</b>	<b>010</b>	<b>1,033,689,339</b>	<b>906,442,614</b>
<b>including:</b>			
sale of goods and services	011	921,152,651	822,028,624
other revenue	012	-	-
advances received from customers, clients	013	3,548,567	3,230,813
receipts under insurance contracts	014	-	-
interest received	015	82,952,783	78,871,052
other receipts	016	26,035,338	2,312,125
<b>2. Total cash outflows (sum of lines from 021 to 027)</b>	<b>020</b>	<b>(887,448,184)</b>	<b>(780,661,280)</b>
<b>including:</b>			
payments to suppliers for goods and services	021	(366,314,300)	(313,237,685)
advances paid to suppliers for goods and services	022	(3,862,771)	(2,843,084)
salaries paid	023	(221,024,661)	(194,602,627)
interest paid	024	(134,670,069)	(108,297,768)
payments under insurance contracts	025	-	-
income tax and other payments to budget	026	(94,481,547)	(101,817,881)
other payments	027	(67,094,836)	(59,862,235)
<b>3. Net cash from operating activities (line 010 – line 020)</b>	<b>030</b>	<b>146,241,155</b>	<b>125,781,334</b>

**SEPARATE 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](http://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
<b>II. Cash flows from investing activities:</b>			
<b>1. Total cash inflows (sum of lines from 041 to 052)</b>	<b>040</b>	<b>120,104,258</b>	<b>79,530,466</b>
<b>including:</b>			
sale of property, plant and equipment	041	8,389	-
sale of intangible assets	042	-	-
sale of other non-current assets	043	879,208	907,681
sale of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	044	-	-
sale of debt instruments	045	500,000	-
compensation for loss of control over subsidiaries	046	-	-
cash deposits withdrawal	047	-	100
sale of other financial assets	048	-	-
futures and forward contracts, options and swaps	049	-	-
dividends received	050	25,891,351	18,126,765
interest received	051	-	-
other receipts	052	92,825,310	60,495,920
<b>2. Total cash outflows (sum of lines from 061 to 073)</b>	<b>060</b>	<b>(498,762,210)</b>	<b>(686,032,697)</b>
<b>including:</b>			
acquisition of property, plant and equipment	061	(434,573,802)	(378,030,893)
acquisition of intangible assets	062	(229,961)	(633,571)
acquisition of other non-current assets	063	-	-
purchase of equity instruments of other entities (other than subsidiaries) and interest share in joint ventures	064	-	(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	(32,457,029)	(282,154,706)
futures and forward contracts, options and swaps	071	-	-
investments in associates and subsidiaries	072	(30,443,098)	(25,208,962)
other payments	073	-	-
<b>3. Net cash from investing activities (line 040 – line 060)</b>	<b>080</b>	<b>(378,657,952)</b>	<b>(606,502,231)</b>



**SEPARATE 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](http://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
<b>III. Cash flows from financing activities:</b>			
<b>1. Total cash inflows (sum of lines from 091 to 094)</b>	<b>090</b>	<b>532,407,793</b>	<b>669,486,983</b>
<b>including:</b>			
issue of shares and other financial instruments	091	251,441,274	198,018,872
proceeds from borrowings	092	280,966,519	471,468,111
interest received	093	-	-
other receipts	094	-	-
<b>2. Total cash outflows (sum of lines from 101 to 105)</b>	<b>100</b>	<b>(310,838,565)</b>	<b>(252,270,428)</b>
<b>including:</b>			
repayment of borrowings	101	(307,746,512)	(247,719,224)
interest paid	102	-	-
dividends paid	103	-	-
payments to owners on the shares of the entity	104	-	-
other payments	105	(3,092,053)	(4,551,204)
<b>3. Net cash from financing activities (line 090 – line 100)</b>	<b>110</b>	<b>221,569,228</b>	<b>417,216,555</b>
4. Effect of foreign currency exchange rates to tenge	120	(2,433,139)	1,609,634
5. Effect of changes in cash and cash equivalents	130	3,288	17,560
<b>6. Increase +/- decrease in cash and cash equivalents (line 030 +/- line 080 +/- line 110 +/- line 120 +/- line 130)</b>	<b>140</b>	<b>(13,277,420)</b>	<b>(61,877,148)</b>
<b>7. Cash and cash equivalents at the beginning of the reporting period</b>	<b>150</b>	<b>139,416,391</b>	<b>201,293,539</b>
<b>8. Cash and cash equivalents at the end of the year</b>	<b>160</b>	<b>126,138,971</b>	<b>139,416,391</b>

On behalf of the Company's management:

  
**Serik Keulimzhayev**  
**Chief of Staff**  
 20 March 2025

  
**Yelena Stankova**  
**Chief Accountant**

20 March 2025

## SEPARATE 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](http://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 (restated) <sup>3</sup>	010	1,086,324,360	-	-	325,521	834,171,656	97	1,920,821,634
Change in accounting policy	011	-	-	-	-	-	-	-
Restated balance (line 010 +/- line 011)	100	1,086,324,360	-	-	325,521	834,171,656	97	1,920,821,634
Total comprehensive income (line 210 + line 220):	200	-	-	-	(266,592)	164,711,192	-	164,444,600
Profit (loss) for the year	210	-	-	-	-	164,578,094	-	164,578,094
Total other comprehensive income (sum of lines from 221 to 229):	220	-	-	-	(266,592)	133,098	-	(133,494)
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	-	-	-	-	133,098	-	133,098
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	-	-	-	(266,592)	-	-	(266,592)

<sup>3</sup> Comparative information has been restated as disclosed in Note 5.



# SEPARATE 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](http://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 (sum of lines from 310 to 318)	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	300	24,309,508	-	-	-	142,345,209	-	166,654,717
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		-	-	-	-	-	-	-
Issue of own equity instruments (shares)	311	24,309,508	-	-	-	-	-	24,309,508
Issuance of equity instruments related to a business combination	312	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	313	-	-	-	-	-	-	-
Dividends payment	314	-	-	-	-	-	-	-
Other distributions to owners	315	-	-	-	-	-	-	-
Other operations with owners	316	-	-	-	-	-	-	-
Changes in interest in subsidiaries that do not result in a loss of control	317	-	-	-	-	142,345,209	-	142,345,209
Other operations	318	-	-	-	-	-	-	-
	319	-	-	-	-	-	-	-

# SEPARATE 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](http://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) (restated)*	400	1,110,633,868	-	-	58,929	1,141,228,057	97	2,251,920,951
Change in accounting policy	401	-	-	-	-	-	-	-
Restated balance (line 400 +/- line 401)	500	1,110,633,868	-	-	58,929	1,141,228,057	97	2,251,920,951
Total comprehensive income (line 610 + line 620):	600	-	-	-	(127,870)	127,878,738	-	127,750,868
Profit (loss) for the year	610	-	-	-	-	128,023,525	-	128,023,525
Total other comprehensive income (sum of lines from 621 to 629):	620	-	-	-	(127,870)	(144,787)	-	(272,657)
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	-	-	-	-	(144,787)	-	(144,787)
effect of a change in income tax rate on deferred tax	626	-	-	-	-	-	-	-
cash flow hedging (net of tax effect)	627	-	-	-	-	-	-	-
hedging of net investments in foreign operations	628	-	-	-	-	-	-	-
foreign exchange difference on investments in foreign entities	629	-	-	-	(127,870)	-	-	(127,870)

<sup>4</sup> Comparative information has been restated as disclosed in Note 5.

# SEPARATE 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](http://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	-	-	84,789,006
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	-	-	-	-	-	-	-	-
Issue of own equity instruments (shares)	712	13,272,667	-	-	-	-	-	-	13,272,667
Issuance of equity instruments related to a business combination	713	-	-	-	-	-	-	-	-
Equity component of convertible instruments (net of tax effect)	714	-	-	-	-	-	-	-	-
Dividends payment	715	-	-	-	-	-	-	-	-
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	-	-	(68,941)	1,340,623,134	97	-	2,464,460,825

On behalf of the Company's management:



**Yelena Stankova**  
Chief Accountant  
20 March 2025

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *(in thousands of tenge, unless stated otherwise)*

---

### 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 government railway industry assets. The Company was registered on 15 May 2002. The address of the Company’s registered office is 6 D. Kunayev St., Astana, 010000, Republic of Kazakhstan.

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

The Company operates a nationwide railway system providing railway network services, maintains and upgrades railway infrastructure in Kazakhstan.

For the purpose of allocating resources and evaluating the performance of segments, the management of the Company considers, in accordance with the type of services provided, the Company as one reportable segment. The management of the Company monitors multiple indicators of the reporting segment of the main railway network services, such as profit before tax, profit for the year and gross profit. At the same time, profit for the year is the main indicator used by the Company's management for the purpose of allocating resources and for assessing the segment's performance.

As part of the regulation of the railway industry in Kazakhstan, the government sets the tariffs railway network services on intra republican, international export and international import routes. These regulated tariffs differ based on the type of freight transported. At the same time, tariffs for freight transportation on international transit routes, and, consequently, tariffs for provision railway network services on international transit routes are not regulated by the government.

In November 2020, the Committee for the Regulation of Natural Monopolies of the Ministry of the National Economy of the Republic of Kazakhstan (hereinafter - “CRNM”) approved tariffs for railway network services for 2021-2025 with annual increase for 2022-2024 by 5% on average and in 2025 - by 4%. 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 (2023: increase by 5% and 28.4% from 1 January and 27 April, respectively).

#### **Operating environment**

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

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.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

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 US\$ per barrel (2023: 83 US\$ per barrel). According to preliminary estimates, Kazakhstan’s gross domestic product (“GDP”) grew 4.4% per annum in 2024 (2023: grew 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 Company 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 Company’s business for the foreseeable future. The Company has liabilities denominated in foreign currencies, therefore, if the exchange rate increases, there is an increase in the foreign exchange loss. In general, the Company does not expect a significant negative impact from the current changes on the Company’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 Company’s operations.

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

## **2. BASIS FOR THE PREPARATION OF THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS**

### **Statement of compliance**

The Company’s forms of separate 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 separate financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These forms of separate annual financial statements are the financial statements of the parent Kazakhstan Temir Zholy National Company JSC. The Company’s subsidiaries were not consolidated in these forms of separate annual financial statements. Investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. These forms of separate annual financial statements should be read in conjunction with the forms of consolidated annual financial

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

---

statements, which were authorised for issue by the management of the Company on 20 March 2024.

Forms of consolidated annual financial statements of Kazakhstan Temir Zholy National Company JSC have been produced for public use and are available at the Company's website [www.railways.kz](http://www.railways.kz).

#### **Going concern**

The Company's forms of separate annual financial statements have been prepared on a going concern basis. Going concern assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future. As at 31 December 2024, the Company's current liabilities exceeded its current assets by 305,959,958 thousand tenge (31 December 2023: current assets exceeded current liabilities by 48,124,766 thousand tenge). As at 31 December 2024, the Company's borrowings of 673,880,730 thousand tenge (31 December 2023: 318,255,247 thousand tenge) 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). However, profit for the year ended 31 December 2024 amounted to 128,023,525 thousand tenge (2023: 164,578,094 thousand tenge), and cash inflows from operating activities amounted to 146,241,155 thousand tenge (2023: 125,781,334 thousand tenge).

Company's management has assessed the needs for cash, including scheduled debt repayments and development plans. Historically, the Company financed major investment projects using funds from the Government of Kazakhstan and through external borrowings, in addition to cash from operating activities. Management of the Company 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 Company'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 Company is facing. Besides that, the Company received a Letter of Support from the Shareholder regarding its intent and ability to render the Company 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 Company, the management concluded that the Company has adequate resources to continue in operational existence and settle its liabilities (Note 33) and that the going concern basis is appropriate in preparing these forms of separate annual financial statements.

#### **Basis for measurement**

The forms of separate 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.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

#### Functional and presentation currency

The Company's forms of separate annual financial statements are presented in Kazakhstan tenge ("tenge"). The assets and liabilities of foreign operations, where the functional currency is different from 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 enterprises are recognised in profit or loss. Tenge is not a fully convertible currency outside of the Republic of Kazakhstan. Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the market rate effective at the transaction date using market rates set by the Kazakhstan Stock Exchange ("KASE"). For foreign currencies not quoted by KASE, exchange rates are set by the National Bank of Kazakhstan using cross-rates to the US Dollars ("US\$") in accordance with quotations received from Reuters.

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

The table below presents tenge exchange rates as at the following dates:

	31 December 2024	31 December 2023	Average rate for 2024	Average rate for 2023
US\$	525.11	454.56	469.44	456.31
Euros	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

### 3. MATERIAL ACCOUNTING POLICIES

#### Adoption of new and revised standards

In the current year, the Company 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 separate annual financial statements.



## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

---

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

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

At the date of authorisation of these forms of separate annual financial statements, the Company 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 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to IFRS 7 and IFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11: <i>IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IAS 21 <i>Lack of Exchangeability</i>	1 January 2025

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

The management is in the process of analysing the impact of IFRS 18 on the forms of separate financial statements of the Company.

#### 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 provisions of 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 items is regularly reviewed for its fair presentation and impairment.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

**Borrowing costs**

The Company 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 Company 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 Company'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**

For the lease contracts (or separate components of the contracts), under which the Company 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 Company recognises a right-of-use asset and a corresponding lease liability at the inception of the lease. Non-lease components of the contracts are accounted for in accordance with other relevant standards.

In accordance with IFRS 16 *Leases*, the Company 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 Company recognises short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease.

Lease liabilities are 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 Company incremental borrowing rate, except when the rate is implicit in the lease and can be readily determined.

The Company 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 changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, 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.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

At the commencement date, the Company 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 on a straight-line basis 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 Company's intent to purchase, the related right-of-use asset is depreciated over the useful life of the underlying asset.

### **Inventories**

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

### **Financial instruments**

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

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

Fair value adjustments on interest free loans (including financial aid), loans with below market interest rates issued to subsidiaries or received from subsidiaries are treated by the Company as actual investment costs and are recognised as part of investments in subsidiaries.

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 Company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

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

The Company derecognises financial assets only when the contractual rights to the cash flows on them are terminated or when the financial asset and the related risks and rewards are transferred to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the consideration received/receivable is recognised in profit or loss.

An exchange of debt instruments with materially different terms between the borrower and the lender shall be accounted for as the extinguishment of the original financial asset and the recognition of a new financial asset. Accordingly, the Company accounts for a significant modification of the terms of an existing asset or part of it as the extinguishment of the original financial asset and the recognition of a new asset. Terms are considered materially different if the present value of the cash flows under the new terms, including commission payments less commission received, discounted at the original effective interest rate, differs by at least 10 percent from the discounted present value of the remaining cash flows on the original financial asset. If the change is not material, the difference between (1) the carrying amount of the asset before the change in the terms and (2) the present value of the cash flows after the change in the terms is recorded in profit or loss as a profit or loss on the change in the contractual terms as part of finance income.

In cases when the Company makes the sole decision to change the terms of agreements on loans with below market interest rates and issued to subsidiaries, the effect of derecognition or minor modification is reflected in investments in subsidiaries.

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

Financial guarantees after initial recognition are measured at the higher of two amounts:

- in the amount of allowance for expected credit losses in accordance with IFRS 9; and
- in the amount of initial recognition, reduced, if necessary, by the amount of accumulated income recognised in accordance with IFRS 15.

Liabilities under financial guarantee contracts are recognised from the date of issuance of the guarantee until the date of its expiration or until the full fulfillment of the requirements or obligations provided for by the condition of the guarantee.

The Company recognises financial guarantees issued to subsidiaries and associates at fair value as part of investments in subsidiaries and associates and the corresponding financial liability for guarantees.

After the initial recognition of the financial guarantees aiming at guaranteeing the execution of obligations of subsidiary to banks, the carrying value of investment in subsidiary is not subject to amendment (even after the commencement of maturity date of the financial guarantee) until the disposal of corresponding subsidiary. Increase of the carrying value of the investment in subsidiary is considered to be a factual expense on investment.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

**Derivative financial instruments**

The Company uses the currency swap derivative financial instrument to manage its currency risk on borrowings. These derivative financial instruments are not designated into hedging relationships in the forms of separate 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 (Note 26). The change in fair value of derivative financial instruments is reflected in finance income or finance loss (Notes 26 and 27).

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.

**Perpetual financial instruments**

Debt securities issued by subsidiaries and acquired by the Company that do not have a specified maturity date and provide for the issuer an unconditional right to defer the relevant coupon payment an unlimited number of times ("perpetual"), as well as the issuer's right to defer the coupon payment in its sole discretion (in whole or in part) in favor of the bondholders are classified as perpetual equity instruments in investments in subsidiaries (Notes 7 and 11). Coupon payment on such debt securities is recognised as dividend income at the time of the decision to pay (Note 32).

**Equity**

*Share capital*

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

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

*Other contributions*

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

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

**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 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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

**Revenue**

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

*Revenue from mainline railway services*

Revenue from provision of railway network services on intra republican, international export and international import routes is recognised over time and calculated as per car-kilometre based on the tariffs approved by CRNM. Revenue is recognised in the reporting period based on the actual data on the volumes of services rendered.

Revenue from provision of railway network services on international transit routes is recognised over time and calculated based on coefficient set by the Company of not less than 0.5 applied to the revenue from freight transportation on international transit routes.

The Company provides services on a 100% prepayment basis of a monthly volume, as stipulated in contracts with carriers. Prepayments received from customers for transportation services not yet rendered are recognised within contract liabilities as advances received at the date of their receipt.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In applying the Company's accounting policies, which are described in Note 3, management of the Company is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised in the forms of separate 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.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

**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 Company have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the forms of separate annual financial statements.

*Loans at a rate below the market interest rate*

The Company receives loans from the Shareholder/Ultimate Shareholder at a rate below the market rate for similar loans. These loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The Company calculates the fair value (amortised cost) of these loans using market rates on governmental long-term treasury bonds with comparable maturities, given the Company'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 Company extrapolates the most comparable market rates to the life of the loan received by the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

*Cash-generating unit identification*

The Company considers all the Group's segments as a single cash-generating unit (hereinafter – "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, which, if implemented, would result in a new interaction mechanism among its various business units of the Group. As the Group's restructuring processes have not been completed, these possible developments were not taken into account in the identification of CGU for current year. Subsequent changes in the identification of CGU may affect the carrying values of the Group's assets.

*Assessment of impairment indicators of non-current assets*

When assessing impairment indicators of non-current assets, the Company considers external and internal impairment indicators. The management of the Company considered external and internal impairment indicators to determine if any events or changes in circumstances demonstrate that the carrying amount of assets is not recoverable.

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



**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

As at 31 December 2024, the Company performed the analysis of the above external and internal impairment indicators of non-current assets, 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. As the entire Group is treated as a single CGU, the Company assesses the existence of impairment indicators of investments in subsidiaries within a single CGU.

The management of the Company 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.

**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 non-current assets*

The Group performs an impairment indicators analysis of non-current assets 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.

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

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

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

---

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

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

#### *Taxation*

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

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

#### *Liabilities under financial guarantee contracts*

The fair value of liabilities under financial guarantee contracts at initial recognition is measured using the similar market transactions (bank commission) and with cash flows are discounted using market rates on similar bank loans.

The Company recognises liabilities under financial guarantee contracts only in respect of amounts received under loan agreements and/or actual deliveries of rolling stock/prepaid by Industrial Development Fund JSC to a supplier under financial lease agreements (Note 16).

#### *Impairment of loans issued*

To assess the probability of default on loans given, the Company uses an internal rating model. At the same time, when assessing the probability of default on loans issued by the Company's subsidiaries, it is assumed that the probability of default calculated on the basis of the Shareholder's external credit rating is used, since the Shareholder's external rating actually covers the consolidated risks of the group of companies, including such significant factors as probable state support. Since the Shareholder has historically supported its subsidiaries either by issuing non-current loans with low interest rates, or by direct financing through equity, including financing of investment projects, the Company believes that the Group's subsidiaries have the same probability of default as the Shareholder. As at 31 December 2024 and 2023 the internal credit rating of the subsidiaries-borrowers was determined based on the external credit rating of the Shareholder. As at 31 December 2024 and 2023, the allowance for impairment of loans issued amounted to 1,921,469 thousand tenge and 4,368,051 thousand tenge, respectively (Note 7).

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 5. RESTATEMENT OF COMPARATIVE INFORMATION

In preparing the forms of separate annual financial statements for the year ended 31 December 2024, the Company corrected the carrying value of the investments at cost, which included revaluation surplus on assets contributed to subsidiaries' charter capital for the years 2004-2023. The effect of this correction was reflected retrospectively by recalculating comparative figures in the current forms of separate annual financial statements. As a result, the Company restated retained earnings (accumulated deficit) and investments at cost in the amount of 32,260,638 thousand tenge and 31,131,147 thousand tenge as at 31 December 2023 and 1 January 2023, respectively.

In addition, as at 31 December 2024, the Company 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 Company classified corporate income tax withheld assets with the carrying value of 35,231,547 thousand tenge as non-current, as the Company 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 Company revised the classification of assets related to corporate income tax withheld as at 31 December 2023 and reclassified these assets in the amount of 38,584,160 thousand tenge from other current assets to other non-current assets (Notes 10 and 14). This reclassification had no impact on the separate statement of profit or loss, the separate statement of changes in equity and the separate statement of cash flows.

*Impact on the separate balance sheet as at 31 December 2023:*

	As previously reported	Reclassification of corporate income tax withheld at the source of payment	Correction of investments in subsidiaries	As restated
<b>ASSETS</b>				
<b>I. Current assets</b>				
Other current assets	47,476,779	(38,584,160)	-	8,892,619
<b>Total current assets (sum of lines from 010 to 022)</b>	<b>509,461,423</b>	<b>(38,584,160)</b>	<b>-</b>	<b>470,877,263</b>
<b>II. Non-current assets</b>				
Investments at cost	1,137,741,619	-	(32,260,638)	1,105,480,981
Other non-current assets	356,930,516	38,584,160	-	395,514,676
<b>Total non-current assets (sum of lines from 110 to 127)</b>	<b>3,922,607,977</b>	<b>38,584,160</b>	<b>(32,260,638)</b>	<b>3,928,931,499</b>
<b>Balance (line 100 + line 101 + line 200)</b>	<b>4,432,069,400</b>	<b>-</b>	<b>(32,260,638)</b>	<b>4,399,808,762</b>
<b>LIABILITIES AND EQUITY</b>				
<b>V. Equity</b>				
Retained earnings (accumulated deficit)	1,173,488,695	-	(32,260,638)	1,141,228,057
<b>Total equity, attributable to the owners (sum of lines from 410 to 415)</b>	<b>2,284,181,589</b>	<b>-</b>	<b>(32,260,638)</b>	<b>2,251,920,951</b>
<b>Total equity (line 420 + line 421)</b>	<b>2,284,181,589</b>	<b>-</b>	<b>(32,260,638)</b>	<b>2,251,920,951</b>
<b>Balance (line 300 + line 301 + line 400 + line 500)</b>	<b>4,432,069,400</b>	<b>-</b>	<b>(32,260,638)</b>	<b>4,399,808,762</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

Impact on separate statement of changes in equity as at 31 December 2023:

	As previously reported		Correction of investments at cost		As restated	
	Retained earnings	Total capital	Retained earnings	Total capital	Retained earnings	Total capital
Balance as at 1 January of the previous year (line 010)	865,302,803	1,951,952,781	(31,131,147)	(31,131,147)	834,171,656	1,920,821,634
Other operations (line 319)	1,129,491	1,129,491	(1,129,491)	(1,129,491)	-	-
Balance as at 1 January of the reporting year (line 100 + line 200 + line 300 + line 319) (line 400)	1,173,488,695	2,284,181,589	(32,260,638)	(32,260,638)	1,141,228,057	2,251,920,951

Moreover, where necessary, comparative figures are adjusted to conform in presentation in the current year.

### 6. CASH AND CASH EQUIVALENTS (line 010 of Separate balance sheet)

	31 December 2024	31 December 2023
Short-term bank deposits in tenge	6,771,265	21,442,920
Cash on digital accounts in tenge	116,635,055	-
Cash in current accounts, in tenge	2,627,207	117,979,375
Cash in current bank accounts in other currencies	110,003	1,943
	<b>126,143,530</b>	<b>139,424,238</b>
Less: allowance for expected credit losses on cash and cash equivalents	(4,559)	(7,847)
<b>TOTAL</b>	<b>126,138,971</b>	<b>139,416,391</b>

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 in tenge was 8.62% (31 December 2023: 0.66%).

Short-term bank deposits are opened for three months or less, depending on the Company's cash needs. As at 31 December 2024, the weighted average interest rate on short-term bank deposits was 14.93% (31 December 2023: 15.02%).

As at 31 December 2024, the carrying value of cash placed by the Company on digital accounts in the National Bank of Kazakhstan, which is a related party of the Company, amounted to 116,631,095 thousand tenge (31 December 2023: nil tenge) (Notes 32 and 33).

In addition, the Company places cash and cash equivalents in banks and other financial institutions rated from A+ to B+. Based on this, the Company 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.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 7. FINANCIAL ASSETS AT AMORTISED COST (lines 011 and 110 of Separate balance sheet)

	31 December 2024	31 December 2023
Debt securities issued by subsidiaries	406,837,608	573,788,897
Loans issued	102,488,486	75,780,055
Debt securities issued by third parties	196,930	182,032
Less: allowance for expected credit losses on loans issued	(1,538,140)	(3,312,203)
Less: allowance for expected credit losses on debt securities issued by subsidiaries	(383,329)	(1,055,848)
Less: allowance for expected credit losses on debt securities issued by third parties	(103,594)	(88,155)
<b>Total financial assets at amortised cost</b>	<b>507,497,961</b>	<b>645,294,778</b>
Current financial assets at amortised cost	83,243,662	104,223,612
Non-current financial assets at amortised cost	424,254,299	541,071,166
<b>TOTAL</b>	<b>507,497,961</b>	<b>645,294,778</b>

Debt securities issued by subsidiaries and loans issued are presented as follows:

	31 December 2024	31 December 2023
<b>Current loans:</b>		
KTZ-Passenger Locomotives LLP	25,076,476	3,048,092
KTZ-Freight Transportation LLP	17,187,059	10,114,392
Passenger Transportation JSC	2,292,265	514,087
Kaztemirtrans JSC	-	1,701,667
Temirzholsu JSC	-	171,074
Others	124,313	124,313
Less: allowance for expected credit losses	(131,643)	(131,716)
<b>Total current loans</b>	<b>44,548,470</b>	<b>15,541,909</b>
<b>Non-current loans:</b>		
Passenger Transportation JSC	53,753,894	52,437,724
Vostokmashzavod JSC	4,054,479	7,668,706
Less: allowance for expected credit losses	(1,406,497)	(3,180,487)
<b>Total non-current loans</b>	<b>56,401,876</b>	<b>56,925,943</b>
<b>Debt securities issued by subsidiaries:</b>		
KTZ-Freight Transportation LLP	239,379,845	255,525,776
Kaztemirtrans JSC	99,676,463	135,651,051
KTZ-Passenger Locomotives LLP	36,363,408	33,890,344
Passenger Transportation JSC	29,852,721	33,381,831
KTZ Express JSC	1,565,171	115,339,895
Less: allowance for expected credit losses	(383,329)	(1,055,848)
<b>Total debt securities issued</b>	<b>406,454,279</b>	<b>572,733,049</b>
<b>Total loans issued and debt securities issued by subsidiaries</b>	<b>507,404,625</b>	<b>645,200,901</b>
Current portion of loans issued	83,243,623	104,223,569
Non-current portion of loans issued	424,161,002	540,977,332
<b>TOTAL</b>	<b>507,404,625</b>	<b>645,200,901</b>

Short-term loans were issued to subsidiaries under the “cash pooling” mechanism with the possibility of early repayment at any time at the discretion of the participants (Note 33).

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

As at 31 December 2024, loans issued are expressed in tenge, while debt securities issued by subsidiaries KTZ-Freight Transportation LLP, KTZ-Passenger Locomotives LLP and KTZ Express JSC in the total amount of 191,196,682 thousand tenge indexed to the Swiss Franc (31 December 2023: 176,667,484 thousand tenge).

#### Debt securities issued by subsidiaries

##### *KTZ Express JSC*

During 2024, the Company extended the maturity date until 10 July 2029 of debt securities issued by a subsidiary KTZ Express JSC and subject to redemption on 10 July 2024. In addition, the Company converted debt securities into tenge indexed to the Swiss Franc at the rate of 535.5 tenge per 1 Swiss Franc. Due to a material change in the terms of debt securities, the Company recorded this transaction as the derecognition of the original financial asset and the recognition of a new financial asset. As a result, the new financial asset as at the conversion date amounted to 85,571,750 thousand tenge with the coupon rate "SARON 6m + margin 2.2%". Coupon payment is made twice a year.

In December 2024, a subsidiary KTZ Express JSC, in order to refinance these debt securities, made a targeted reissue in favor of the Company of debt securities without a fixed maturity date ("perpetual") in the amount of 90,539,865 thousand tenge indexed to Swiss Francs and with the coupon rate of "SARON 6m + margin 2.2%". Coupon payment – twice a year. The Company classified these perpetual debt securities as investments at cost (Note 11).

In December 2024, the Company, as part of the Liquidity Management Program on the Astana International Exchange (AIX), purchased debt securities issued by a subsidiary KTZ Express JSC with indexation to the Swiss Franc in the amount of 1,577,800 thousand tenge with a coupon rate of "SARON 3m + margin 2%". The coupon and principal debt are repaid in quarterly installments until full repayment in 2027.

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

	31 December 2024	31 December 2023
Trade accounts receivable from related parties arising from the contracts with customers	301,290,237	181,590,750
Trade accounts receivable from third parties arising from the contracts with customers	1,478,641	1,033,850
Other accounts receivable	3,489,649	4,276,499
Less: allowance for expected credit losses on trade accounts receivable arising from the contracts with customers	(85,173)	(22,791)
Less: allowance for impairment of other accounts receivable	(214,315)	(277,922)
<b>Total trade and other accounts receivable</b>	<b>305,959,039</b>	<b>186,600,386</b>
Current trade and other accounts receivable	303,827,591	184,034,990
Non-current trade and other accounts receivable	2,131,448	2,565,396
<b>TOTAL</b>	<b>305,959,039</b>	<b>186,600,386</b>

As at 31 December 2024 and 2023, trade and other accounts receivable were mainly expressed in tenge.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

As at 31 December 2024 and 2023, trade accounts receivable from related parties is mainly presented by receivables due from a subsidiary KTZ-Freight Transportation LLP under agreements for the provision of main railway network services.

### 9. INVENTORIES (line 020 of Separate balance sheet)

	31 December 2024	31 December 2023
Railway materials	15,586,435	18,725,884
Materials and supplies	7,749,235	6,201,332
Fuel and lubricants	1,210,779	889,326
Spare parts	595,280	427,376
Construction materials	550,877	445,209
Others	1,148,286	1,043,222
<b>TOTAL</b>	<b>26,840,892</b>	<b>27,732,349</b>

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

	31 December 2024	31 December 2023 (restated)
VAT receivable	12,122,294	3,096,237
Other taxes prepaid	4,972,735	1,639,064
Advances paid	4,303,454	2,843,084
Prepaid expenses	1,500,234	1,431,256
Others	3,071,573	2,944,537
	<b>25,970,290</b>	<b>11,954,178</b>
Less: allowance for impairment of other current assets	(7,460,991)	(3,061,559)
<b>TOTAL</b>	<b>18,509,299</b>	<b>8,892,619</b>

As at 31 December 2023, the Company reclassified a portion of other taxes prepaid of 38,584,160 thousand tenge to other non-current assets (Notes 5 and 14).



# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 11. INVESTMENTS AT COST (line 114 of Separate balance sheet)

Name	Primary activity	Country	Participation interest, %		Carrying amount	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023 (restated)
Investments in subsidiaries						
Kaztemirtrans JSC	Freight wagon operation	Kazakhstan	100	100	560,711,150	557,748,109
Passenger Transportation JSC	Passenger Transportation	Kazakhstan	100	100	250,418,677	245,171,431
KTZ Express JSC	Freight forwarding services, multi-modal transportation	Kazakhstan	100	100	149,818,381	57,280,564
KTZ-Passenger Locomotives LLP	Provision of haulage rolling stock services	Kazakhstan	100	100	92,902,968	89,794,436
KTZ-Freight Transportation LLP	Freight Transportation and locomotive haulage	Kazakhstan	100	100	87,671,389	64,160,997
Port Kuryk LLP	Freight transshipment and vessel servicing	Kazakhstan	100	100	55,219,427	11,724,717
Kedentransservice JSC	Freight forwarding services, rolling stock operation, terminal services	Kazakhstan	100	100	35,373,120	35,373,120
Aktau International Sea Commercial Port National Company JSC <sup>5</sup>	Loading and unloading operations, ship maintenance	Kazakhstan	100	100	26,233,840	26,233,840
Temirzholsu JSC	Utilities	Kazakhstan	100	100	15,951,118	14,551,118
Militarised Railway Security LLP	Security service	Kazakhstan	100	100	176,106	176,106
Total investments in subsidiaries					1,274,476,176	1,102,214,438
Investments in associates						
Doszhan Temir Zholy JSC	Construction and exploitation of railway line Shar-Ust-Kamenogorsk	Kazakhstan	46.02	46.02	5,458,000	5,458,000
Transtelecom JSC	Telecommunication services	Kazakhstan	25	25	3,106,283	3,106,283
United Transport and Logistics Company - Eurasian Rail Alliance JSC (“UTLC ERA JSC”)	Domestic and international rail transportation and freight forwarding	Russia	33.33	33.33	155,695	155,695
					8,719,978	8,719,978
Less: allowance for impairment of investments					(5,458,000)	(5,458,000)
Total investments in associates					3,261,978	3,261,978
Investments in joint ventures						
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	33.33	33.33	79,898	4,565
Total investments in joint ventures					79,898	4,565

<sup>5</sup> In November 2013, the Shareholder transferred 100% of participation interest in Aktau International Sea Commercial Port National Company JSC under the trust management of the Company, granting the Company an extensive authority to manage significant activities on its sole discretion and the right to receive dividends. Accordingly, the Company recognizes Aktau International Sea Commercial Port National Company JSC as a subsidiary even if it does not legally own it.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

TOTAL	1,277,818,052	1,105,480,981
-------	---------------	---------------

During 2024, the Company contributed to the charter capital of:

- Port Kuryk LLP by cash in the amount of 15,695,098 thousand tenge and by non-current assets in the amount of 27,799,612 thousand tenge;
- KTZ-Freight Transportation LLP by cash in the amount of 13,272,667 thousand tenge and by non-current assets in the amount of 946,632 thousand tenge (2023: 24,309,508 thousand tenge);
- Temirzholsu JSC by cash in the amount of 1,400,000 thousand tenge (2023: 899,454 thousand tenge).

In 2024, the Company recognised the fair value of financial guarantees on loans received by certain subsidiaries as investments at cost for the amount of 28,568,643 thousand tenge (2023: 14,105,090 thousand tenge) net of deferred tax effect for the amount of 5,713,728 thousand tenge (2023: 2,821,014 thousand tenge).

In December 2024, in connection with acquisition of the perpetual debt securities issued by the subsidiary KTZ Express JSC with the unconditional right of KTZ Express JSC to unilaterally defer the relevant coupon payment (in whole or in part) in favor of the Company, the Company classified them as an investments at cost at the amount of 90,539,865 thousand tenge (Note 7).

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 12. PROPERTY, PLANT AND EQUIPMENT (Line 121 of Separate 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 structures	Machinery and equipment	Vehicles	Land	Other	Total
<b>Carrying value as at 1 January 2023</b>	<b>1,319,449,699</b>	<b>180,361,750</b>	<b>207,869,990</b>	<b>22,128,877</b>	<b>912,864</b>	<b>3,594,643</b>	<b>1,734,317,823</b>
Additions	590,888	612,874	9,186,220	4,622,679	2,412	1,478,636	16,493,709
Disposals	(71,136)	(324,739)	(1,560,286)	(368,650)	(59,467)	(987,234)	(3,371,512)
Depreciation charge	(42,463,251)	(4,217,328)	(22,092,878)	(2,949,345)	-	(873,672)	(72,596,474)
Depreciation on disposal	56,969	134,926	1,499,938	368,576	-	987,188	3,047,597
Impairment reversal/(impairment)	28,241	(8,663)	(80,268)	76,691	-	(106,947)	(90,946)
Contribution to the share capital of subsidiaries	(926,088)	(103,851)	(3,581)	(6,540)	(2,952)	-	(1,043,012)
Other movements and transfers <sup>6</sup>	167,043,722	2,524,107	14,582,435	12,760,457	-	6,535	196,917,256
<b>Carrying value as at 31 December 2023</b>	<b>1,443,709,044</b>	<b>178,979,076</b>	<b>209,401,570</b>	<b>36,632,745</b>	<b>852,857</b>	<b>4,099,149</b>	<b>1,873,674,441</b>
Cost	1,809,023,222	229,268,643	462,481,194	79,004,827	852,857	15,129,500	2,595,760,243
Accumulated depreciation and impairment	(365,314,178)	(50,289,567)	(253,079,624)	(42,372,082)	-	(11,030,351)	(722,085,802)
<b>Carrying value as at 1 January 2024</b>	<b>1,443,709,044</b>	<b>178,979,076</b>	<b>209,401,570</b>	<b>36,632,745</b>	<b>852,857</b>	<b>4,099,149</b>	<b>1,873,674,441</b>
Additions	364,602	4,815,601	19,315,019	4,730,789	27,676	1,397,265	30,650,952
Disposals	(456,391)	(482,204)	(4,099,342)	(158,947)	(5,936)	(444,046)	(5,646,866)
Depreciation charge	(42,706,697)	(4,060,849)	(22,748,489)	(4,394,025)	-	(1,188,347)	(75,098,407)
Depreciation on disposal	296,250	283,472	2,350,603	158,107	-	439,897	3,528,329
(Impairment)/impairment reversal	(58,250)	(294,589)	(29,981)	3,478	-	103,415	(275,927)
Contribution to the share capital of subsidiaries	(34,514)	(819,714)	(92,038)	-	-	(366)	(946,632)
Other movements and transfers <sup>6</sup>	162,528,933	6,063,228	11,443,771	8,559,648	-	412,397	189,007,977
<b>Carrying value as at 31 December 2024</b>	<b>1,563,642,977</b>	<b>184,484,021</b>	<b>215,541,113</b>	<b>45,531,795</b>	<b>874,597</b>	<b>4,819,364</b>	<b>2,014,893,867</b>
Cost	1,962,646,678	239,058,477	488,799,724	92,009,006	874,597	16,198,055	2,799,586,537
Accumulated depreciation and impairment	(399,003,701)	(54,574,456)	(273,258,611)	(46,477,211)	-	(11,378,691)	(784,692,670)

<sup>6</sup> Other movements and transfers include transfers from/to inventories, transfers of completed assets under construction from other non-current assets.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

As at 31 December 2024 and 2023, the Company has no property, plant and equipment used as collateral for loans.

As at 31 December 2024 and 2023, the cost of the Company's fully depreciated property, plant and equipment in use is 350,192,845 thousand tenge and 348,619,069 thousand tenge, respectively.

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

	Buildings and structures	Machinery and equipment	Vehicles	Total
<b>Carrying value as at 1 January 2023</b>	<b>150,257</b>	<b>6,350,225</b>	-	<b>6,500,482</b>
Lease additions	48,328	1,073,094	-	1,121,422
Lease modifications	20,386	5,250,598	8,092,729	13,363,713
Disposals	(123,526)	-	(9,304,581)	(9,428,107)
Depreciation charge	(59,394)	(8,440,434)	(1,295,233)	(9,795,061)
Depreciation on disposal	50,220	-	9,304,581	9,354,801
Other transfers and regroupings	-	-	(6,797,496)	(6,797,496)
<b>Carrying value as at 31 December 2023</b>	<b>86,271</b>	<b>4,233,483</b>	-	<b>4,319,754</b>
Cost	285,642	46,518,989	-	46,804,631
Accumulated depreciation	(199,371)	(42,285,506)	-	(42,484,877)
<b>Carrying value as at 1 January 2024</b>	<b>86,271</b>	<b>4,233,483</b>	-	<b>4,319,754</b>
Lease additions	504	27,261,487	-	27,261,991
Lease modifications	26,220	(381,996)	-	(355,776)
Disposals	(472)	(31,701,799)	-	(31,702,271)
Depreciation charge	(57,300)	(7,485,403)	-	(7,542,703)
Depreciation on disposal	472	31,701,799	-	31,702,271
<b>Carrying value as at 31 December 2024</b>	<b>55,695</b>	<b>23,627,571</b>	-	<b>23,683,266</b>
Cost	311,894	41,696,681	-	42,008,575
Accumulated depreciation	(256,199)	(18,069,110)	-	(18,325,309)

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

	31 December 2024	31 December 2023 (restated)
Construction in-progress	475,201,127	185,829,321
Intangible assets under development	8,891,004	8,796,010
Advances paid for property, plant and equipment	134,946,176	145,498,515
Corporate income tax withheld at the source of payment (Note 5)	35,231,547	38,584,160
Non-current assets intended for subsequent contribution to the charter capital of subsidiaries	17,493,441	29,286,405
Others	65,678	62,189
<b>Total non-current assets</b>	<b>671,828,973</b>	<b>408,056,600</b>
Less: allowance for impairment of construction in-progress	(9,217,779)	(10,178,231)
Less: allowance for impairment of intangible assets under development	(1,469,878)	(1,469,878)
Less: allowance for impairment of advances paid for property, plant and equipment	(406,328)	(893,815)
<b>TOTAL</b>	<b>660,734,988</b>	<b>395,514,676</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### *Construction in-progress*

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 year ended 31 December 2024, capitalised borrowing costs amounted to 34,761,266 thousand tenge (2023: 15,748,944 thousand tenge). The average capitalisation rate varies between 5.36% and 14.5%.

### *Non-current assets intended for subsequent contribution to the charter capital of subsidiaries*

During 2024, assets included as at 31 December 2023 in non-current assets intended for subsequent transfer to the charter capital of subsidiaries were transferred to the charter capital of the subsidiary Port Kuryk LLP (Note 11).

During 2024, the Company transferred construction projects of the ferry complex at the Kuryk port in the amount of 17,493,441 thousand tenge to non-current assets intended for subsequent transfer to the charter capital of subsidiaries (2023: 23,000,307 thousand tenge).

### *Advances paid for property, plant and equipment*

As at 31 December 2024, advances to suppliers for property, plant and equipment mostly included advances paid for the construction of railway lines in the amount of 128,867,952 thousand tenge (31 December 2023: 133,922,810 thousand tenge) and for the acquisition of railroad switches in the amount of 4,990,518 thousand tenge (31 December 2023: 9,981,468 thousand tenge).

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

	31 December 2024		31 December 2023	
	Amount	Weighted average effective interest rate (%)	Amount	Weighted average effective interest rate (%)
Fixed interest rate loans	225,071,203		165,098,983	
- in tenge	165,588,279	9.68	165,098,983	4.89
- in Swiss Francs	59,482,924	3.40	-	-
Floating interest rate loans	407,428,536		256,069,270	
- in Swiss Francs	407,428,536	3.32	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
<b>TOTAL</b>	<b>1,924,392,258</b>		<b>1,686,724,915</b>	
Current part of loans and debt securities issued	673,880,730		318,255,247	
Non-current part of loans and debt securities issued	1,250,511,528		1,368,469,668	
<b>TOTAL</b>	<b>1,924,392,258</b>		<b>1,686,724,915</b>	

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (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	202,328,414	86,177,934
1-2 years	55,085,405	30,176,516
2-3 years	54,709,740	29,881,274
3-4 years	54,321,511	29,533,592
4-5 years	42,268,534	29,180,319
Over 5 years	223,786,135	216,218,618
<b>TOTAL</b>	<b>632,499,739</b>	<b>421,168,253</b>

#### Loans received

##### *The Shareholder*

In January 2024, 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 Company 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 22).

##### *Halyk Bank of Kazakhstan JSC*

In 2024, the Company, 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 from 15.75% to 16.75% and a maturity of up to one year.

##### *ForteBank JSC*

In 2024, the Company, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, borrowed 65,000,000 thousand tenge with an interest rate from 15.75% to 16.75% and maturity of up to six months. The Company made full early repayment of loans received in the amount of 55,000,000 thousand tenge.

##### *Citibank*

In 2024, the Company, under the credit line Agreement with Citibank concluded on 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.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### European Bank for Reconstruction and Development (“EBRD”)

In 2024, the Company, under the credit line agreement with EBRD concluded on 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.

### Debt securities issued

As at 31 December, debt securities issued included the following:

	Repayment date	Exchanges	31 December 2024	31 December 2023
<b>Bonds issued, by price <sup>7</sup></b>				
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
			<b>1,291,892,519</b>	<b>1,265,556,662</b>
Current portion of debt securities issued			471,552,316	232,077,313
Non-current portion of debt securities issued			820,340,203	1,033,479,349
<b>TOTAL</b>			<b>1,291,892,519</b>	<b>1,265,556,662</b>

In June and December 2024, the Company, for the modernisation 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 Company 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 22).

<sup>7</sup> The percentage in brackets represents the cost of placing bonds/Eurobonds from par value (with a premium/discount or at par value).

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

In July 2024, 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 22).

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 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 Company’s management accounts for the financing under this Program as a government grant recognised within finance income.

In 2024, the Company recognised income from government subsidies under the Program in the amount of 22,300,000 thousand tenge as part of finance income (Note 26).

The fair value of borrowings and debt securities issued is presented in Note 33.

**Credit agreements and breaches of credit agreements**

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.

Loan agreement with Citibank and Santander under the MIGA guarantee includes compliance certain financial coefficients (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).



**KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC**

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(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
<b>As at 1 January</b>	<b>1,686,724,915</b>	<b>8,457,832</b>	<b>1,695,182,747</b>	<b>1,406,067,927</b>	<b>11,916,376</b>	<b>1,417,984,303</b>
<b>Changes due to cash flows from financing activities</b>						
Repayment of borrowings	(301,549,882)	-	(301,549,882)	(229,830,323)	-	(229,830,323)
Proceeds from borrowings	519,135,126	-	519,135,126	645,177,475	-	645,177,475
Repayment of lease liabilities	-	(6,196,630)	(6,196,630)	-	(17,888,901)	(17,888,901)
<b>Total changes due to cash flows from financing activities</b>	<b>217,585,244</b>	<b>(6,196,630)</b>	<b>211,388,614</b>	<b>415,347,152</b>	<b>(17,888,901)</b>	<b>397,458,251</b>
<b>Other changes</b>						
Effect of changes in foreign exchange rates	94,944,710	-	94,944,710	11,774,015	-	11,774,015
New lease agreements	-	27,261,991	27,261,991	-	1,121,422	1,121,422
Fair value adjustment of the loans received at below market rate from the Shareholder (Note 22)	(89,395,423)	-	(89,395,423)	(177,931,511)	-	(177,931,511)
Interest and discount amortisation, including capitalised	148,956,814	5,549,061	154,505,875	139,968,124	2,174,414	142,142,538
Interest paid	(130,540,990)	(4,129,079)	(134,670,069)	(106,157,080)	(2,140,688)	(108,297,768)
Other changes	(3,883,012)	(358,091)	(4,241,103)	(2,343,712)	13,275,209	10,931,497
<b>Total other changes attributable to liabilities</b>	<b>20,082,099</b>	<b>28,323,882</b>	<b>48,405,981</b>	<b>(134,690,164)</b>	<b>14,430,357</b>	<b>(120,259,807)</b>
<b>As at 31 December</b>	<b>1,924,392,258</b>	<b>30,585,084</b>	<b>1,954,977,342</b>	<b>1,686,724,915</b>	<b>8,457,832</b>	<b>1,695,182,747</b>

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

#### 16. OTHER FINANCIAL LIABILITIES (lines 213 and 313 of Separate balance sheet)

As at 31 December other financial liabilities included the following:

	31 December 2024	31 December 2023
Current portion of liabilities under financial guarantee agreements	7,095,731	3,377,439
Non-current portion of liabilities under financial guarantee agreements	70,474,895	52,306,133
<b>TOTAL</b>	<b>77,570,626</b>	<b>55,683,572</b>

As disclosed in Note 31, the Company has provided financial guarantees to banks on loans received by the entities of Nursultan Nazarbayev International Airport and Aktobe Rail and Section Mill Plant LLP and recognised liabilities 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 and JSC (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).

In addition, the Company recognised liabilities under financial guarantee contracts on the finance lease agreements and borrowings of subsidiaries. As at 31 December 2024, the liability under these financial guarantees was 50,121,312 thousand tenge (31 December 2023: 27,147,663 thousand tenge) (Note 31).

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

	31 December 2024	31 December 2023
Tenge	50,712,437	42,302,405
Euros	11,765,336	9,376,708
Swiss Francs	10,162,158	-
Russian Roubles	3,207,180	2,252,544
US\$	1,723,515	1,751,915
<b>TOTAL</b>	<b>77,570,626</b>	<b>55,683,572</b>

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

	31 December 2024	31 December 2023
Trade accounts payable to third parties	95,587,836	55,025,632
Trade accounts payable to related parties	9,133,689	8,750,476
Other accounts payable	2,368,262	2,320,404
<b>TOTAL</b>	<b>107,089,787</b>	<b>66,096,512</b>

As at 31 December 2024 and 2023, trade and other accounts payable were mainly expressed in tenge.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

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

As at 31 December employee benefits included the following:

	31 December 2024	31 December 2023
Allowances for unused vacation and other employee benefits	17,336,193	15,024,692
Post-employment defined employee benefits and other long-term employee benefits	13,992,502	9,377,740
Salary payable	1,195	32,502
<b>Total employee benefits</b>	<b>31,329,890</b>	<b>24,434,934</b>
Current portion of employee benefits	19,637,790	16,629,741
Non-current portion of employee benefits	11,692,100	7,805,193
<b>TOTAL</b>	<b>31,329,890</b>	<b>24,434,934</b>

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

Under the legislation of Kazakhstan, pension contributions are the responsibility of employees, and the Company has no current or future obligations to make payments to employees following their retirement, apart from those stipulated in a collective agreement.

In 2019, the Company 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 Company 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.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

#### *Employee benefit obligations:*

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

#### *Other non-current employee benefits:*

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

The programs are unfunded. The Company's 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	11,692,100	7,805,193
Current portion of post-employment defined employee benefits and other long-term employee benefits	2,300,402	1,572,547
<b>Total liabilities as at the end of the year</b>	<b>13,992,502</b>	<b>9,377,740</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

Movement in the present value of obligations on 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	9,377,740	9,437,067
Current service cost	676,990	521,906
Past service cost	4,985,766	-
Interest costs	1,064,374	1,000,329
Actuarial (profit)/loss on other long-term employee benefits	(292,932)	40,444
Total expenses recognised in profit or loss	6,434,198	1,562,679
Actuarial revaluation recognised in other comprehensive income:	144,787	(133,098)
- change in financial assumptions	76,204	5,441
- experience-based adjustments	688,096	(1,083,267)
- change in demographic assumptions	(619,513)	944,728
Payments made for the year	(1,964,223)	(1,488,908)
<b>Total liabilities as at the end of the year</b>	<b>13,992,502</b>	<b>9,377,740</b>

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 24)	6,247,079	1,406,203
Administrative expenses (Note 25)	187,119	156,476
<b>TOTAL</b>	<b>6,434,198</b>	<b>1,562,679</b>

The calculation of the Company's obligation has been prepared on the basis of published mortality statistics, as well as the Company'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 separate 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 6.7% caused by an inflation rate increase of 1%, and 6.4% caused by a discount rate decrease of 1%.

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

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (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 separate balance sheet.

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

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

	31 December 2024	31 December 2023
Short-term leases	622,789	564,340
Lease liabilities	30,585,084	8,457,832
<b>Total lease liabilities</b>	<b>31,207,873</b>	<b>9,022,172</b>
Current lease liabilities	15,223,243	6,258,323
Non-current lease liabilities	15,984,630	2,763,849
<b>TOTAL</b>	<b>31,207,873</b>	<b>9,022,172</b>

As at 31 December, the Company lease liabilities included the following:

	31 December 2024		31 December 2023	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within one year	15,682,784	14,600,454	5,964,491	5,693,983
Between two and five years inclusive	25,467,755	15,984,630	3,478,892	2,763,849
<b>Total</b>	<b>41,150,539</b>	<b>30,585,084</b>	<b>9,443,383</b>	<b>8,457,832</b>
Less unearned interest	(10,565,455)	-	(985,551)	-
<b>Present value of lease payments</b>	<b>30,585,084</b>	<b>30,585,084</b>	<b>8,457,832</b>	<b>8,457,832</b>
Less amounts due within 12 months		(14,600,454)		(5,693,983)
<b>Amount to be repaid after 12 months</b>		<b>15,984,630</b>		<b>2,763,849</b>

As at 31 December 2024, interest is calculated based on effective interest rates varying from 15% to 19% (31 December 2023: from 15% to 20.4%).

All lease liabilities are denominated in tenge.

### Lease agreements with Transtelecom JSC

In 2024, 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.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

	31 December 2024	31 December 2023
Advances received on contracts with customers - third parties	3,474,841	2,853,675
Deferred income	317,962	237,859
Advances received on contracts with customers - related parties	8,334	21,652
<b>TOTAL</b>	<b>3,801,137</b>	<b>3,113,186</b>

The revenue recognised in the reporting period, which was included in the balance of advances received at the beginning of the year amounted to 3,109,307 thousand tenge (2023: 2,435,511 thousand tenge).

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

### 21. DEFERRED TAX LIABILITIES (line 316 of Separate balance sheet)

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

	31 December 2024	31 December 2023
<b>Deferred tax assets</b>		
Tax losses carried forward	42,115,415	63,447,496
Fair value adjustment to loans issued	30,075,890	31,052,649
Liabilities under financial guarantee contracts	15,514,125	11,136,714
Derivative financial instruments	6,432,037	7,036,294
Lease liabilities	6,215,291	1,750,425
Other	5,247,756	4,796,291
	<b>105,600,514</b>	<b>119,219,869</b>
<b>Deferred tax liabilities:</b>		
Property, plant and equipment and other non-current assets	(281,486,235)	(277,434,477)
Fair value adjustment to borrowings received from the Shareholder at the rates below market	(113,280,854)	(99,849,442)
Other	(4,524)	(7,657)
	<b>(394,771,613)</b>	<b>(377,291,576)</b>
<b>Total net deferred tax liabilities</b>	<b>(289,171,099)</b>	<b>(258,071,707)</b>

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	(258,071,707)	(231,832,086)
Recognised in profit or loss (Note 29)	(18,872,270)	(21,292,533)
Recognised in separate statement of changes in equity (Note 22)	(17,879,084)	(35,586,302)
Recognised in investments at cost	5,651,962	30,639,214
<b>Net deferred tax liabilities as at the end of the year</b>	<b>(289,171,099)</b>	<b>(258,071,707)</b>

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

Owners contributions (lines 311 and 711 of Separate 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 Company 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 Separate statement of changes in equity)

In 2024, the Company recognised an adjustment to loans received at rates below market rates to fair value in the amount of 89,395,423 thousand tenge (2023: 177,931,511 thousand tenge) net of deferred tax effect of 17,879,084 thousand tenge (2023: 35,586,302 thousand tenge) (Notes 15 and 21).



## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

#### Components of other comprehensive income (line 413 of Separate balance sheet)

*Foreign exchange difference on investments in foreign entities (lines 229 and 629 of Separate 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 whose functional currency is not tenge.

#### 23. REVENUE FROM SALE OF GOODS, OPERATIONS AND SERVICES (line 010 of Separate statement of profit or loss)

	2024	2023
Revenue from services rendered	928,886,145	848,733,282
Revenue from fines	16,088,310	9,006,467
Other revenue from the sale of goods to third parties	3,213,522	1,807,395
<b>TOTAL</b>	<b>948,187,977</b>	<b>859,547,144</b>

Revenue from services rendered and other revenue in the amount of 928,715,123 thousand tenge were recognised over time (2023: 848,494,028 thousand tenge), revenue in the amount of 19,472,854 thousand tenge was recognised at a point in time (2023: 11,053,116 thousand tenge).

Revenue of 883,541,762 thousand tenge was received from related parties (Note 32) (2023: 806,475,265 thousand tenge). Revenue from services rendered is mainly represented by revenue from provision of railway network services to KTZ-Freight Transportation LLP.

Revenue from provision of railway network services on international transit route to a subsidiary KTZ-Freight Transportation LLP in the amount of 363,369,372 thousand tenge was recognised based on coefficients set by the Company of 0.55 applied to tariffs for freight transportation on international transit routes (2023: 356,327,807 thousand tenge based on coefficients set by the Company of 0.6).

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 24. COST OF GOODS, OPERATIONS AND SERVICES SOLD (line 011 of Separate statement of profit or loss)

	2024	2023
Staff costs, including taxes, contributions and allowances for unused vacations	267,700,904	235,369,812
Work and services of a production nature	172,808,970	150,611,838
Depreciation and amortisation	78,067,059	78,820,987
Materials and supplies	35,629,226	31,751,893
Property tax and other taxes, excluding social tax and social contributions	26,731,897	24,686,774
Repairs and maintenance	23,394,763	17,932,934
Electricity	14,592,506	10,047,868
Utilities and building maintenance	12,005,707	7,249,530
Fuel and lubricants	8,134,543	7,345,909
Post-employment defined employee benefits and other long-term employee benefits (Note 18)	6,247,079	1,406,203
Security services	4,815,047	4,293,521
Lease expenses	2,413,974	2,124,253
Business trip expenses	2,132,494	1,905,031
Communication services	1,921,059	1,595,850
Other expenses	10,522,833	16,029,898
<b>TOTAL</b>	<b>667,118,061</b>	<b>591,172,301</b>

### 25. ADMINISTRATIVE EXPENSES (line 014 of Separate statement of profit or loss)

	2024	2023
Staff costs, including taxes, contributions and allowances for unused vacations	37,878,246	32,888,829
Property tax and other taxes, excluding social tax and social contributions	6,264,046	1,259,207
Other third party services	2,599,285	3,040,450
Depreciation and amortisation	2,522,214	2,688,980
Expenses for holding festive and cultural events	2,226,708	1,711,089
Charity	2,000,000	-
Business trip expenses	1,534,795	1,005,578
Membership fees	1,124,619	741,250
Repairs and maintenance	1,053,467	1,442,280
Utilities and building maintenance	881,749	558,203
Expenses to maintain social sphere facilities	780,175	802,390
Security services	705,823	222,397
Consulting, audit and legal services	518,487	885,858
Communication services	307,619	314,660
Advertising	234,268	220,443
Materials	206,788	189,256
Post-employment defined employee benefits and other long-term employee benefits (Note 18)	187,119	156,476
Other expenses	3,254,180	3,645,073
<b>TOTAL</b>	<b>64,279,588</b>	<b>51,772,419</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 26. FINANCE INCOME (line 021 of Separate statement of profit or loss)

	2024	2023
Interest income on loans issued	60,426,652	90,702,463
Dividends income (Note 32)	26,380,766	18,523,718
Income from subsidising the interest rate on financial liabilities (Note 15)	22,300,000	-
Interest income on derivative financial instruments recognised at fair value through profit or loss (Note 33)	10,606,235	10,490,517
Income from issued guarantees	8,189,161	5,433,693
Interest income on cash and cash equivalents	5,780,812	4,637,438
Income from reversal of allowance for expected credit losses on financial instruments	2,434,849	842,360
Change in fair value of derivative financial instruments at fair value through profit or loss (Note 33)	3,021,286	-
Premium for the re-issue of bonds by subsidiary	-	14,749,943
Other finance income	553,881	3,993,588
<b>TOTAL</b>	<b>139,693,642</b>	<b>149,373,720</b>

### 27. FINANCE COSTS (line 022 of Separate statement of profit or loss)

	2024	2023
Interest expense and discount amortisation on loans	114,195,548	124,219,180
Interest expenses on lease	5,549,061	2,174,414
Change in fair value of derivative financial instruments recognised at fair value through profit or loss (Note 33)	-	35,181,469
Other finance costs	1,165,581	462,247
<b>TOTAL</b>	<b>120,910,190</b>	<b>162,037,310</b>

### 28. OTHER EXPENSES (line 025 of Separate statement of profit or loss)

	2024	2023
Foreign exchange loss, net	80,879,571	16,049,872
Expenses from impairment of non-financial assets	6,072,856	3,772,833
Expenses on disposal of property, plant and equipment, intangible assets and other non-current assets	2,679,339	328,219
Expenses on creating an allowance for expected credit losses on accounts receivable and provision for impairment of other current assets	38,991	-
Others	177,284	77,656
<b>TOTAL</b>	<b>89,848,041</b>	<b>20,228,580</b>

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### 29. EXPENSES/INCOME OF CORPORATE INCOME TAX (line 101 of Separate statement of profit or loss)

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

	2024	2023
Deferred income tax expense	18,599,079	21,802,854
Change in unrecognised deferred tax assets	273,191	(510,321)
<b>TOTAL</b>	<b>18,872,270</b>	<b>21,292,533</b>

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
<b>Profit before tax</b>	<b>146,895,795</b>	<b>185,870,627</b>
Official tax rate	20%	20%
<b>Calculated corporate income tax expense at the official rate</b>	<b>29,379,159</b>	<b>37,174,125</b>
Tax effect of non-taxable income for tax calculation purposes, and other effect:		
Non-taxable income	(10,780,080)	(15,371,271)
Change in unrecognised deferred tax assets	273,191	(510,321)
<b>Corporate income tax expenses (-) (income (+))</b>	<b>18,872,270</b>	<b>21,292,533</b>

### 30. EARNINGS PER SHARE (line 600 of Separate 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 quantity of common shares	496,693,715	496,692,677
Profit for the year (thousand tenge)	128,023,525	164,578,094
<b>Profit per common share (tenge)</b>	<b>258</b>	<b>331</b>

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 (restated)
Net assets excluding intangible assets	2,454,264,590	2,239,921,578
Quantity of common shares in circulation (registered)	496,694,666	496,693,666
<b>Carrying amount of one share (tenge)</b>	<b>4,941</b>	<b>4,510</b>

EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)  
*(in thousands of tenge, unless stated otherwise)*

---

**31. FINANCIAL AND CONTINGENT LIABILITIES**

**Capital commitments**

As at 31 December 2024, the Company has capital commitments, 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, purchase of long rails and equipment for the total amount of 818,712,352 thousand tenge (31 December 2023: 421,483,055 thousand tenge).

**Other contractual liabilities**

As at 31 December 2024, the subsidiary KTZ Express JSC, together with the Company, has an agreement for the provision of loading and unloading services and cargo storage services in the future.

In accordance with the terms of this Agreement, KTZ Express JSC is obliged to purchase the minimum volume of services for 10 years and make substantial payments in relation to such volumes.

The Company's management believes that the service period under the Agreement has not yet commenced, because KTZ Express JSC has not been notified about the commencement date of commercial operations and service period, and the parties have not started execution of the obligations under the Agreement. The Company's management believes that as at 31 December 2024, the outflow of resources embodying economic benefits under this Agreement is not highly probable.

**Contingent liabilities**

*Litigations*

The Company is subject to various legal proceedings related to its business operations, such as property damage claims. The Company 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 Company's 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 Company's management believes that its interpretation of the Kazakhstan relevant legislation is appropriate and the Company'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 Company's forms of separate annual financial statements.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

*Insurance*

The insurance market is still in the early stages of development in Kazakhstan. At the same time, the Company maintains the required statutory insurance coverage related to accident insurance for employees during the performance of their labour (official) duties, vehicle owner liability and environmental damage insurance. In addition, the Company maintains voluntary insurance, including employee insurance against diseases and property insurance against the risk of damage. The Company 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 Company's assets that belongs to rail track infrastructure into the second category. The remaining assets of the Company were classified into the third and fourth categories. The Company's management believes that its interpretation of the relevant legislation of the Republic of Kazakhstan is appropriate.

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

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

### Financial guarantees

Creditor	Guarantee purpose	Guarantee period	Amount Guarantees
SB HSBC Kazakhstan jointly with HSBC Bank plc and HSBC Continental Europe	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	31 December 2027 – 30 October 2032	78,040,385 Euros (42,667,800 thousand tenge) <sup>8</sup>
	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	31 December 2027– 30 October 2032	29,200,038 Euros (15,964,829 thousand tenge) <sup>8</sup>
Industrial Development Fund JSC	Passenger Transportation JSC under finance lease agreements	20 December 2036 – 10 December 2042	141,946,626 thousand tenge
	Kaztemirtrans JSC under finance lease agreements	28 August 2032 – 30 November 2035	21,224,354 thousand tenge
	KTZ Express JSC under finance lease agreements	28 August 2032 – 30 November 2035	56,352,428 thousand tenge
Development Bank of Kazakhstan JSC	Nursultan Nazarbayev International JSC to finance its modernisation	28 March 2033	21,939,750 thousand tenge <sup>8</sup>
	Aktobe Rail and Section Mill Plant LLP to finance the construction of a rail and section mill plant in Aktobe	5 July 2033	15,907,323 thousand tenge <sup>8</sup>
	Wagonservice JSC, a subsidiary of Passenger Transportation JSC to finance the acquisition of passenger carriages	5 March 2035	5,034,757 thousand tenge <sup>8</sup>
	Passenger Transportation JSC under finance lease agreements	13 May 2039 – 31 August 2039	226,722,000 thousand tenge
	Kaztemirtrans JSC under finance lease agreements	2 August 2038	111,680,000 thousand tenge
	KTZ Express JSC under finance lease agreements	29 August 2040	85,594,000 thousand tenge
Halyk Bank of Kazakhstan JSC	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	19 October 2029	40,713,068 thousand tenge
Eurasian Development Bank	KTZ-Freight Transportation LLP to finance the acquisition of freight diesel locomotives	18 April 2034	16,260,187,703 Russian Roubles (79,349,717 thousand tenge) <sup>8</sup>
Citibank Kazakhstan JSC	KTZ-Freight Transportation LLP to replenish working capital	27 June 2025	14,000,000 thousand tenge
Societe Generale and Natixis	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	28 February 2034	300,096,429 Euros (164,074,719 thousand tenge) <sup>8</sup>
	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	28 February 2034	149,251,147 Euros (81,601,572 thousand tenge) <sup>8</sup>
Citibank	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	15 May 2034	326,869,063 Euros (189,806,328 thousand tenge) <sup>8</sup>
	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	15 May 2034	101,302,121 Euros (58,824,115 thousand tenge) <sup>8</sup>

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.

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

<sup>8</sup> Loans received by subsidiaries and third parties, which are guaranteed by the Company, include financial covenants. The total amount for these loans is 675,170,910 thousand tenge.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

In accordance with arrangements with HSBC Continental Europe in relation to financial and non-financial covenants on loans received by subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP in the amount of 58,632,629 thousand tenge (2023: 67,910,765 thousand tenge), the Company has to comply with 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 and 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.

In accordance with the loan agreement with Eurasian Development Bank obtained by the subsidiary KTZ-Freight Transportation LLP for 79,349,717 thousand tenge (2023: 51,291,655 thousand tenge), the Company has to comply with certain financial covenants such as debt to EBITDA and interest coverage ratio calculated semi-annually based on the consolidated results of the Group as well as compliance 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.

In accordance with loan agreements with Societe Generale and Natixis, obtained by the subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP for the total amount of 245,676,291 thousand tenge (2023: 167,030,226 thousand tenge), the Company has to comply with 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.

Under the loans from Citibank under the guarantee of the Export-Import Bank of the United States (US EXIM Bank) obtained by the subsidiaries KTZ-Freight Transportation LLP and KTZ-Passenger Locomotives LLP for the total amount of 248,630,443 thousand tenge, 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.

## **32. RELATED PARTY TRANSACTIONS**

For the purpose of these forms of separate 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 Company 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.



# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

		Shareholder	Associates of the Company	Companies making up the Shareholder Group	Subsidiaries of the Company	Other related parties <sup>9</sup>
Amounts due from related parties for goods and services, including advances paid	2024	-	2,400	18,369	301,160,217	2,238,453
	2023	-	16,203	22,962	181,515,213	1,133,402
<i>including allowances for expected credit losses and impairment of advances paid</i>	2024	-	(66)	(90)	(842)	(98,334)
	2023	-	(49,563)	(1,262)	(842)	(9,269)
Amounts due to related parties for goods, services and non-current assets, including advances received	2024	-	4,338,869	785,521	3,873,999	1,129,753
	2023	-	4,323,466	1,329,509	3,096,856	770,398
Cash on current accounts	2024	-	-	-	-	-
	2023	-	-	112,136,957	-	-
Cash on digital accounts in tenge (Note 33)	2024	-	-	-	-	116,631,095
	2023	-	-	-	-	-
Loans issued and debt securities issued by subsidiaries	2024	-	-	-	505,147,302	-
	2023	-	-	-	640,624,148	-
<i>including allowances for expected credit losses</i>	2024	-	-	-	(434,289)	-
	2023	-	-	-	(1,151,785)	-
Borrowings received	2024	1,002,574,915	-	-	10,781,452	-
	2023	768,615,242	-	-	49,603,471	-
Lease liabilities	2024	-	30,545,406	-	6,568	-
	2023	-	8,396,433	-	5,925	-
Financial guarantee contract liabilities	2024	-	-	-	50,121,312	14,896,620
	2023	-	19,015	-	27,147,663	15,314,459

<sup>9</sup> Other related parties include other commercial entities under common control and significant influence of the State.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

		Shareholder	Associates of the Company	Joint ventures of the Company	Companies making up the Shareholder Group	Subsidiaries of the Company	Other related parties <sup>9</sup>
Sale of goods and services	2024	-	202,907	-	124,229	882,333,917	880,709
	2023	-	304,911	-	182,481	805,757,865	230,008
Accrued/(reversed) allowances for expected credit losses and impairment of advances paid	2024	-	49,497	-	1,172	-	(72,644)
	2023	-	(48,743)	-	(1,131)	(842)	(9,269)
Purchase of goods, services and non-current assets	2024	-	9,944,461	-	3,833,886	198,646,622	10,820,162
	2023	-	18,108,376	-	6,767,977	174,769,551	4,231,004
Loans issued	2024	-	-	-	-	32,457,029	-
	2023	-	-	-	-	282,154,706	-
Loans repayment	2024	-	-	-	-	93,424,336	-
	2023	-	-	-	-	61,453,564	-
Proceeds from borrowings	2024	238,168,607	-	-	-	908,421	-
	2023	336,309,364	-	-	-	16,680,407	-
Repayment of borrowings	2024	1,174,923	-	-	-	39,730,440	-
	2023	1,174,923	-	-	-	-	-
Finance income	2024	-	19,015	-	-	66,533,541	417,839
	2023	-	361,998	-	-	108,690,811	234,341
Finance expenses	2024	39,589,881	5,539,130	-	-	19,186	-
	2023	36,130,150	2,165,343	-	-	14,918	-
Dividend income	2024	-	4,479,493	-	-	21,901,273	-
	2023	-	2,891,491	-	-	15,632,227	-
Investment in subsidiaries	2024	-	-	-	-	59,114,009	-
	2023	-	-	-	-	27,381,465	-
Charter (shareholder's) capital contribution	2024	13,272,667	-	75,333	-	-	-
	2023	24,309,508	-	4,565	-	-	-
New lease agreements (Company as a lessee)	2024	-	27,261,487	-	-	504	-
	2023	-	1,121,422	-	-	-	-
Lease payments	2024	-	10,288,383	-	-	3,866	-
	2023	-	19,989,405	-	-	3,613	-

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

Dividend income from the Company's subsidiaries and associate, where the Company is a participant, for the years ended as at 31 December were as follows:

	2024	2023
Kaztemirtrans JSC	16,647,585	-
UTLC ERA JSC	4,479,493	2,891,491
Port Kuryk LLP	2,636,444	1,373,135
Kedentransservice JSC	1,917,244	13,501,680
NC Aktau International Sea Commercial Port JSC	700,000	741,679
Militarised Railway Security LLP	-	15,733
<b>TOTAL</b>	<b>26,380,766</b>	<b>18,523,718</b>

During 2024, a subsidiary Kaztemirtrans JSC made a coupon payment on perpetual bonds in the amount of 16,647,585 thousand tenge, which the Company recognises as dividend income.

In 2024, the Company 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 Company's borrowings from the Shareholder were mainly received at rates below market from 0.075 % to 9.25% (31 December 2023: from 0.075% to 8.74%) with maturity 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%).

As at 31 December 2024, certain debt securities issued by subsidiaries were indexed to reflect changes in foreign currency exchange rates. In 2024, due to changes in exchange rates, the Company recognised a foreign exchange loss in the amount of 17,890,827 thousand tenge (2023: 5,711,388 thousand tenge).

Transactions with Shareholder group companies, associates and joint ventures and other related parties mainly comprise transactions with KazMunaiGas National Company JSC (fuel), 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) and National Bank of Kazakhstan (cash deposits).

#### *Compensation to key management personnel of the Company*

Key management personnel comprise members of the Company's Management Board and Board of Directors, totalling 18 persons for the year ended 31 December 2024 (2023: 16 persons). Total compensation to key management personnel included in personnel costs in the separate 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 and bonuses based on operational results.

EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)  
*(in thousands of tenge, unless stated otherwise)*

---

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

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

*Capital risk management*

The Company 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 Company's overall strategy remains unchanged from 2023.

There are no mandatory minimum capital requirements for the Company.

The Company's equity structure includes net debt (loans, debt securities issued and lease liabilities less cash and cash equivalents) and the Company's equity, which is comprised of the charter (shareholder's) capital, components of other comprehensive income, retained earnings and other capital.

*Financial risk management objectives*

Risk management is an essential element of the Company's operations. The Company monitors and manages financial risks relating to the Company'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 Company's risk management policies in relation to those risks follows.

*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 Company 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 Company is the risk of changes in market interest rates reducing the overall return on the Company's investments and/or increasing cash outflow on its loans and debt securities. The Company 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 variable interest rates.

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

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

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

	31 December 2024		31 December 2023	
	Interest rate increase/ (decrease) in base points <sup>10</sup>	Impact on profit/equity	Interest rate increase/ (decrease) in base points <sup>10</sup>	Impact on profit/equity
Tenge	397/(397)	(2,540,800)/ 2,540,800	397/(397)	(5,363,903)/ 5,363,903
Swiss Francs	397/(397)	(12,868,282)/ 12,868,282	397/(397)	(8,099,304)/ 8,099,304

### Currency risk

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

A significant portion of the Company's current and non-current debt is denominated in US Dollars and Swiss Francs. A change in the value of tenge against other foreign currencies in which debt is denominated will result in a foreign exchange gain or loss. Foreign exchange gain and loss for the year ended 31 December 2024 amounted to 101,995,301 thousand tenge and 182,874,872 thousand tenge, respectively (2023 r.: 129,852,480 thousand tenge and 145,902,352 thousand tenge, respectively). In Note 28, foreign exchange gains and losses are presented on a net basis. The Company issues a portion of its loans to subsidiaries that are indexed to changes in foreign exchange rates.

The following table reflects the sensitivity of the Company's profit and equity to potential changes in the US Dollars, Swiss Franc, Euro and Russian Roubles, provided all other parameters remaining constant.

	31 December 2024		31 December 2023	
	Exchange rate increase/ (decrease)	Effect on profit/equity	Exchange rate increase/ (decrease)	Effect on profit/equity
US\$	9%/ (7%)	(32,745,937)/ 26,455,917	14%/ (14%)	(42,329,521)/ 42,329,521
Swiss Francs	12%/ (4%)	(65,566,377)/ 21,428,589	17%/ (17%)	(10,419,764)/ 10,419,764
Euro	9%/ (6%)	(847,038)/ 560,027	13% (13%)	(971,427)/ 971,427
Russian Roubles	2%/ (23%)	(55,822)/ 640,611	29% (29%)	(549,782)/ 549,782

In October-November 2022, the Company 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 Dollars. Borrowings represent interest and principal payments on US\$ denominated Eurobonds in the amount of 882,978,000 US Dollars with a coupon rate of 2% per annum and maturity in October 2025 and the holder is the Shareholder.

<sup>10</sup> 1 basis point – 0.01%

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

---

The Company pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. 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 not designated into hedging relationships in the forms of separate annual financial statements.

During 2024, as part of the cross-currency swap transactions, the Company 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 Dollars (8,145,440 thousand tenge) and 4,485,525 Swiss Francs (2,345,077 thousand tenge)) (Note 26).

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 instrument* 212 line of separate balance sheet (31 December 2023: 78,578,766 US Dollars (35,718,764 thousand tenge) was recognised within *Non-current derivative financial instrument* 312 line of separate balance sheet).

The change in fair value of derivative financial instruments for the year ended 31 December 2024 was recognised in finance income of 3,021,286 thousand tenge (2023: within finance costs of 35,181,469 thousand tenge) (Notes 26 and 27).

#### *Credit risk*

Credit risk arising from a party's inability to meet the terms of the Company's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the Company's obligations to that party. It is the Company'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 Company on digital account in the National Bank of Kazakhstan, a related party of the Company, is equal to 116,631,095 thousand tenge (92.5% of cash and cash equivalents) (Note 32). In addition, cash and cash equivalents are mainly held in Halyk Bank of Kazakhstan JSC with a credit rating of BBB- 'stable' (6.6% of cash and cash equivalents).

The Company 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 Company operates on a prepayment basis with the majority of its customers.

In addition, the Company is exposed to credit risk on financial guarantees provided to banks. The maximum risk of the Company in this regard is equal to the maximum amount that the Company

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

will be obliged to pay in the event of claims for guarantees disclosed in Note 31. The Company does not guarantee the obligations of third parties, other than those disclosed in Note 31.

*Liquidity risk*

The Company manages short-term, mid-term and long-term financing liquidity risk in accordance with Shareholder requirements. The Company 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.

The Company with its subsidiaries, uses a highly liquid instrument for the purposes of centralised cash management, namely current loans under the “cash pooling” mechanism with the possibility of early repayment at any time at the decision of the transaction participants. Cash flows from these short-term loans are presented on a net basis in the separate statement of cash flows. During 2024, the Company entered into agreements with subsidiaries to provide financial assistance to the Company in the amount of 229,880,000 thousand tenge (2023: 155,380,000 thousand tenge) for a period of up to one year. As at 31 December 2024, the carrying value of the received financial aid under the “cash pooling” mechanism amounted to 10,781,452 thousand tenge (31 December 2023: 49,603,471 thousand tenge). As at 31 December 2024, the carrying value of the financial aid given under the “cash pooling” mechanism amounted to 44,548,470 thousand tenge (31 December 2023: 15,541,909 thousand tenge) (Note 7).

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

The Company 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 Company’s financial liabilities. The table was prepared using undiscounted cash flows on financial liabilities based on the earliest date at which the Company can be required to pay. The table includes both interest and principal cash flows.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years	Total
<b>2024</b>						
<i>Interest-free:</i>						
Current trade and other accounts payable	87,709,716	24,740,409	11,977,050	-	-	124,427,175
Lease liabilities	580,959	41,830	-	-	-	622,789
<i>Interest-bearing:</i>						
Loans and debt securities issued	4,340,311	24,914,789	745,750,897	711,699,494	2,216,656,448	3,703,361,939
Lease liabilities	4,695,315	1,997,776	8,989,693	25,467,755	-	41,150,539
Financial guarantees	3,929,141	126,940,794	275,550,488	1,238,935,173	1,114,814,186	2,760,169,782
Derivative financial instruments	-	-	34,311,722	-	-	34,311,722
<b>TOTAL</b>	<b>101,255,442</b>	<b>178,635,598</b>	<b>1,076,579,850</b>	<b>1,976,102,422</b>	<b>3,331,470,634</b>	<b>6,664,043,946</b>
<b>2023</b>						
<i>Interest-free:</i>						
Current trade and other accounts payable	54,429,276	15,221,794	11,502,636	-	-	81,153,706
Lease liabilities	563,202	1,138	-	-	-	564,340
<i>Interest-bearing:</i>						
Loans and debt securities issued	43,649,038	4,007,101	303,363,258	929,804,564	1,945,590,895	3,226,414,856
Lease liabilities	2,751,159	584,242	2,629,090	3,478,892	-	9,443,383
Financial guarantees	490,815	13,060,757	98,908,971	403,308,593	447,121,059	962,890,195
Derivative financial instruments	-	-	(10,364,292)	49,442,022	-	39,077,730
<b>TOTAL</b>	<b>101,883,490</b>	<b>32,875,032</b>	<b>406,039,663</b>	<b>1,386,034,071</b>	<b>2,392,711,954</b>	<b>4,319,544,210</b>

The amounts presented in the table of financial guarantee agreements reflect the maximum amounts that the Company would have to pay in case the counterparty makes a claim under guarantee agreements. As at reporting date, the Company 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.



# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (in thousands of tenge, unless stated otherwise)

The following table reflects the expected maturity of the Company'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	1-5 years	Over 5 years	Unspecified maturity <sup>11</sup>	Total
<b>2024</b>							
<i>Interest-bearing:</i>							
Short-term deposits	6,768,063	-	-	-	-	394	6,768,457
Interest on short-term deposits	16,777	-	-	-	-	-	16,777
Cash and cash equivalents	2,128,819	-	-	-	-	-	2,128,819
Loans issued	1,123,511	4,669,292	61,621,843	241,605,901	606,496,266	1,789,826	917,306,639
Restricted cash	-	-	1,903,739	-	557,339	15	2,461,093
<i>Interest-free:</i>							
Cash and cash equivalents	117,239,281	-	-	-	-	4,165	117,243,446
Restricted cash	-	-	1,773,180	-	-	286	1,773,466
Trade accounts receivable	1,510,167	301,173,538	-	-	-	85,173	302,768,878
Loans issued	-	44,548,470	-	-	-	131,643	44,680,113
<b>TOTAL</b>	<b>128,786,618</b>	<b>350,391,300</b>	<b>65,298,762</b>	<b>241,605,901</b>	<b>607,053,605</b>	<b>2,011,502</b>	<b>1,395,147,688</b>
<b>2023</b>							
<i>Interest-bearing:</i>							
Short-term deposits	21,423,369	-	-	-	-	1,644	21,425,013
Interest on short-term deposits	62,638	-	-	-	-	-	62,638
Cash and cash equivalents	7	-	-	-	-	-	7
Loans issued	3,615,216	4,925,221	109,636,969	351,982,644	684,830,330	4,236,335	1,159,226,715
<i>Interest-free:</i>							
Cash and cash equivalents	117,975,108	-	-	-	-	6,203	117,981,311
Restricted cash	-	-	6,036,365	-	657,254	719	6,694,338
Trade accounts receivable	1,111,990	181,489,819	-	-	-	22,791	182,624,600
Loans issued	-	15,541,909	-	-	-	131,716	15,673,625
<b>TOTAL</b>	<b>144,188,328</b>	<b>201,956,949</b>	<b>115,673,334</b>	<b>351,982,644</b>	<b>685,487,584</b>	<b>4,399,408</b>	<b>1,503,688,247</b>

<sup>11</sup> Amounts with unspecified maturity are represented by amounts, for which provisions for expected credit losses were accrued.

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

*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 mechanism for fair value identification exists for a large part of the Company'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 Company 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 12 months, the fair value represents the present value of estimated future cash flows discounted at period-end market rates.

*Derivative financial instrument*

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 Company 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 Company's bank loans are mostly provided by international development 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.

## KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

### EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) *(in thousands of tenge, unless stated otherwise)*

*Fair value of financial assets and financial liabilities of the Company 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 borrowings and debt securities issued was not significantly different from carrying value. The carrying value and fair value of financial instruments as at 31 December is presented as follows:

	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Loans issued and debt securities issued by subsidiaries	507,404,625	507,228,913	645,200,901	644,880,871
Other financial assets	4,327,594	4,439,927	6,787,496	5,962,590
Borrowings	632,499,739	591,529,131	421,168,253	380,276,657
Debt securities	1,291,892,519	1,208,325,768	1,265,556,662	1,182,596,044

#### *Fair value hierarchy*

The Company 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 which 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.

# KAZAKHSTAN TEMIR ZHOLY NATIONAL COMPANY JSC

## EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED) (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
<i>Financial assets recognised at amortised cost</i>				
- loans issued	-	507,228,913	-	507,228,913
- other financial assets	-	4,439,927	-	4,439,927
<b>TOTAL</b>	-	<b>511,668,840</b>	-	<b>511,668,840</b>
<i>Financial liabilities recognised at amortised cost</i>				
- debt securities	-	347,514,501	-	347,514,501
- debt securities from the Shareholder	-	860,811,267	-	860,811,267
- bank loans	-	511,987,996	-	511,987,996
- loans from the Shareholder and subsidiaries	-	79,541,135	-	79,541,135
<i>Financial liabilities recognised at fair value through profit or loss:</i>				
- derivative financial instruments	-	32,697,478	-	32,697,478
<b>TOTAL</b>	-	<b>1,832,552,377</b>	-	<b>1,832,552,377</b>

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
<i>Financial assets recognised at amortised cost</i>				
- loans issued	-	644,880,871	-	644,880,871
- other financial assets	-	5,962,590	-	5,962,590
<b>TOTAL</b>	-	<b>650,843,461</b>	-	<b>650,843,461</b>
<i>Financial liabilities recognised at amortised cost</i>				
- debt securities	-	564,074,861	-	564,074,861
- debt securities from the Shareholder	-	618,521,183	-	618,521,183
- bank loans	-	261,424,661	-	261,424,661
- loans from the Shareholder and subsidiaries	-	118,851,996	-	118,851,996
<i>Financial liabilities recognised at fair value through profit or loss:</i>				
- derivative financial instruments	-	35,718,764	-	35,718,764
<b>TOTAL</b>	-	<b>1,598,591,465</b>	-	<b>1,598,591,465</b>

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

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

**EXPLANATORY NOTE TO THE FORMS OF SEPARATE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**  
*(in thousands of tenge, unless stated otherwise)*

---

**34. EVENTS AFTER THE REPORTING DATE**

No significant events after the reporting date have occurred from 31 December 2024 up to the date of approval of these forms of separate annual financial statements.