

**KAZAKHSTAN TEMIR ZHOLY  
NATIONAL COMPANY JSC**

Separate financial statements

*For the year ended 31 December 2025*

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION  
AND APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS**

**For the year ended 31 December 2025**

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Management of Kazakhstan Temir Zholy National Company JSC ("the Company") is responsible for the preparation of separate financial statements that present fairly the separate financial position of the Company as at 31 December 2025, 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.

In preparing the separate 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; 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 which enable them to ensure that the separate financial statements of the Company comply with IFRS Accounting Standards;
- maintaining statutory accounting records in compliance with local legislation and IFRS Accounting Standards;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

The separate financial statements for the year ended 31 December 2025, were authorised for issue by management on 18 March 2026, pre-approved by the Audit Committee of the Board of Directors of the Company and subject to further approval by the Board of Directors and the Shareholder.

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

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*Dair Kuserov*

Finance Director

*Yelena Stankova*

Chief Accountant

18 March 2026

## Independent auditor's report

To the Shareholders, Board of Directors and management of "National Company  
"Kazakhstan Temir Zholy" JSC

### **Opinion**

We have audited the separate financial statements of "National Company "Kazakhstan Temir Zholy" JSC (hereinafter, the "Company"), which comprise the separate statement of financial position as at 31 December 2025, and the separate statement of profit and loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2025 and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate 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)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the separate financial statements of public interest entities in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
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**Impairment of non-current assets**

We consider this matter to be one of the matters of most significance in our audit due to materiality of non-current assets to the separate financial statements, the high level of subjectivity in respect of assumptions underlying the impairment analysis and significant judgements made by management.

Significant judgements included identification of cash generating units by management. Assumptions and estimates included discount rates, inflation and exchange rate forecasts, projected freight turnovers and future capital expenditures.

Information on the impairment analysis performed with respect to non-current assets is disclosed in *Note 4* to the separate financial statements.

We evaluated the appropriateness of management's identification of cash generating units.

We analysed management's assessment of the existence of indications of impairment and where such indications were identified, we involved our business valuation specialists in the testing of management's impairment analysis and calculations of recoverable amounts.

With the assistance of our valuation specialists, we analysed the factors used by management in their analysis of indications of impairment.

We compared input data used by management in the impairment testing models with the most recent business plans. We also assessed the underlying assumptions and compared them with historical data.

We compared discount rates and long-term growth rates used in the impairment testing models with available external information.

We tested the mathematical accuracy of the impairment testing models and assessed the sensitivity of key assumptions used in the impairment testing models.

We evaluated disclosures on impairment analysis in the separate financial statements.



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<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
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**Compliance with covenants under financing arrangements**

Under the terms of certain financing arrangements, the Company is required to comply with certain financial and non-financial covenants. Breach of these covenants could result in significant penalties and fines and may give the lender the right to demand early fulfilment of financing arrangements obligations. Compliance with these covenants was a key audit matter as it could have a significant impact on the going concern assumption applied in the preparation of the separate financial statements, as well as on the classification of loans and bonds in the separate financial statements.

Information on loans and bonds is disclosed in *Note 15* to the separate financial statements.

We analysed the terms of the financing arrangements including financial and non-financial covenants as well as the clauses that allow the lender to demand early repayment.

We checked mathematical accuracy of financial covenants calculations prepared by management in accordance with the financing arrangements.

We compared the data used in the covenant calculations with the amounts in the separate financial statements.

We analysed disclosures in respect of covenants compliance under financing arrangements in the separate financial statements.

**Other matter**

The separate financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 18 March 2025.

**Other information included in the Company's 2025 Integrated Annual Report**

Other information consists of the information included in the Company's 2025 Integrated Annual Report, other than the separate financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Integrated Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of management and the Audit Committee for the separate financial statements**

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the separate 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 separate 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.
- ▶ Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

*Ernst & Young LLP*



Adil Syzdykov  
Auditor

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

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

18 March 2026



Rustamzhan Sattarov  
General Director  
Ernst & Young LLP


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

**SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME**

For the year ended 31 December 2025

<i>In thousands of tenge</i>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
Revenue and other income	23	<b>1.320.900.965</b>	948.187.977
Cost of sales	24	<b>(778.134.797)</b>	(667.118.061)
<b>Gross profit</b>		<b>542.766.168</b>	281.069.916
General and administrative expenses	25	<b>(73.473.269)</b>	(64.287.724)
Finance income	26	<b>135.224.311</b>	110.878.027
Finance costs	27	<b>(179.145.090)</b>	(120.910.190)
Foreign exchange loss	31	<b>(886.676)</b>	(80.879.571)
Dividend income	30	<b>31.706.337</b>	26.380.766
(Impairment)/impairment reversal of financial assets		<b>(1.303.238)</b>	2.395.858
Impairment of non-financial assets		<b>(4.030.994)</b>	(6.072.856)
Other profit and losses		<b>(2.107.759)</b>	(1.678.431)
<b>Profit before tax</b>		<b>448.749.790</b>	146.895.795
Income tax expense	16	<b>(92.540.235)</b>	(18.872.270)
<b>Profit for the year</b>		<b>356.209.555</b>	128.023.525
<b>Other comprehensive loss, net of income tax:</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Remeasurement of employee benefit obligations	19	<b>(1.745.846)</b>	(144.787)
<b>Other comprehensive loss that will not be subsequently reclassified to profit or loss</b>		<b>(1.745.846)</b>	(144.787)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Foreign exchange difference on translation of foreign operations		<b>(600.271)</b>	(127.870)
<b>Other comprehensive loss that may be subsequently reclassified to profit or loss</b>		<b>(600.271)</b>	(127.870)
<b>Other comprehensive loss for the year</b>		<b>(2.346.117)</b>	(272.657)
<b>Total comprehensive income for the year</b>		<b>353.863.438</b>	127.750.868
Basic and diluted earnings per share, in tenge	28	<b>717,16</b>	257,75

On behalf of the Company's management:



*Dair Kuserov*

Finance Director

*Yelena Stankova*

Chief Accountant

18 March 2026

*The accompanying notes are an integral part of these separate financial statements*

**SEPARATE STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

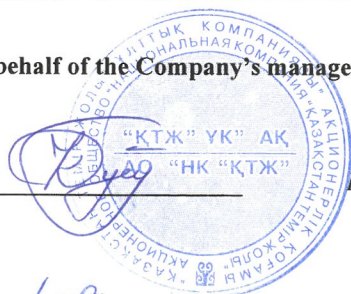
<i>In thousands of tenge</i>	<b>Notes</b>	<b>31 December 2025</b>	31 December 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	5	<b>3.090.676.978</b>	2.504.560.481
Intangible assets		<b>9.396.656</b>	10.196.235
Investments in subsidiaries	6	<b>1.658.624.476</b>	1.274.476.176
Investments in associates	7	<b>3.261.978</b>	3.261.978
Investments in joint ventures	7	<b>222.960</b>	79.898
Loans issued	8	<b>193.208.530</b>	424.161.002
Other non-current financial assets	9	<b>2.845.067</b>	3.630.431
Other non-current assets	9	<b>437.574.433</b>	187.888.834
<b>Total non-current assets</b>		<b>5.395.811.078</b>	4.408.255.035
<b>Current assets</b>			
Loans issued	8	<b>113.391.382</b>	83.243.623
Cash and cash equivalents	10	<b>122.018.413</b>	126.138.971
Inventories	11	<b>36.407.278</b>	26.840.892
Trade accounts receivable	12	<b>346.311.978</b>	302.737.002
VAT recoverable		<b>14.564.677</b>	12.122.294
Other current financial assets	13	<b>5.177.423</b>	5.066.908
Other current assets	13	<b>44.234.434</b>	6.652.628
<b>Total current assets</b>		<b>682.105.585</b>	562.802.318
<b>Total assets</b>		<b>6.077.916.663</b>	4.971.057.353
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	14	<b>1.152.698.090</b>	1.123.906.535
Additional paid-up capital	14	<b>97</b>	97
Foreign currency translation reserve		<b>(669.212)</b>	(68.941)
Retained earnings		<b>1.753.643.161</b>	1.340.623.134
<b>Total equity</b>		<b>2.905.672.136</b>	2.464.460.825

*The accompanying notes are an integral part of these separate financial statements.*

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

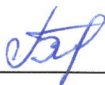
<i>In thousands of tenge</i>	Notes	31 December 2025	31 December 2024
<b>Non-current liabilities</b>			
Borrowings	15	1.873.712.263	1.250.511.528
Deferred tax liabilities	16	374.211.881	289.171.099
Lease liabilities	18	11.628.325	15.984.630
Employee benefit obligations	19	16.357.573	11.692.100
<b>Total non-current liabilities</b>		<b>2.275.910.042</b>	<b>1.567.359.357</b>
<b>Current liabilities</b>			
Borrowings	15	404.398.209	673.880.730
Lease liabilities	18	8.979.079	14.600.454
Trade accounts payable	20	220.085.600	105.344.314
Contract liabilities	21	2.787.677	3.801.137
Other taxes payable		7.944.117	4.680.697
Employee benefit obligations	19	3.508.883	2.300.402
Liabilities under financial guarantee contracts	17	120.313.546	77.570.626
Other current liabilities	22	28.887.897	19.705.650
Other current liabilities	22	7.933.959	4.655.683
Derivative financial instruments	31	91.495.518	32.697.478
<b>Total current liabilities</b>		<b>896.334.485</b>	<b>939.237.171</b>
<b>Total liabilities</b>		<b>3.172.244.527</b>	<b>2.506.596.528</b>
<b>Total equity and liabilities</b>		<b>6.077.916.663</b>	<b>4.971.057.353</b>

On behalf of the Company's management:



  
Dair Kuserov

Finance Director



Yelena Stankova

Chief Accountant

18 March 2026

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

<i>In thousands of tenge</i>	Notes	2025	2024
<b>Operating activities:</b>			
Profit for the year		<b>356.209.555</b>	128.023.525
Adjustments for:			
Corporate income tax expense recognised in profit or loss	16	<b>92.540.235</b>	18.872.270
Finance costs	27	<b>179.145.090</b>	120.910.190
Finance income	26	<b>(135.224.311)</b>	(110.878.027)
Depreciation and amortization	24,25	<b>89.422.488</b>	80.589.273
Dividend income	30	<b>(31.706.337)</b>	(26.380.766)
Accrual of allowances for unused vacation and other remunerations		<b>8.854.658</b>	4.009.423
Post-employment benefits and other long-term employee benefit expenses	24,25	<b>4.995.091</b>	6.434.198
Impairment of non-financial assets		<b>4.030.994</b>	6.072.856
Impairment/(impairment reversal) of financial assets		<b>1.303.238</b>	(2.395.858)
Foreign exchange loss	31	<b>886.676</b>	80.879.571
Other		<b>2.766.851</b>	3.555.186
<b>Operating income before changes in working capital and other balances</b>		<b>573.224.228</b>	309.691.841
Change in trade accounts receivable		<b>(111.873.332)</b>	(135.659.521)
Change in inventories		<b>(5.478.004)</b>	5.025.954
Change in other current assets		<b>(7.180.127)</b>	12.746.799
Change in trade accounts payable		<b>19.114.532</b>	11.726.658
Change in other taxes payable		<b>996.446</b>	(1.771.017)
Change in contract liabilities with customers and other current liabilities		<b>2.461.077</b>	(1.838.050)
Change in employee benefit obligations		<b>(2.602.054)</b>	(1.964.223)
<b>Cash generated from operations before interest and corporate income tax payments</b>		<b>468.662.766</b>	197.958.441
Interest paid	15	<b>(144.489.258)</b>	(134.670.069)
Interest received		<b>65.702.996</b>	82.952.783
<b>Net cash flows from operating activities</b>		<b>389.876.504</b>	146.241.155
<b>Investing activities:</b>			
Purchase of property, plant and equipment, including advances paid for property, plant and equipment		<b>(770.860.636)</b>	(434.573.802)
Repayment of loans issued		<b>112.081.572</b>	92.428.411
Loans issued		<b>(173.901.848)</b>	(32.457.029)
Investments in subsidiaries	6	<b>(7.702.725)</b>	(30.367.765)
Acquisition of perpetual debt securities by a subsidiary	6	<b>(17.860.000)</b>	–
Dividends received		<b>46.754.157</b>	25.891.351
Sale of other non-current assets		<b>973.458</b>	879.208
Other		<b>(2.913)</b>	(458.326)
<b>Net cash used in investing activities</b>		<b>(810.518.935)</b>	(378.657.952)

*The accompanying notes are an integral part of these separate financial statements.*

**SEPARATE STATEMENT OF CASH FLOWS (continued)**

<i>In thousands of tenge</i>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Financing activities:</b>			
Share capital contribution	14	–	13.272.667
Proceeds from borrowings	15	<b>811.346.446</b>	519.135.126
Repayment of borrowings	15	<b>(378.894.120)</b>	(301.549.882)
Repayment of lease liabilities	15	<b>(9.871.643)</b>	(6.196.630)
Reclassification to restricted cash and cash equivalents		<b>(3.120.742)</b>	(3.092.053)
<b>Net cash flows from financing activities</b>		<b>419.459.941</b>	221.569.228
<b>Net decrease in cash and cash equivalents</b>		<b>(1.182.490)</b>	(10.847.569)
Cash and cash equivalents at the beginning of the year	10	<b>126.138.971</b>	139.416.391
Effect of changes in foreign exchange rates on cash and cash equivalents balances held in foreign currency		<b>(2.931.695)</b>	(2.433.139)
Effect of changes in the allowance for expected credit losses		<b>(6.373)</b>	3.288
<b>Cash and cash equivalents at the end of the year</b>	10	<b>122.018.413</b>	126.138.971

On behalf of the Company's management:



 \_\_\_\_\_ *Dair Kuserov* Finance Director


 \_\_\_\_\_ *Yelena Stankova* Chief Accountant


18 March 2026

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

<i>In thousands of tenge</i>	Charter capital	Additional paid-up capital	Foreign currency translation reserve	Retained earnings	Total equity
<b>As at 1 January 2024</b>	1.110.633.868	97	58.929	1.141.228.057	2.251.920.951
Profit for the year	-	-	-	128.023.525	128.023.525
Other comprehensive loss for the year	-	-	(127.870)	(144.787)	(272.657)
Total comprehensive (loss)/income for the year	-	-	(127.870)	127.878.738	127.750.868
Issue of share capital (Note 14)	13.272.667	-	-	-	13.272.667
Other deposits (Note 14)	-	-	-	71.516.339	71.516.339
<b>As at 31 December 2024</b>	<b>1.123.906.535</b>	<b>97</b>	<b>(68.941)</b>	<b>1.340.623.134</b>	<b>2.464.460.825</b>
<b>As at 1 January 2025</b>	<b>1.123.906.535</b>	<b>97</b>	<b>(68.941)</b>	<b>1.340.623.134</b>	<b>2.464.460.825</b>
Profit for the year	-	-	-	356.209.555	356.209.555
Other comprehensive loss for the year	-	-	(600.271)	(1.745.846)	(2.346.117)
Total comprehensive (loss)/income for the year	-	-	(600.271)	354.463.709	353.863.438
Issue of share capital (Note 14)	28.791.555	-	-	-	28.791.555
Other contributions (Note 14)	-	-	-	58.556.318	58.556.318
<b>As at 31 December 2025</b>	<b>1.152.698.090</b>	<b>97</b>	<b>(669.212)</b>	<b>1.753.643.161</b>	<b>2.905.672.136</b>

On behalf of the Company's management:


  
 \_\_\_\_\_ *Dair Kuserov* Finance Director  
 \_\_\_\_\_ *Yelena Stankova* Chief Accountant

18 March 2026

The accompanying notes are an integral part of these separate financial statements.

## **NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**For the year ended 31 December 2025**

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### **1. GENERAL INFORMATION**

Kazakhstan Temir Zholy National Company JSC (“the Company”) was created in the Republic of Kazakhstan (hereinafter – “Kazakhstan”) in accordance with Resolutions of the Kazakhstan Government (“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 Street, 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, the transportation distance, as well as the type, loading level, and ownership of the wagon. 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 and 1 May 2025, increase in tariffs for mainline railway network services was 2,6% and 35%, respectively (from 1 January, 4 June and 6 December 2024 increase by 4%, 8,8% and 7,8%, respectively).

#### **Operating environment**

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

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

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

## **NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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### **1. GENERAL INFORMATION (continued)**

#### **Operating environment (continued)**

In 2025, the average price for Brent crude oil was 68,91 USD per barrel (2024: 81 USD per barrel). According to preliminary estimates, Kazakhstan's gross domestic product ("GDP") grew 6,5% per annum in 2025 (2024: grew 4,4%). In 2025, inflation in Kazakhstan was 12,3% per annum (2024: 8,6%).

In 2025, the National Bank of the Republic of Kazakhstan (NBRK) increased the base rate from 15,25% to 18% per annum with a corridor of +/- 1,0 percentage points. In February 2026, the base rate remained at 18% per annum with a corridor of +/- 1,0 percentage points. Thus, uncertainty still exists with respect to the future development of geopolitical risks and their impact on the Kazakhstan economy.

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 2025, the volume of freight transportation in transit route increased compared to the previous year.

However, the consequences of these events and related future changes may have a significant impact on the 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 FINANCIAL STATEMENTS**

#### **Statement of compliance**

The Company's separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These separate financial statements are the financial statements of the parent Kazakhstan Temir Zholy National Company JSC. The Company's subsidiaries were not consolidated in these separate financial statements. Investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. These separate financial statements should be read in conjunction with the consolidated financial statements, which were authorised for issue by the management of the Company on 13 March 2026.

The consolidated financial statements of Kazakhstan Temir Zholy National Company JSC, prepared in accordance with IFRS Accounting Standards, 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 separate financial statements have been prepared on a going concern basis. Going concern assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future covering at least 12 months after the reporting date. As at 31 December 2025, the Company's current liabilities exceeded its current assets by 214.228.900 thousand tenge (31 December 2024: 376.434.853 thousand tenge).

As at 31 December 2025, the Company's borrowings of 404.398.209 thousand tenge (31 December 2024: 673.880.730 thousand tenge) are payable within twelve months after the reporting date. However, profit for the year ended 31 December 2025 amounted to 356.209.555 thousand tenge (31 December 2024: 128.023.525 thousand tenge), and cash inflows from operating activities amounted to 389.876.504 thousand tenge (for the year ended 31 December 2024: 146.241.155 thousand tenge).

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS (continued)

#### Going concern (continued)

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 Shareholder intends and is able to render the Company continuous ongoing financial and operating support in the foreseeable future. As at 31 December 2025, the Company has available credit lines with undrawn balance in total amount of 244.514.460 thousand tenge (*Note 31*). As at 31 December 2025, a part of the Company's liabilities are represented by loans from the Shareholder in the amount of 975.160.041 thousand tenge (*Note 30*), including a current portion in the amount of 37.629.711 thousand tenge. Based on past experience, the Company's Management believes that it will be able to negotiate changes in payment terms on its payables with the Shareholder, if necessary. After completing the relevant analysis and the available mitigating actions to management whereby management can carry out certain actions to improve the going concern and liquidity position of the Company, the management concluded that the Company has adequate resources to continue in operational existence and settle its liabilities and that the going concern basis is appropriate in preparing these separate financial statements.

#### Basis for measurement

The separate 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.

#### Functional and presentation currency

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS (continued)**

**Functional and presentation currency (continued)**

The following table presents tenge to foreign currency exchange rates:

	<b>31 December 2025</b>	31 December 2024	<b>Average for 2025</b>	Average for 2024
US\$	<b>505,53</b>	525,11	<b>521,59</b>	469,44
Euros	<b>593,44</b>	546,74	<b>590,15</b>	507,86
Swiss Francs	<b>637,33</b>	580,68	<b>630,43</b>	533,96
Russian Roubles	<b>6,34</b>	4,88	<b>6,28</b>	5,08

**3. MATERIAL ACCOUNTING POLICIES**

**Adoption of new and revised standards**

In the current year, the Company applied the Amendments to IAS 21 *Lack of Exchangeability*, which are effective for annual periods beginning on or after 1 January 2025. Their adoption has not had any significant impact on the disclosures or on the amounts reported in these separate financial statements.

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

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

<b>Description of the standard and interpretation</b>	<b>Applicable to annual periods beginning on or after</b>
Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB
Amendments to IFRS 7 and IFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Contracts Referencing Nature-dependent Electricity</i> – Amendments to IFRS 7 and IFRS 9	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11: <i>IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7</i>	1 January 2026
Amendments to IAS 21 <i>Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures and Amendments thereof</i>	1 January 2027

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

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

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### Material accounting policy information

##### *Property, plant, and equipment*

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

##### *Subsequent costs*

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

Costs incurred subsequent to the acquisition of an item of property, plant and equipment that meets the recognition criteria in accordance with IAS 16 *Property, Plant and Equipment* are capitalized, and the replaced items of property, plant and equipment are written off.

##### *Construction-in-progress*

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

#### **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 exemption for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, and for the leases of low original value assets (less than 2.000 thousand tenge). However, an asset may have a low value only if it is not highly dependent on or highly interrelated with other assets. The Company recognises short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### Lease contracts (continued)

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.

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.

The Company presents lease liabilities in the separate statement of financial position as a separate line (*Note 18*), while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment (*Note 5*).

#### 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 financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical exception, financial assets and financial liabilities are initially measured at fair value plus or minus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue*.

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.

## **NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **Financial instruments (continued)**

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

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

For the years ended 31 December 2025 and 2024, the Company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

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

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 fulfilment 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.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### 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 separate 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 6 and 8). Coupon payment on such debt securities is recognised as dividend income at the time of the decision to pay (Note 30).

#### 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 (Note 14).

#### Government grants

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

Government grants to subsidise part of interest rate on loans and finance leases are accounted for as financial income in the periods in which the Company recognises the relevant finance costs.

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

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### 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 contracts relationship between the Company and its subsidiary KTZ-Freight Transportation LLP coefficients 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.

#### Climate-related matters

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

The Company considers any potential effects on the Company associated both with physical risks (shallowing of the Caspian Sea, change in the climate's physical parameters) and transition risks (related legislation and regulations, changes in customer behaviour, use of new technologies, etc.). While the Company believes that its business model and services will remain competitive after the transition to a low-carbon economy, climate-related factors increase uncertainty about the estimates and assumptions underlying some items in the financial statements. Although climate-related risks may not currently have a significant impact on the assessment, the Company closely monitors relevant changes and developments, such as the adoption of new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful lives of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures;
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk, in particular, such as climate-related legislation and regulations and changes in demand for the Company's services;
- Decommissioning liability. The Company has no potential asset retirement and land reclamation obligations that could have a material effect on the consolidated financial position, results of operations or cash flows of the Company (*Note 29*);
- Emission rights. The Company is not subject to state regulation and GHG emission quotas system in the RK, and it is not among the entities receiving free allowances for CO<sub>2</sub> and other GHG emissions. Therefore, the Company is not exposed to the risks associated with the need to acquire additional allowances or pay fines for excess emissions within the state quotas system.

### 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 separate 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.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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

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

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (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 separate 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 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.

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

#### *Cash-generating unit identification*

In accordance with IAS 36 *Impairment of Assets*, a cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Taking into account NC KTZ JSC Group's current operating model and industry tariff regulation in the Republic of Kazakhstan (*Note 1*), the Company's management concluded that freight transportation, passenger transportation, mainline railway infrastructure and ancillary assets intended to support the operational functioning of the infrastructure form a single CGU, as the cash inflows from these operations are not largely independent.

NC KTZ JSC operations are influenced by the following factors:

- State tariff regulation of trunk railway network services. Tariffs are approved by the CRNM and are not formed in an active market. The Company has no ability to change prices at its own discretion, as stipulated by the Law of the Republic of Kazakhstan "On Railway Transport";
- Mechanism of the temporary balancing fee, approved by the Law of the Republic of Kazakhstan On Railway Transport and paid to the Passenger Traction Operator and the National Infrastructure Operator from the revenues of the National Freight Carrier from transit traffic in accordance with the Rules for calculating and paying the temporary balancing fee;
- Temporary reduction factor applied to tariffs for regulated services of the mainline railway network on socially significant passenger routes, approved by the CRNM in accordance with the legislation on natural monopolies. The application of the temporary reduction factor serves as a regulatory mechanism for cross-subsidizing passenger transportation on socially significant routes;
- The legal and functional indivisibility of the mainline railway network, since the mainline railway network is not subject to privatization and is classified as property transferred to national institutions in accordance with the procedure established by authorized bodies pursuant to the Law of the Republic of Kazakhstan On Railway Transport. Consequently, there is no objective and reliable basis for allocating infrastructure assets among different modes of transportation.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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

#### Critical judgements in applying accounting policies (continued)

##### *Cash-generating unit identification (continued)*

The factors above influence the redistribution of revenues from the freight segment in favor of passenger transportation and infrastructure and create a systemic economic interdependence of cash inflows, which precludes the generation of independent and distinct inflows for each of these segments.

Based on the foregoing, currently, the lowest level at which cash inflows can be identified as largely independent (as defined in IAS 36) is the combination of these business segments into a single CGU.

The rules for identifying CGUs are applied consistently and reviewed when facts and circumstances change (completion of privatization/structural reforms approved by the Government of the Republic of Kazakhstan; changes in the tariff architecture/mechanism of subsidy; the emergence of an active market generating independent cash inflows, etc.).

The Company notes that changes in the operating model or the completion of restructuring processes in future periods may result in a revision of the identified CGUs and, accordingly, may impact the carrying amount of the Company's long-term assets in future periods.

##### *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 market rates, 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.

As at 31 December 2025, 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 Francs, 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 at 31 December 2025, the Company's management did not identify any events that occurred during 2025 that could be considered an indicator of impairment of the single CGU, "Transportation Operations," which comprises business activities related to freight and passenger transportation, mainline railway infrastructure, and ancillary assets intended to support the operational functioning of the infrastructure.

##### *Investment in Aktau International Sea Commercial Port National Company JSC*

Under a trust management agreement with the Shareholder, the Shareholder transferred for managing the Company 100% of the shares of Aktau International Sea Commercial Port National Company JSC, granting the Company, as at 31 December 2025, broad powers to manage the operations and dispose of this shareholding. This agreement provides the Company with the practical ability to solely direct the material activities of the entity and to receive variable returns in the form of dividends.

Based on this significant judgment, the Company recognizes Aktau International Sea Commercial Port National Company JSC as a subsidiary and records an investment in the amount of 27.170.904 thousand tenge within investments in subsidiaries (*Note 6*), as the Company expects to recover this investment primarily through dividend distributions.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**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 Company performs an impairment indicators analysis of the carrying amount 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.

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 20,75% of additional accruals or overdue taxes. As a result, penalties and interest can exceed the amount of additional accrued taxes.

Because of the uncertainties disclosed above, the ultimate amount of taxes, penalties and interest, if any, imposed may be in excess of the amount expensed to date and accrued as at 31 December 2025. Any difference between the estimated amount and the actual amount paid, if any, could have a significant impact on future operating results.

*Assessment of the initial recognition of 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**Key sources of estimation uncertainty (continued)**

*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 2025 and 2024 the internal credit rating of the subsidiaries-borrowers was determined based on the external credit rating of the Shareholder. As at 31 December 2025 and 2024, the allowance for impairment of loans issued amounted to 2.189.520 thousand tenge and 1.921.469 thousand tenge, respectively (*Note 8*).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

5. PROPERTY, PLANT, AND EQUIPMENT

<i>In thousands of tenge</i>	Rail track infrastructure	Buildings and structures	Machinery and equipment	Vehicles	Land	Other	Construction- in-progress	Total
<b>Carrying value as at 1 January 2025</b>	<b>1.563.642.977</b>	<b>184.539.716</b>	<b>239.168.684</b>	<b>45.531.795</b>	<b>874.597</b>	<b>4.819.364</b>	<b>465.983.348</b>	<b>2.504.560.481</b>
Additions	25.660	4.962.678	12.047.136	8.889.355	3.120	259.869	645.300.428	671.488.246
Share capital contribution	8.055.555	1.275.000	7.345.146	223.548	-	11.892.306	-	28.791.555
Lease additions	-	21.606	-	-	-	-	-	21.606
Lease modifications	-	1.987	(306.398)	-	-	-	-	(304.411)
Disposals	(2.811.776)	(1.492.669)	(3.198.478)	(451.193)	(2.026)	(410.950)	-	(8.367.092)
Depreciation charge	(49.197.413)	(5.113.334)	(31.499.605)	(5.064.221)	-	(1.240.398)	-	(92.114.971)
Depreciation on disposal	1.476.249	654.444	2.549.157	365.069	-	410.950	-	5.455.869
Impairment reversal/(impairment)	10.137	(39.283)	(243.218)	(64.725)	-	3.146	(3.520.062)	(3.854.005)
Contribution to the share capital of subsidiaries (Note 6)	-	-	(13.986)	-	-	-	-	(13.986)
Transfers to other non-current assets (Note 9)	-	-	-	-	-	-	(10.221.026)	(10.221.026)
Other movements and transfers*	553.719.718	9.071.556	169.566.865	11.527.199	-	80.542	(748.731.168)	(4.765.288)
<b>Carrying value as at 31 December 2025</b>	<b>2.074.921.107</b>	<b>193.881.701</b>	<b>395.415.303</b>	<b>60.956.827</b>	<b>875.691</b>	<b>15.814.829</b>	<b>348.811.520</b>	<b>3.090.676.978</b>
Cost	2.514.267.977	253.095.273	716.024.123	112.374.019	875.691	28.084.790	361.277.249	3.985.999.122
Accumulated depreciation and impairment	(439.346.870)	(59.213.572)	(320.608.820)	(51.417.192)	-	(12.269.961)	(12.465.729)	(895.322.144)
<b>Carrying value as at 31 December 2025</b>	<b>2.074.921.107</b>	<b>193.881.701</b>	<b>395.415.303</b>	<b>60.956.827</b>	<b>875.691</b>	<b>15.814.829</b>	<b>348.811.520</b>	<b>3.090.676.978</b>
<b>Including:</b>								
Right of use assets:								
Cost	-	319.107	41.390.283	-	-	-	-	41.709.390
Accumulated depreciation and impairment	-	(296.766)	(25.431.954)	-	-	-	-	(25.728.720)
Carrying value	-	22.341	15.958.329	-	-	-	-	15.980.670

\* Other movements and transfers also include transfers to/from inventories.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In thousands of tenge</i>	<b>Rail track infrastructure</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Land</b>	<b>Other</b>	<b>Construction- in-progress</b>	<b>Total</b>
<b>Carrying value as at 1 January 2024</b>	1.443.709.044	179.065.347	213.635.053	36.632.745	852.857	4.099.149	175.651.090	2.053.645.285
Additions	364.602	4.815.601	19.315.019	4.730.789	27.676	1.397.265	501.430.700	532.081.652
Lease additions	-	504	27.261.487	-	-	-	-	27.261.991
Lease modifications	-	26.220	(381.996)	-	-	-	-	(355.776)
Disposals	(456.391)	(482.676)	(35.801.141)	(158.947)	(5.936)	(444.046)	(558.438)	(37.907.575)
Depreciation charge	(42.706.697)	(4.118.149)	(30.233.892)	(4.394.025)	-	(1.188.347)	-	(82.641.110)
Depreciation on disposal	296.250	283.944	34.052.402	158.107	-	439.897	-	35.230.600
(Impairment)/impairment reversal/ Contribution to the share capital of subsidiaries	(58.250)	(294.589)	(29.981)	3.478	-	103.415	(207.785)	(483.712)
Transfers to other non-current assets (Note 9)	(34.514)	(819.714)	(92.038)	-	-	(366)	-	(946.632)
Other movements and transfers*	-	-	-	-	-	-	(17.493.441)	(17.493.441)
<b>Carrying value as at 31 December 2024</b>	<b>1.563.642.977</b>	<b>184.539.716</b>	<b>239.168.684</b>	<b>45.531.795</b>	<b>874.597</b>	<b>4.819.364</b>	<b>465.983.348</b>	<b>2.504.560.481</b>
Cost	1.962.646.678	239.370.371	530.496.405	92.009.006	874.597	16.198.055	475.201.127	3.316.796.239
Accumulated depreciation and impairment	(399.003.701)	(54.830.655)	(291.327.721)	(46.477.211)	-	(11.378.691)	(9.217.779)	(812.235.758)
<b>Carrying value as at 31 December 2024</b>	<b>1.563.642.977</b>	<b>184.539.716</b>	<b>239.168.684</b>	<b>45.531.795</b>	<b>874.597</b>	<b>4.819.364</b>	<b>465.983.348</b>	<b>2.504.560.481</b>
<b>Including:</b>								
Right of use assets:								
Cost	-	311.894	41.696.681	-	-	-	-	42.008.575
Accumulated depreciation and impairment	-	(256.199)	(18.069.110)	-	-	-	-	(18.325.309)
Carrying value	-	55.695	23.627.571	-	-	-	-	23.683.266

\* Other movements and transfers also include transfers to/from inventories.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

As at 31 December 2025, construction-in-progress mainly consists of project costs for the modernisation of the Dostyk-Moiynty railway transport corridor, the construction of the Dostyk–Alashankou, Darbaza–Maktaaral, Moiynty–Kyzylzhar and Bakhty–Ayagoz railway lines, a bypass railway line bypassing the Almaty station and other railway reconstruction infrastructure.

As at 31 December 2025 and 2024, the Company has no property, plant and equipment used as collateral for loans.

For the year ended 31 December 2025, the Company recognised depreciation expenses on right-of-use assets under lease agreements in the amount of 7.419.791 thousand tenge (for the year ended 31 December 2024: 7.542.703 thousand tenge), related to the machinery and equipment.

For the years ended 31 December 2025 and 2024, capitalised borrowing costs amounted to 55.348.708 thousand tenge and 34.761.266 thousand tenge, respectively. The average capitalisation rate stood at 11,61% (for the year ended 31 December 2024: 11,92%).

As at 31 December 2025 and 2024, the cost of the Company`s fully depreciated property, plant and equipment in use is 367.468.125 thousand tenge and 350.192.845 thousand tenge, respectively.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**6. INVESTMENTS IN SUBSIDIARIES**

Name	Primary activities	Country	31 December 2025		31 December 2024	
			Carrying amount	Participation interest	Carrying amount	Participation interest
Kaztemirtrans JSC	Freight wagon operation	Kazakhstan	<b>559.994.162</b>	<b>100%</b>	560.711.150	100%
KTZ-Freight Transportation LLP	Freight transportation and locomotive haulage	Kazakhstan	<b>406.534.108</b>	<b>100%</b>	87.671.389	100%
Passenger Transportation JSC	Passenger Transportation	Kazakhstan	<b>318.725.905</b>	<b>100%</b>	250.418.677	100%
KTZ Express JSC	Freight forwarding services, multimodal transportation	Kazakhstan	<b>138.093.461</b>	<b>100%</b>	149.818.381	100%
KTZ-Passenger Locomotives LLP	Provision of haulage rolling stock services	Kazakhstan	<b>93.683.440</b>	<b>100%</b>	92.902.968	100%
Port Kuryk LLP	Freight transshipment and vessel servicing	Kazakhstan	<b>61.522.152</b>	<b>100%</b>	55.219.427	100%
Kedentransservice JSC	Freight forwarding services, rolling stock operation, terminal services	Kazakhstan	<b>35.373.120</b>	<b>100%</b>	35.373.120	100%
Aktau International Sea Commercial Port National Company JSC*	Loading and unloading operations, ship maintenance	Kazakhstan	<b>27.170.904</b>	<b>100%</b>	26.233.840	100%
Temirzholsu JSC	Utilities	Kazakhstan	<b>17.351.118</b>	<b>100%</b>	15.951.118	100%
Militarised Railway Security LLP	Security service	Kazakhstan	<b>176.106</b>	<b>100%</b>	176.106	100%
			<b>1.658.624.476</b>		<b>1.274.476.176</b>	

\* In November 2013, the Shareholder transferred 100% of participation interest in the Aktau International Sea Trade 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 recognises the Aktau International Sea Trade Port National Company JSC as a subsidiary even if it does not legally owns it.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**6. INVESTMENTS IN SUBSIDIARIES (continued)**

During 2025, the Company contributed to the charter capital of:

- Port Kuryk LLP by cash in the amount of 6.302.725 thousand tenge (2024: 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);
- Temirzholsu JSC by cash in the amount of 1.400.000 thousand tenge (2024: 1.400.000 thousand tenge);
- Passenger Transportation JSC by non-current assets in the amount of 13.986 thousand tenge.

During 2024, the Company contributed in cash to the charter capital of KTZ-Freight Transportation LLP 13.272.667 thousand tenge.

In 2025, the Company recognised the fair value of financial guarantees on loans received by certain subsidiaries as investments in subsidiaries for the amount of 53.771.079 thousand tenge (2024: 28.568.643 thousand tenge) net of deferred tax effect for the amount of 10.742.215 thousand tenge (2024: 5.713.728 thousand tenge).

In May 2025, the Company recognised a fair value adjustment of the loan issued to the subsidiary Passenger Transportation JSC in the amount of 56.981.592 thousand tenge, less deferred tax of 11.396.317 thousand tenge as an increase in investments (*Note 8*).

In 2025, as part of its debt forgiveness agreement with the subsidiary KTZ-Freight Transportation LLP, in relation to the provision of mainline railway network services entered into in September 2025, the Company recognised an increase in investments to the subsidiary for the amount of 50.000,000 thousand tenge.

In December 2025, in connection with acquisition of the perpetual debt securities issued by the subsidiary KTZ-Freight Transportation LLP with the right of KTZ-Freight Transportation LLP to unilaterally defer the relevant coupon payment (in whole or in part) in favor of the Company, the Company classified them as an investment in subsidiaries at the amount of 235.017.452 thousand tenge (*Note 8*).

In December 2025, in connection with acquisition of the perpetual debt securities issued by the subsidiary Passenger Transportation JSC with the right of Passenger Transportation JSC to unilaterally defer the relevant coupon payment (in whole or in part) in favor of the Company, the Company classified them as an investment in subsidiaries at the amount of 17.860.000 thousand tenge. Coupon rate is 0,01%, coupon payment - twice a year.

During 2025, the subsidiary KTZ Express JSC partly repaid perpetual debt securities, which were purchased by the Company earlier, for the amount of 15.000.000 thousand tenge. The Company recognised partial repayment of perpetual debt securities as a decrease in investments into the subsidiary.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

Description	Primary activity	Main country of operation / country of registration	31 December 2025		31 December 2024	
			Carrying amount	Ownership interest	Carrying amount	Ownership interest
<b>Associates</b>						
Dosjan Temir Zholy JSC	Construction and exploitation of railway line Shar-Ust-Kamenogorsk	Kazakhstan	5.458.000	46,02%	5.458.000	46,02%
Transtelecom JSC	Telecommunication services	Kazakhstan	3.106.283	25%	3.106.283	25%
United Transport and Logistics Company - Eurasian Rail Alliance JSC ("UTLC ERA JSC")	Domestic and international rail transportation and freight forwarding	Russia	155.695	33,33%	155.695	33,33%
			8.719.978		8.719.978	
Allowance for impairment of investments			(5.458.000)		(5.458.000)	
<b>Total investments in associates</b>			<b>3.261.978</b>		<b>3.261.978</b>	
<b>Joint ventures</b>						
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	222.960	33,33%*	79.898	33,33%*
<b>Total investments in joint ventures</b>			<b>222.960</b>		<b>79.898</b>	

\* Decisions relating to the relevant activities are subject to the unanimous approval of all joint venture participants.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**8. LOANS ISSUED**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
<b>Current loans:</b>		
KTZ-Freight Transportation LLP	<b>43.477.454</b>	17.187.059
KTZ-Passenger Locomotives LLP	<b>30.764.118</b>	25.076.476
Passenger Transportation JSC	<b>14.622.405</b>	2.292.265
KTZ Express JSC	<b>8.984</b>	-
Other	<b>124.313</b>	124.313
Less: allowance for impairment	<b>(151.301)</b>	(131.643)
<b>Total current loans</b>	<b>88.845.973</b>	44.548.470
<b>Non-current loans:</b>		
Passenger Transportation JSC	<b>53.416.594</b>	53.753.894
Vostokmashzavod JSC	<b>1.859.929</b>	4.054.479
Less: allowance for impairment	<b>(1.901.838)</b>	(1.406.497)
<b>Total non-current loans</b>	<b>53.374.685</b>	56.401.876
<b>Debt securities</b>		
<b>Issued by subsidiaries:</b>		
KTZ-Passenger Locomotives LLP	<b>68.228.192</b>	36.363.408
Kaztemirtrans JSC	<b>61.459.480</b>	99.676.463
Passenger Transportation JSC	<b>26.651.663</b>	29.852.721
Aktau International Sea Trade Port NC JSC	<b>4.226.842</b>	-
KTZ Express JSC	<b>3.949.458</b>	1.565.171
KTZ-Freight Transportation LLP	<b>-</b>	239.379.845
Less: allowance for impairment	<b>(136.381)</b>	(383.329)
<b>Total debt securities</b>	<b>164.379.254</b>	406.454.279
<b>Total loans issued and debt securities issued by subsidiaries</b>	<b>306.599.912</b>	507.404.625
Current portion of loans	<b>113.391.382</b>	83.243.623
Non-current portion of loans	<b>193.208.530</b>	424.161.002
	<b>306.599.912</b>	507.404.625

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 31*).

As at 31 December 2025, loans issued are expressed in tenge, while debt securities issued by subsidiaries Aktau International Sea Trade Port NC JSC, KTZ-Passenger Locomotives LLP and KTZ Express JSC in the total amount of 43.548.937 thousand tenge indexed to the Swiss Francs (31 December 2024: 191.196.682 thousand tenge).

**Loans issued**

*Passenger Transportation JSC*

In May 2025, the Company issued a loan to its subsidiary Passenger Transportation JSC for acquisition of passenger carriages in the amount of the special-purpose loan of 65.480.002 thousand tenge received from the Shareholder. Loan interest is paid semi-annually at an interest rate of 0,05%. The principal is repayable by annual instalments until full repayment in 2055. The loan was provided at an interest rate below market, and the fair value of the loan received was determined using a market rate of 12,35%. The Company recognised a fair value adjustment in the amount of 56.981.592 thousand tenge, net of deferred tax in the amount of 11.396.317 thousand tenge, within investments into subsidiaries (*Note 6*).

In December 2025, the subsidiary Passenger Transportation JSC partly repaid a number of loans received from the Company for the total of 17.860.093 thousand tenge. As a result, the Company recognised the write-off of the unamortised part of the discount on loans for the total amount of 6.477.449 thousand tenge within finance income.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**8. LOANS ISSUED (continued)**

**Debt securities issued by subsidiaries**

*KTZ Express JSC*

In March 2025, as part of Liquidity Management Program, the Company purchased at Astana International Exchange (AIX) debt securities issued by its subsidiary KTZ Express JSC with indexation to the Swiss Francs, for the amount of 3.500.736 thousand tenge with the coupon rate of SARON 3m + 2% margin. Principal and coupon are repayable quarterly until full repayment in 2027.

*KTZ-Passenger Locomotives LLP*

In March 2025, as part of Liquidity Management Program, the Company purchased at Astana International Exchange (AIX) debt securities issued by its subsidiary KTZ-Passenger Locomotives LLP for the amount of 17.000.000 thousand tenge with the coupon rate of the base rate of the National Bank of the Republic of Kazakhstan + 1,5% margin. Principal and coupon are repayable semi-annually until full repayment in 2028.

In December 2025, as part of Liquidity Management Program, the Company purchased at Astana International Exchange (AIX) debt securities issued by its subsidiary KTZ-Passenger Locomotives LLP for the amount of 18.000.000 thousand tenge with the coupon rate of the base rate of the National Bank of the Republic of Kazakhstan + 1,5% margin. Principal and coupon are repayable semi-annually until full repayment in 2032.

*Aktau International Sea Trade Port NC JSC*

In July 2025, as part of Liquidity Management Program, the Company purchased at Astana International Exchange (AIX) debt securities issued by its subsidiary NC Aktau International Sea Trade Port JSC with indexation to the Swiss Francs, for the amount of 4.485.467 thousand tenge with the coupon rate of SARON 3m + 2% margin. Principal and coupon are repayable quarterly until full repayment in 2031.

*KTZ-Freight Transportation LLP*

In December 2025, for the purpose of refinancing of debt securities purchased by the Company in 2020, as part of the second issue of the First Bond Program at Astana International Exchange (AIX), the subsidiary KTZ-Freight Transportation LLP re-issued perpetual debt securities for the amount of 82.969.095 thousand tenge, with the coupon rate of 14,58%, specifically in favour of the Company. Coupon rate - twice a year. The Company classified these perpetual debt securities in investments into subsidiaries (*Note 6*).

In December 2025, for the purpose of refinancing of debt securities with indexation to Swiss Francs purchased by the Company in 2023, as part of Liquidity Management Program at Astana International Exchange (AIX), the subsidiary KTZ-Freight Transportation LLP re-issued perpetual debt securities for the amount of 152.048.357 thousand tenge, with indexation to Swiss Francs, with the coupon rate of SARON 6m + 3,0% margin, specifically in favour of the Company. Coupon rate - twice a year. The Company classified these perpetual debt securities in investments into subsidiaries (*Note 6*).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**9. OTHER NON-CURRENT ASSETS**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Advances paid for property, plant and equipment	<b>407.561.553</b>	134.946.176
Non-current assets intended for subsequent contribution to the share capital of subsidiaries	<b>27.714.467</b>	17.493.441
Corporate income tax withheld	<b>2.047.821</b>	35.231.547
Other	<b>605.486</b>	623.998
Less: allowance for expected credit losses on other non-current non-financial assets	<b>(354.894)</b>	(406.328)
<b>Total other non-financial assets</b>	<b>437.574.433</b>	187.888.834
Loans to employees	<b>1.842.189</b>	2.131.448
Other	<b>1.081.757</b>	1.602.536
Less: allowance for expected credit losses on other non-current financial assets	<b>(78.879)</b>	(103.553)
<b>Total other financial assets</b>	<b>2.845.067</b>	3.630.431
	<b>440.419.500</b>	191.519.265

As at 31 December 2025, advances paid for property, plant and equipment mostly included advances paid for the construction and modernisation of railway lines in the amount of 289,071,600 thousand tenge (31 December 2024: 128,867,952 thousand tenge), for the construction of railroad switches in the amount of 68,597,663 thousand tenge and for the modernisation of railway stations in the amount of 26,469,128 thousand tenge.

During 2025, the Company transferred to non-current assets construction projects of the ferry complex at the Kuryk port in the amount of 10,221,026 thousand tenge which are intended for subsequent transfer to the charter capital of subsidiaries (2024: 17,493,441 thousand tenge) (Note 5).

As at 31 December 2025 the Company reclassified to other current assets a part of withholding corporate income tax in the amount of 34,388,341 thousand tenge (Note 13).

**10. CASH AND CASH EQUIVALENTS**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Short-term bank deposits in tenge	<b>87.130.883</b>	6.771.265
Cash on digital accounts in tenge	<b>22.882.409</b>	116.635.055
Cash in current accounts in tenge	<b>11.896.405</b>	2.627.207
Cash in current bank accounts in other currencies	<b>119.648</b>	110.003
	<b>122.029.345</b>	126.143.530
Less: allowance for expected credit losses on cash and cash equivalents	<b>(10.932)</b>	(4.559)
	<b>122.018.413</b>	126.138.971

As at 31 December 2025, cash on digital accounts represents programmable digital tenge only for the modernisation of the Dostyk-Moiynty railway transport corridor and received as part of the bond issuance on the Kazakhstan Stock Exchange in favour of the Shareholder (Note 15).

As at 31 December 2025, the weighted average interest rate on cash in current accounts in tenge was 7,43% (31 December 2024: 8,62%).

Short-term bank deposits are opened for three months or less, depending on the Company's cash needs. As at 31 December 2025, the weighted average interest rate on short-term bank deposits was 17,73% (31 December 2024: 14,93%).

As at 31 December 2025, the carrying value of cash placed by the Company on current accounts in Kazpost JSC and on digital accounts in the National Bank of Kazakhstan, which are related parties of the Company, amounted to 254,200 thousand tenge (31 December 2024: nil ) and 22,881,735 thousand tenge (31 December 2024: 116,631,095 thousand tenge), respectively (Notes 30 and 31).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**10. CASH AND CASH EQUIVALENTS (continued)**

In addition, the Company places cash and cash equivalents in banks and other financial institutions rated from AA to B+. Based on this, the Company believes that its cash and cash equivalents credit risk as at 31 December 2025 is low.

The allowance for expected credit losses on cash and cash equivalents is based on 12-month expected credit losses, which matches their maturity date.

**11. INVENTORIES**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Track structure materials (at cost)	<b>26.793.312</b>	15.586.435
Materials and supplies (at cost)	<b>5.151.778</b>	7.749.235
Fuel and lubricants (at cost)	<b>1.842.778</b>	1.210.779
Spare parts (at cost)	<b>778.615</b>	595.280
Construction materials (at cost)	<b>423.873</b>	550.877
Others (at cost)	<b>1.416.922</b>	1.148.286
	<b>36.407.278</b>	26.840.892

**12. TRADE ACCOUNTS RECEIVABLE**

	<b>31 December 2025</b>	31 December 2024
Trade accounts receivable from related parties	<b>343.659.530</b>	301.291.942
Trade accounts receivable from third parties	<b>2.986.816</b>	1.537.879
	<b>346.646.346</b>	302.829.821
Less: allowance for expected credit losses on accounts receivable	<b>(334.368)</b>	(92.819)
	<b>346.311.978</b>	302.737.002

As at 31 December 2025 and 2024, trade accounts receivable were mainly expressed in tenge.

As at 31 December 2025, trade accounts receivable arising from the contracts with customers amounted to 346.566.446 thousand tenge (31 December 2024: 302.768.878 thousand tenge), and expected credit losses on those trade accounts receivable were 304.798 thousand tenge (31 December 2024: 85.173 thousand tenge).

As at 31 December 2025 and 2024, 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**13. OTHER CURRENT ASSETS**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Withholding corporate income tax	<b>35.595.793</b>	4.487.693
Advances paid	<b>8.107.980</b>	4.303.454
Other taxes prepaid	<b>501.340</b>	485.042
Prepaid expenses	<b>288.942</b>	1.500.234
Income tax prepaid	<b>35.623</b>	265.623
Others	<b>3.080.120</b>	3.071.573
Less: allowance for the impairment of advances paid and other current non-financial assets	<b>(3.375.364)</b>	(7.460.991)
<b>Total other non-financial assets</b>	<b>44.234.434</b>	6.652.628
Restricted cash	<b>3.605.893</b>	3.677.217
Claims, interest and fines	<b>897.712</b>	397.884
Loans to employees	<b>627.164</b>	548.255
Others	<b>1.104.625</b>	664.257
Less: allowance for expected credit losses on other current financial assets	<b>(1.057.971)</b>	(220.705)
<b>Total other financial assets</b>	<b>5.177.423</b>	5.066.908
	<b>49.411.857</b>	11.719.536

As at 31 December 2025, the Company reclassified from other non-current assets a portion of corporate income tax withheld at source in the amount of 34.388.341 thousand tenge, which is expected to be offset against corporate income tax payable for the year ended 31 December 2026 (*Note 9*).

During 2025, due to the expiry of the ten-year period established by the tax legislation of the Republic of Kazakhstan for offsetting against corporate income tax payable, the Company wrote off a portion of corporate income tax withheld at source in the amount of 4.123.447 thousand tenge against the previously recognized provision.

**14. EQUITY**

	<b>No. of shares authorised for issue</b>	<b>No. of shares issued and paid</b>	<b>Share capital, In thousands of tenge</b>	<b>Additional paid-in capital In thousands of tenge</b>
As at 1 January 2024	502.040.458	496.693.666	1.110.633.868	97
Shares issued	–	1.000	13.272.667	–
<b>As at 31 December 2024</b>	502.040.458	496.694.666	1.123.906.535	97
Shares issued	–	<b>1.010</b>	<b>28.791.555</b>	–
<b>As at 31 December 2025</b>	<b>502.040.458</b>	<b>496.695.676</b>	<b>1.152.698.090</b>	<b>97</b>

The Company's share 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.

*Share issuance*

During 2025, the Company issued 1.010 shares paid by the Shareholder by contributing non-current assets with a total fair value of 28.791.555 thousand tenge (*Note 5*).

During 2025, the Company issued 1.000 shares that was paid in cash of 13.272.667 thousand tenge by the Shareholder.

*Other contributions*

In 2025, the Company recognised an adjustment to loans received from Shareholder at rates lower than market to fair value of 73.195.397 thousand tenge (2024: 89.395.423 thousand tenge) net of deferred tax effect for 14.639.079 thousand tenge (2024: 17.879.084 thousand tenge) (*Notes 15 and 16*).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**15. BORROWINGS**

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

<i>In thousands of tenge</i>	<b>31 December 2025</b>		31 December 2024	
	<b>Amount</b>	<b>Weighted average effective interest rate (%)</b>	Amount	Weighted average effective interest rate (%)
<i>Fixed interest rate borrowings</i>				
Loans received	<b>219.729.224</b>		225.071.203	
- in tenge	<b>219.729.224</b>	<b>9,95</b>	165.588.279	9,68
- in Swiss Francs	-	-	59.482.924	3,40
Debt securities issued	<b>1.192.345.839</b>		1.207.802.385	
- in tenge	<b>783.333.592</b>	<b>12,16</b>	759.017.615	11,78
- in US\$	<b>409.012.247</b>	<b>6,52</b>	448.784.770	6,42
<i>Floating interest rate borrowings</i>				
Loans received	<b>782.149.443</b>		407.428.536	
- in Swiss Francs	<b>782.149.443</b>	<b>1,92</b>	407.428.536	3,32
Debt securities issued	<b>83.885.966</b>		84.090.134	
- in tenge	<b>83.885.966</b>	<b>13,63</b>	84.090.134	14,78
	<b>2.278.110.472</b>		1.924.392.258	
Current portion of borrowings	<b>404.398.209</b>		673.880.730	
Non-current portion of borrowings	<b>1.873.712.263</b>		1.250.511.528	
	<b>2.278.110.472</b>		1.924.392.258	

Borrowings presented on discounted basis, excluding debt securities, should be repaid as follows:

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
During the year	<b>305.283.415</b>	202.328.414
1-2 years	<b>59.974.529</b>	55.085.405
2-3 years	<b>365.689.012</b>	54.709.740
3-4 years	<b>46.310.614</b>	54.321.511
4-5 years	<b>33.437.187</b>	42.268.534
Over 5 years	<b>191.183.910</b>	223.786.135
	<b>1.001.878.667</b>	632.499.739

**Loans received**

*The Shareholder*

In 2025, the Company received borrowings amounting to 65.480.002 thousand tenge under a loan agreement with the Shareholder concluded on 19 May 2025 to finance the purchase of passenger carriages. Loan interest is paid semi-annually at an interest rate of 0,05%. The principal is repayable by annual instalments until full repayment in 2055. The loan was provided at an interest rate below market, and the fair value of the loan received was determined using a market rate of 12,35%. The Company recognised an adjustment to fair value of borrowings in the amount of 56.989.573 thousand tenge, net of deferred tax in the amount of 11.397.914 thousand tenge through equity in retained earnings as other contributions (Note 14).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**15. BORROWINGS (continued)**

**Loans received (continued)**

*The Shareholder (continued)*

In 2024, the Company, under a loan agreement with the Shareholder concluded on 21 October 2010, to finance the construction of railways "Korgos-Zhetygen" and "Uzen-Turkmenistan Border" for a total amount of 30.000.000 thousand tenge, signed an additional agreement to extend the repayment period from 2024 until 2044 and change the interest rate from 2% to 9,25%. Loan interest is repaid semi-annually. Due to a significant change in the terms of the loan, the 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 Company 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 contributions (*Note 14*). During 2025, the Company carried out an early repayment of the loan

*Citibank*

In 2025, the Company, under the credit line agreement with Citibank dated 4 April 2024, borrowed funds in the total amount of 250.000.000 Swiss Francs (159.513.500 thousand tenge) with an interest rate of SARON + 2% and a maturity of up to one year. The Company has made partial early repayment of the loans received in the amount of 62.000.000 Swiss Francs (41.417.860 thousand tenge).

In 2024, the Company, under the credit line agreement with Citibank, dated 4 April 2024, received borrowings in the total amount of 150.000.000 Swiss Francs (77.828.000 thousand tenge) with an interest rate from 3,21% to 3,4% and a repayment period of up to one year. In 2025, the Company settled its borrowings as they fell due.

*Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC*

In August 2025, the Company, under a loan agreement with Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC dated 18 July 2025, to finance the construction of large-scale railway infrastructure projects and the modernisation of existing railway lines, for a total amount of 600.000.000 US Dollars in Swiss Francs equivalent, received borrowed funds of 484.680.000 Swiss Francs (324.953.706 thousand tenge). Loan interest is repaid semi-annually at SARON 6m + 1,6%. Principal is repayable in a single payment in July 2028.

*Freedom Bank Kazakhstan JSC*

In December 2025, the Company, under the credit line agreement dated 30 October 2025 with Freedom Bank Kazakhstan JSC received borrowings in a total amount of 10.000.000 thousand tenge with an interest rate of 19,50% and maturity of up to one year.

*Halyk Bank JSC*

In 2025, the Company, under the credit line agreement with Halyk Bank JSC, concluded on 26 February 2015, received borrowings in the total amount of 110.000.000 thousand tenge with an interest rate of 16,75% to 19,5% and a maturity of up to one year. The Company has made partial early repayment of loans received in the total amount of 100.000.000 thousand tenge.

In 2024, the Company, under the credit line agreement with Halyk Bank JSC, concluded on 26 February 2015, received borrowings in the total amount of 30.000.000 thousand tenge with an interest rate of 15,75% to 16,75% and a maturity of up to one year.

*ForteBank JSC*

In 2025, the Company, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, received borrowings of 60.000.000 thousand tenge with an interest rate of 18% to 19,5% and maturity up to six months. The Company has made partial early repayment of loans received in the total amount of 50.000.000 thousand tenge.

In 2024, the Company, under the credit line agreement with ForteBank JSC concluded on 13 June 2022, received borrowings of 65.000.000 thousand tenge with an interest rate of 15,75% to 16,75% and maturity up to six months. The Company has made early repayment of loans received in the total amount of 55.000.000 thousand tenge.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**15. BORROWINGS (continued)**

**Loans received (continued)**

*European Bank for Reconstruction and Development (EBRD)*

In July 2024, the Company, under the credit line agreement with EBRD, dated 4 July 2024, received borrowings in the total amount of 200.000.000 Swiss Francs (107.986.000 thousand tenge). Interest is repaid semi-annually at SARON 6m + 1,80% margin. Principal is repayable semi-annually until full repayment in 2029.

**Debt securities issued**

As at 31 December, debt securities issued included:

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

\* Percentages in brackets represent the cost of issuing bonds/Eurobonds from par value (at premium/with discount or at par).

In August 2025, the Company, as part of the Eurobonds issuance on the Kazakhstan Stock Exchange in favor of the Shareholder in the amount of 882.978.000 US\$ dated 28 October 2022, signed a memorandum to extend the maturity of the Eurobonds from 2025 to 2028 and to change the coupon rate from 2% to 3%. Coupon rate - twice a year. As the modification is considered insignificant, the Company recognized an adjustment to the carrying amount of the bonds issued within finance income in the amount of 80.296.949 US\$ (43.226.257 thousand tenge) (Note 26).

In December 2025, the Company, to implement the project “Modernisation of the railway transport corridor Dostyk-Moiynty, issued bonds on the Kazakhstan Stock Exchange in favour of the Shareholder in the amount of 42.325.904 thousand tenge with a coupon rate of 9,37% per annum and a maturity date in 2045. Coupon rate - twice a year. Digital tenge were used in this issue (Note 10). The bonds were issued with a coupon rate below the market rate, and the fair value was calculated based on the market rate of 16,30%. The Company recognised an adjustment to fair value of the bonds in the amount of 16.205.824 thousand tenge, net of deferred tax in the amount of 3.241.165 thousand tenge through equity in retained earnings as other contributions (Note 14).

In June and December 2024, the Company, to implement the project “Modernisation of the railway transport corridor Dostyk-Moiynty, issued bonds on the Kazakhstan Stock Exchange in favour of the Shareholder in the amount of 20.315.849 thousand tenge and 143.652.758 thousand tenge, respectively, with a coupon rate of 9,25% per annum and a maturity date in 2044. Coupon payment - twice a year. Digital tenge were used in this issue. 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 contributions (Note 14).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**15. BORROWINGS (continued)**

**Debt securities issued (continued)**

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 contributions (*Note 14*).

In December 2024, 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\$, 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 within finance income (*Note 26*).

The fair value of borrowings and debt securities issued is presented in *Note 31*.

**Credit agreements and breaches of credit agreements**

The long-term loan agreements with the carrying amount of 661.461.421 thousand tenge as at 31 December 2025 require compliance with certain financial and non-financial covenants. Non-compliance with these covenants may lead to the requirement of early repayment of loans at the creditors’ request.

The Company complied with all covenants that required compliance as at 31 December 2025, and the Company’s management does not expect non-compliance in the periods after the reporting date. The covenants to be complied with after 31 December 2025 have no effect on the classification of these loans as at 31 December 2025.

Loan agreement with Citibank and Santander under the MIGA guarantee includes compliance with certain financial covenants such as EBITDA to interest expense and Total debt to EBITDA (with the share of subsidiaries’ debt to third parties not exceeding 35% of total debt) calculated based on the annual consolidated results of the Group. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 264.739.650 thousand tenge (31 December 2024: 274.189.900 thousand tenge).

Loan agreement with EBRD includes compliance with financial covenant of Debt to EBITDA calculated based on the annual consolidated results of the Group. As at 31 December 2025, this covenant was met. As at 31 December 2025, the carrying value of this loan is 88.640.945 thousand tenge (31 December 2024: 103.881.331 thousand tenge).

Under the terms of the loan received from Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC the Group is required to comply with certain financial covenants, such as Net Debt/EBITDA and EBITDA/Interest Expense, calculated based on the Group’s semi-annual consolidated data. As at 31 December 2025, these covenants were met. As at 31 December 2025, the carrying value of this loan is 308.080.826 thousand tenge (31 December 2024: nil).

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**15. BORROWINGS (continued)**

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

<i>In thousands of tenge</i>	2025			2024		
	Borrowings and debt securities issued	Lease liabilities (Note 18)	Total	Borrowings and debt securities issued	Lease liabilities (Note 18)	Total
<b>As at 1 January</b>	<b>1.924.392.258</b>	<b>30.585.084</b>	<b>1.954.977.342</b>	1.686.724.915	8.457.832	1.695.182.747
<b>Changes due to cash flows from financing activities</b>						
Loan principal payment	(378.894.120)	-	(378.894.120)	(301.549.882)	-	(301.549.882)
Proceeds from borrowings	811.346.446	-	811.346.446	519.135.126	-	519.135.126
Lease liability payments	-	(9.871.643)	(9.871.643)	-	(6.196.630)	(6.196.630)
<b>Total changes due to cash flows from financing activities</b>	<b>432.452.326</b>	<b>(9.871.643)</b>	<b>422.580.683</b>	217.585.244	(6.196.630)	211.388.614
<b>Other changes</b>						
Effect of changes in foreign exchange rates	14.939.907	-	14.939.907	94.944.710	-	94.944.710
New lease agreements	-	21.606	21.606	-	27.261.991	27.261.991
Adjustment to the fair value of loans received from the Shareholder at rates lower than market (Note 14)	(73.195.397)	-	(73.195.397)	(89.395.423)	-	(89.395.423)
Effect of the modification of debt liabilities that does not result in derecognition (Note 26)	(43.226.257)	-	(43.226.257)	-	-	-
Interest and discount amortisation, including capitalised	167.467.797	4.352.788	171.820.585	148.956.814	5.549.061	154.505.875
Interest paid	(136.986.340)	(4.174.934)	(141.161.274)	(130.540.990)	(4.129.079)	(134.670.069)
Other changes	(7.733.822)	(305.497)	(8.039.319)	(3.883.012)	(358.091)	(4.241.103)
<b>Total other changes related to liabilities</b>	<b>(78.734.112)</b>	<b>(106.037)</b>	<b>(78.840.149)</b>	20.082.099	28.323.882	48.405.981
<b>As at 31 December</b>	<b>2.278.110.472</b>	<b>20.607.404</b>	<b>2.298.717.876</b>	1.924.392.258	30.585.084	1.954.977.342

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**16. INCOME TAX**

<i>In thousands of tenge</i>	2025	2024
Deferred income tax expense	92.997.952	18.599.079
Change in unrecognised deferred tax assets	(457.717)	273.191
	<b>92.540.235</b>	<b>18.872.270</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:

<i>In thousands of tenge</i>	2025 r.	2024 r.
<b>Profit before tax</b>	<b>448.749.790</b>	146.895.795
Official tax rate	20%	20%
Calculated corporate income tax expense at the official rate	89.749.958	29.379.159
Tax effect of non-taxable loss/(income) for tax calculation purposes, and other effect:	3.247.994	(10.780.080)
Change in unrecognised deferred tax assets	(457.717)	273.191
<b>Corporate income tax expense recognised in profit or loss</b>	<b>92.540.235</b>	<b>18.872.270</b>

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

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
<b>Deferred tax assets</b>		
Tax losses carried forward	67.568.327	42.115.415
Fair value adjustment to loans issued	39.118.491	30.075.890
Liabilities under financial guarantee contracts	24.062.709	15.514.125
Derivative financial instruments	18.299.104	6.432.037
Lease liabilities	4.121.481	6.215.291
Other	7.448.114	5.247.756
	<b>160.618.226</b>	<b>105.600.514</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and other non-current assets	(405.451.049)	(281.486.235)
Fair value adjustment to borrowings received from the Shareholder at the rates below market	(129.377.276)	(113.280.854)
Other	(1.782)	(4.524)
	<b>(534.830.107)</b>	<b>(394.771.613)</b>
<b>Total net deferred tax liabilities</b>	<b>(374.211.881)</b>	<b>(289.171.099)</b>
	2025 r.	2024 r.
Net deferred tax liabilities as at the beginning of the year	(289.171.099)	(258.071.707)
Recognised in profit or loss	(92.540.235)	(18.872.270)
Recognised in equity (Note 14)	(14.639.079)	(17.879.084)
Recognised in investments in subsidiaries (Note 6)	22.138.532	5.651.962
<b>Net deferred tax liabilities as at the end of the year</b>	<b>(374.211.881)</b>	<b>(289.171.099)</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**17. LIABILITIES UNDER FINANCIAL GUARANTEE CONTRACTS**

As disclosed in *Note 29*, the Company provided financial guarantees to banks on loans received by Nursultan Nazarbayev International Airport JSC and Aktobe Rail and Section Mill Plant LLP and recognised obligations under financial guarantee contracts. As at 31 December 2025, liabilities under financial guarantee agreements amounted to 13,520,627 thousand tenge for Nursultan Nazarbayev International Airport JSC and 11,024,540 thousand tenge for Aktobe Rail and Section Mill Plant LLP (31 December 2024: 14,896,620 thousand tenge for Nursultan Nazarbayev International Airport JSC, 12,552,694 thousand tenge for Aktobe Rail and Section Mill Plant LLP).

In addition, the Company recognised liabilities under financial guarantee contracts on the finance lease agreements and borrowings of certain subsidiaries. As at 31 December 2025, the liability under these financial guarantees was 95,768,379 thousand tenge (31 December 2024: 50,121,312 thousand tenge) (*Note 29*).

As at 31 December 2024, liabilities under financial guarantee contracts have been classified as current liabilities in the statement of financial position in order to align with the presentation of the reporting period.

As at 31 December, liabilities under financial guarantee contracts were represented in the following currencies:

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Tenge	<b>54,232,428</b>	50,712,437
Euro	<b>29,467,706</b>	11,765,336
Swiss Francs	<b>19,844,392</b>	10,162,158
Chinese Yuan	<b>12,858,485</b>	–
Russian Roubles	<b>2,605,427</b>	3,207,180
US dollars	<b>1,305,108</b>	1,723,515
	<b>120,313,546</b>	77,570,626

**18. LEASE LIABILITIES**

<i>In thousands of tenge</i>	<b>31 December 2025</b>		31 December 2024	
	<b>Lease payments</b>	<b>Present value of lease payments</b>	Lease payments	Present value of lease payments
Within one year	<b>9,793,275</b>	<b>8,979,079</b>	15,682,784	14,600,454
Between two and five years inclusive	<b>16,986,083</b>	<b>11,628,325</b>	25,467,755	15,984,630
<b>Total</b>	<b>26,779,358</b>	<b>20,607,404</b>	41,150,539	30,585,084
Less unearned interest	<b>(6,171,954)</b>	–	(10,565,455)	–
<b>Present cost of lease liabilities</b>	<b>20,607,404</b>	<b>20,607,404</b>	30,585,084	30,585,084
Less amounts due within 12 months		<b>(8,979,079)</b>		(14,600,454)
<b>Amounts to be repaid after 12 months</b>		<b>11,628,325</b>		15,984,630

As at 31 December 2025, interest is calculated based on effective interest rates varying from 15% to 21,6% (31 December 2024: from 15% to 19%).

All lease liabilities are denominated in tenge.

**19. EMPLOYEE BENEFIT OBLIGATIONS**

**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.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 19. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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

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.

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 long-term employee benefits:

- Financial support for sanatorium-resort treatment to employees;
- Financial assistance on denture treatment to employees;
- A one-time payment to employees on anniversaries;
- The reimbursement of railway ticket expense to employees.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**19. EMPLOYEE BENEFIT OBLIGATIONS (continued)**

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

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.

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Non-current portion of employee benefit obligations	<b>16.357.573</b>	11.692.100
Current portion of employee benefit obligations	<b>3.508.883</b>	2.300.402
<b>Total liabilities as at the end of the year</b>	<b>19.866.456</b>	13.992.502

Movement in the present value of obligations for the years ended 31 December is as follows:

<i>In thousands of tenge</i>	<b>2025</b>	2024
Total liabilities at the beginning of the year	<b>13.992.502</b>	9.377.740
Current service cost	<b>1.202.320</b>	676.990
Past service cost	<b>4.066.894</b>	4.985.766
Interest costs	<b>1.735.071</b>	1.064.374
Actuarial gain on other long-term employee benefits	<b>(274.123)</b>	(292.932)
Total expenses recognised in profit or loss	<b>6.730.162</b>	6.434.198
Actuarial revaluation recognised in other comprehensive income:	<b>1.745.846</b>	144.787
- change in financial assumptions	<b>(3.784.407)</b>	76.204
- experience-based adjustments	<b>5.289.607</b>	688.096
- change in demographic assumptions	<b>240.646</b>	(619.513)
Payments made for the year	<b>(2.602.054)</b>	(1.964.223)
<b>Total liabilities as at the end of the year</b>	<b>19.866.456</b>	13.992.502

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

<i>In thousands of tenge</i>	<b>2025 г.</b>	2024 г.
Cost of sales (Note 24)	<b>4.839.070</b>	6.247.079
Finance costs (Note 27)	<b>1.735.071</b>	-
General and administrative expenses (Note 25)	<b>156.021</b>	187.119
<b>Total recognised in profit or loss for the year</b>	<b>6.730.162</b>	6.434.198

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 8,33 years for men and 16,42 years for women.

Other significant actuarial assumptions as at the reporting date for the separate statement of financial position are as follows:

	<b>2025</b>	2024
Discount rate	<b>16,8%</b>	12,4%
Expected annual growth in material aid in the future	<b>6,4% (average)</b>	5,3% (average)
Expected annual minimum salary growth in the future	<b>7,7% (average)</b>	6,6% (average)
Expected annual future growth in rail ticket cost	<b>8,6% (average)</b>	7,6% (average)

According to an actuarial sensitivity analysis, the maximum increase in employee benefit obligations is 6,9% caused by an inflation rate increase of 1%, and 6,5% caused by a discount rate decrease of 1%.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**19. EMPLOYEE BENEFIT OBLIGATIONS (continued)**

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

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).

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 statement of financial position.

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

**20. TRADE ACCOUNTS PAYABLE**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Trade accounts payable to third parties	<b>212.676.660</b>	95.733.242
Trade accounts payable to related parties	<b>7.408.940</b>	9.611.072
	<b>220.085.600</b>	105.344.314

As at 31 December 2025 and 2024, trade accounts payable were mainly expressed in tenge.

**21. CONTRACT LIABILITIES**

<i>In thousands of tenge</i>	<b>31 December 2025</b>	31 December 2024
Advances received on contracts with customers - third parties	<b>2.375.511</b>	3.474.841
Deferred income	<b>408.501</b>	317.962
Advances received on contracts with customers - related parties	<b>3.665</b>	8.334
	<b>2.787.677</b>	3.801.137

The revenue recognised in the reporting period, which was included in the balance of advances received at the beginning of the year amounted to 3.792.920 thousand tenge (for the year ended 31 December 2024: 3.109.307 thousand tenge).

Contract liabilities as at 31 December 2025 will be recognised in revenue during 12 months after the reporting date.

**22. OTHER CURRENT LIABILITIES**

<i>In thousands of tenge</i>	<b>31 декабря 2025 г.</b>	31 декабря 2024 г.
Obligatory pension contributions, social insurance and obligatory medical insurance contributions	<b>7.530.011</b>	4.231.085
Advances received	<b>122.029</b>	93.060
Others	<b>281.919</b>	331.538
<b>Total other non-financial liabilities</b>	<b>7.933.959</b>	4.655.683
Allowances for unused vacation and other employee benefits	<b>26.248.404</b>	17.336.193
Others	<b>2.639.493</b>	2.369.457
<b>Total other financial liabilities</b>	<b>28.887.897</b>	19.705.650
	<b>36.821.856</b>	24.361.333

As at 31 December 2025 and 2024, other financial liabilities were mainly denominated in tenge.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**23. REVENUE AND OTHER REVENUE**

<i>In thousands of tenge</i>	2025	2024
Revenue from services provided	<b>1.305.405.946</b>	928.886.145
Revenue from fines	<b>13.269.182</b>	16.088.310
Revenue from the sale of goods to third parties	<b>2.225.837</b>	3.213.522
	<b>1.320.900.965</b>	948.187.977

Revenue and other revenue in the amount of 1.304.998.701 thousand tenge were recognised over time (2024: 928.715.123 thousand tenge), in the amount of 15.902.264 thousand tenge – was recognised at a point in time (2024: 19.472.854 thousand tenge).

Revenue in the amount of 1.229.202.430 thousand tenge was received from related parties (*Note 30*) (2024: 883.541.762 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 446.082.724 thousand tenge was recognised based on coefficients set by the Company of 0,50 applied to tariffs for freight transportation on international transit routes (2024: 363.369.372 thousand tenge based on coefficients set by the Company of 0,55).

**24. COST OF SALES**

<i>In thousands of tenge</i>	2025	2024
Staff costs, including taxes, contributions and provisions for unused vacations	<b>355.894.901</b>	267.700.904
Work and services of a production nature	<b>163.189.510</b>	172.808.970
Depreciation and amortisation	<b>87.289.736</b>	78.067.059
Materials and supplies	<b>42.601.820</b>	35.629.226
Property tax and other taxes, excluding social tax and social contributions	<b>29.078.380</b>	26.731.897
Repair and maintenance	<b>25.191.063</b>	23.394.763
Electricity	<b>21.340.067</b>	14.592.506
Utilities and building maintenance	<b>13.840.503</b>	12.005.707
Fuel and lubricants	<b>10.290.499</b>	8.134.543
Security services	<b>5.018.955</b>	4.815.047
Employee benefit expenses and other long-term employee benefits ( <i>Note 19</i> )	<b>4.839.070</b>	6.247.079
Short-term lease expenses	<b>2.508.142</b>	2.413.974
Business trip expenses	<b>2.382.129</b>	2.132.494
Communication services	<b>1.967.446</b>	1.921.059
Other expenses	<b>12.702.576</b>	10.522.833
	<b>778.134.797</b>	667.118.061

\*

**25. GENERAL AND ADMINISTRATIVE EXPENSES**

<i>In thousands of tenge</i>	2025	2024
Staff costs, including taxes, contributions and provisions for unused vacations	<b>49.059.034</b>	37.878.246
Other third-party services	<b>4.107.307</b>	2.599.285
Expenses for holding festive and cultural events	<b>3.535.362</b>	2.226.708
Consulting, audit and legal services	<b>2.591.989</b>	518.487
Depreciation and amortisation	<b>2.132.752</b>	2.522.214
Membership fees	<b>1.493.087</b>	1.124.619
Business trip expenses	<b>1.436.310</b>	1.534.795
Utilities and building maintenance	<b>1.299.373</b>	881.749
Property tax and other taxes, excluding social tax and social contributions	<b>1.275.056</b>	6.264.046
Security services	<b>914.694</b>	705.823
Expenses to maintain social sphere facilities	<b>893.576</b>	780.175
Communication services	<b>350.177</b>	307.619
Materials	<b>300.161</b>	206.788
Advertising	<b>297.600</b>	234.268
Repair and maintenance	<b>294.504</b>	1.053.467
Employee benefit expenses and other long-term employee benefits ( <i>Note 19</i> )	<b>156.021</b>	187.119
Charity	<b>-</b>	2.000.000
Other expenses	<b>3.336.266</b>	3.262.316
	<b>73.473.269</b>	64.287.724

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**26. FINANCE INCOME**

<i>In thousands of tenge</i>	<b>2025</b>	2024
Interest income and discount amortisation on loans issued	<b>50.103.499</b>	60.426.652
Effect of the modification of debt liabilities that does not result in derecognition (Note 15)	<b>43.226.257</b>	–
Interest income on cash and cash equivalents	<b>13.208.487</b>	5.780.812
Income from guarantees issued	<b>12.561.827</b>	8.189.161
Interest income on derivative financial instruments recognised at fair value through profit or loss (Note 31)	<b>12.146.101</b>	10.606.235
Income from subsidising of interest rate of financial liabilities (Note 15)	–	22.300.000
Change in fair value of derivative financial instruments recognised at fair value through profit or loss (Note 31)	–	3.021.286
Other finance income	<b>487.183</b>	553.881
	<b>135.224.311</b>	110.878.027

**27. FINANCE COSTS**

<i>In thousands of tenge</i>	<b>2025</b>	2024
Interest expense and discount amortisation on loans	<b>112.119.089</b>	114.195.548
Change in fair value of derivative financial instruments recognised at fair value through profit or loss (Note 31)	<b>58.798.040</b>	–
Lease interest expenses	<b>4.352.788</b>	5.549.061
Interest expense on employee benefit obligations (Note 19)	<b>1.735.071</b>	
Other finance costs	<b>2.140.102</b>	1.165.581
	<b>179.145.090</b>	120.910.190

**28. BOOK VALUE AND EARNINGS PER SHARE**

According to the requirements of KASE, the financial statements should comprise data on the carrying amount of one share (common and preferred) as at the reporting date calculated as per the rules approved by KASE. The book value per share is not a measure determined in accordance with IFRS.

	<b>31 December 2025</b>	31 December 2024
Net assets excluding intangible assets, in thousand tenge	<b>2.896.275.480</b>	2.454.264.590
Number of common shares in circulation (registered)	<b>496.695.676</b>	496.694.666
<b>Book value per share, tenge</b>	<b>5.831,09</b>	4.941,19

**Earnings per share**

Basic earnings per share are calculated using the weighted average number of common shares issued during the year. Basic and diluted per share data are the same, as there are no dilutive instruments outstanding. During 2025 and 2024, there were no antidilutive instruments outstanding.

<i>In thousands of tenge</i>	<b>2025</b>	2024
Weighted average quantity of common shares	<b>496.695.065</b>	496.693.715
Profit for the year, in thousand tenge	<b>356.209.555</b>	128.023.525
<b>Basic and diluted Earnings per common share, in tenge</b>	<b>717,16</b>	257,75

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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### 29. FINANCIAL AND CONTINGENT LIABILITIES

#### Capital commitments

As at 31 December 2025, the Company has capital commitments, including the modernisation of the Dostyk-Moiynty railway transport corridor, the Altynkol–Zhetygen railway section; the construction of the Darbaza-Maktaaral, Moiyny-Kyzylzhar and Bakhty–Ayagoz railway lines; the construction of second tracks on the Dostyk–Alashankou railway section; the construction of a bypass railway line bypassing the Almaty station; the construction of switch control systems; overhaul of railway tracks; the acquisition of equipment, long rails, the purchase of long rails and equipment for the total amount of 1.779.222.532 thousand tenge VAT exclusive (31 December 2024: 818.712.352 thousand tenge VAT exclusive).

#### Other contractual liabilities

As at 31 December 2025, 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 the subsidiary KTZ Express JSC to make substantial payments for 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 2025, 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 2025 and 2024. It is not possible to determine the value of any unasserted claims that may be charged, if any, or the likelihood of any unfavourable outcome.

The 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 separate financial statements.

##### *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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**29. FINANCIAL AND CONTINGENT LIABILITIES (continued)**

**Contingent liabilities (continued)**

*Environmental protection*

Legislation on environmental protection in Kazakhstan is in the process of development and therefore is subject to constant changes. From 1 July 2021, amendments to the Environmental Code of Kazakhstan (“the Code”) has become effective. This Code includes set of principles aimed at minimising the consequences of environmental damage to the activities of entities and/or the full restoration of the environment to its original state. Depending on the level and risk of negative impact on the environment, assets are classified into four categories, where the asset that have a significant negative impact on the environment are classified to the first category. In accordance with the Code, 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 separate financial statements as the Company’s management assesses that no 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**29. FINANCIAL AND CONTINGENT LIABILITIES (continued)**

**Contingent liabilities (continued)**

*Financial guarantees*

<b>Creditor</b>	<b>Guarantee purpose (execution of obligations)</b>	<b>Financial guarantee period</b>	<b>Financial guarantee amount</b>
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	60.301.117 Euros (35.785.095 thousand tenge)*
	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	31 December 2027 – 30 October 2032	18.968.123 Euros (11.256.443 thousand tenge)*
	Passenger Transportation JSC under finance lease agreements	20 December 2036 – 10 December 2042	240.649.172 thousand tenge
Industrial Development Fund JSC	Kaztemirtrans JSC under finance lease agreements	28 August 2032 – 30 November 2035	21.189.360 thousand tenge
	KTZ Express JSC under finance lease agreements	28 August 2032 - 1 July 2040	110.166.625 thousand tenge
	Nursultan Nazarbayev International Airport JSC to finance its modernisation in Astana	28 March 2033	20.252.250 thousand tenge*
Development Bank of Kazakhstan JSC	Aktobe Rail and Section Mill Plant LLP to finance the construction of a rail and section mill plant in Aktobe	5 July 2033	14.497.698 thousand tenge*
	Wagonservice JSC, a subsidiary of Passenger Transportation JSC to finance the acquisition of passenger carriages	5 March 2035	4.795.007 thousand tenge*
	Passenger Transportation JSC under finance lease agreements	13 May 2039 - 31 August 2039	226.722.000 thousand tenge
Eurasian Development Bank	Kaztemirtrans JSC under finance lease agreements	2 August 2038	111.680.000 thousand tenge
	KTZ Express JSC under finance lease agreements	4 July 2039	85.594.000 thousand tenge
Citibank Kazakhstan JSC	KTZ-Freight Transportation LLP to finance the acquisition of freight diesel locomotives	18 April 2034	14.548.588.998 Russian Roubles (92.238.053 thousand tenge)*
	KTZ-Freight Transportation LLP to replenish working capital	No date	14.000.000 thousand tenge
Societe Generale and Natixis	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	28 February 2035	270.978.982 Euros (160.809.767 thousand tenge)*
	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	28 February 2036	187.395.530 Euros (111.208.004 thousand tenge)*
	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	30 June 2039	282.967.913 Swiss Francs (167.924.478 thousand tenge)*
Citibank	KTZ-Passenger Locomotives LLP to finance the acquisition of passenger electric locomotives	15 August 2034	90.157.118 Swiss Francs (57.459.836 thousand tenge)*
	KTZ-Freight Transportation LLP to finance the acquisition of freight electric locomotives	15 February 2035	370.834.894 Swiss Francs (236.344.207 thousand tenge)*
The Export-Import Bank of China and China Development Bank	KTZ-Freight Transportation LLP to finance the acquisition of mainline locomotives	21 March 2040	576.396.253 Chinese Yuan (41.690.741 thousand tenge)*
Deutsche Bank Luxembourg, S.A., Banco Santander, S.A., EXIM Bank US	KTZ-Freight Transportation LLP to finance the acquisition of mainline locomotives	20 February 2035	146.264.133 Swiss Francs (93.218.520 thousand tenge)*
European Bank for Reconstruction and Development (EBRD)	NC Aktau International Sea Trade Port for financing the reconstruction of berths	27 July 2035	35.000.000 Euros (20.770.400 thousand tenge)*

\* *The loans received by subsidiaries and third-party entities, for which the Company provided financial guarantees, provide for financial covenants. For these loans, the total guarantee amount is 1.068.250.499 thousand tenge.*

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**29. FINANCIAL AND CONTINGENT LIABILITIES (continued)**

**Contingent liabilities (continued)**

*Financial guarantees (continued)*

*Note 17* discloses the carrying value of these guarantees.

As at 31 December 2025 and 2024, there were no cases of using the financial guarantees listed above.

Finance lease agreements with Development Bank of Kazakhstan JSC provide for the Company's compliance with certain financial covenants, such as debt to EBITDA and interest coverage ratio on an annual basis, as well as compliance with the condition that the Company has any two of the three corporate ratings (S&P, Fitch, Moody's) at a level not lower than BB-. As at 31 December 2025 these terms have been met.

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 47.041.538 thousand tenge (31 December 2024: 58.632.629 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 semi-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 2025, these covenants were met.

In accordance with the loan agreement with EDB, obtained by the subsidiary KTZ-Freight Transportation LLP for 92.238.053 thousand tenge (31 December 2024: 79.349.717 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 2025, 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 439.942.249 thousand tenge (31 December 2024: 245.676.291 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 2025, 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 293.804.043 thousand tenge (31 December 2024: 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 2025, these covenants were met.

Under the loans from The Export-Import Bank of China (agent and creditor) China Development Bank (creditor) received by the subsidiary KTZ-Freight Transportation LLP in the amount of 41.690.741 thousand tenge (31 December 2024: nil), the Company has to comply with financial covenant Interest Coverage Ratio calculated on the basis of the Group's annual consolidated results. As at 31 December 2025, these covenants were met.

Under the loans from Deutsche Bank Luxembourg S.A., Banco Santander S.A. and Export-Import Bank of the United States received by the subsidiary KTZ-Freight Transportation LLP in the total amount of 93.218.520 thousand tenge (31 December 2024: nil), as at the end of each financial year, the total aggregate assets and total revenue of the Company, Kaztemirtrans JSC, KTZ-Passenger Locomotives LLP and KTZ-Freight Transportation LLP must be equal to or greater than 75% of the Group's total aggregate assets and total revenue, respectively, calculated on the basis of the Group's annual consolidated results. As at 31 December 2025, these covenants were met.

Under the loans from EBRD obtained by the subsidiary Aktau International Sea Trade Port NC JSC for 20.770.400 thousand tenge, the Company has to comply with certain financial covenants such as Debt to EBITDA calculated based on the annual consolidated results of the Group. As at 31 December 2025, these covenants were met.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**30. RELATED PARTY TRANSACTIONS**

For the purposes of these separate financial statements, parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In addition, parties under common control with the 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.

The related parties may enter transactions that unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

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

<i>In thousands of tenge</i>		Shareholder	Associates of the Company	Companies making up the Shareholder Group	Subsidiaries of the Company	Other related parties*
Amounts due from related parties for goods and services, including advances paid	<b>2025</b>	–	<b>12.494</b>	<b>206.981</b>	<b>343.446.682</b>	<b>3.842.129</b>
	2024	–	2.400	18.369	301.160.217	2.238.453
<i>including allowances for expected credit losses and impairment of advances paid</i>	<b>2025</b>	–	<b>(431)</b>	<b>(303)</b>	<b>(842)</b>	<b>(167.017)</b>
	2024	–	(66)	(90)	(842)	(98.334)
Amounts due to related parties for goods, services and non-current assets, including advances received	<b>2025</b>	–	<b>2.559.298</b>	<b>742.163</b>	<b>2.989.236</b>	<b>1.371.538</b>
	2024	–	4.338.869	785.521	3.873.999	1.129.753
	<b>2025</b>	–	–	<b>254.200</b>	–	–
Cash on current accounts	2024	–	–	–	–	–
	<b>2025</b>	–	–	–	–	<b>22.881.735</b>
Cash on digital accounts (Note 31)	2024	–	–	–	–	116.631.095
	<b>2025</b>	–	–	–	<b>306.599.912</b>	–
Loans issued	2024	–	–	–	505.147.302	–
<i>including allowance for expected credit losses</i>	<b>2025</b>	–	–	–	<b>(205.278)</b>	–
	2024	–	–	–	(434.289)	–
	<b>2025</b>	<b>975.160.041</b>	–	–	<b>46.885.025</b>	–
Borrowings received	2024	1.002.574.915	–	–	10.481.452	–
	<b>2025</b>	–	<b>20.600.783</b>	–	<b>3.950</b>	–
Lease liabilities	2024	–	30.545.406	–	6.568	–
	<b>2025</b>	–	–	–	<b>95.768.379</b>	<b>13.520.627</b>
Financial guarantee contract liabilities	2024	–	–	–	50.121.312	14.896.620

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

**30. RELATED PARTY TRANSACTIONS (continued)**

Related party transactions 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*
	<b>2025</b>	-	<b>248.127</b>	-	<b>150.413</b>	<b>1.227.808.495</b>	<b>995.395</b>
Sale of goods and services	2024	-	202.907	-	124.229	882.333.917	880.709
(Accrued) / recovered allowances for expected credit losses and impairment of advances paid	<b>2025</b>	-	<b>(365)</b>	-	<b>(270)</b>	-	<b>(71.112)</b>
	2024	-	49.497	-	1.172	-	(72.644)
Purchase of goods, services and non-current assets	<b>2025</b>	-	<b>9.235.308</b>	-	<b>4.055.226</b>	<b>196.676.645</b>	<b>14.965.177</b>
	2024	-	9.944.461	-	3.833.886	198.646.622	10.820.162
	<b>2025</b>	-	-	-	-	<b>173.901.848</b>	-
Loans issued	2024	-	-	-	-	32.457.029	-
	<b>2025</b>	-	-	-	-	<b>112.081.572</b>	-
Repayment of loans issued	2024	-	-	-	-	93.424.336	-
	<b>2025</b>	<b>107.805.906</b>	-	-	-	<b>39.073.334</b>	-
Proceeds from borrowing	2024	238.168.607	-	-	-	908.421	-
	<b>2025</b>	<b>31.174.923</b>	-	-	-	<b>2.969.761</b>	-
Repayment of borrowing	2024	1.174.923	-	-	-	39.730.440	-
	<b>2025</b>	<b>43.226.257</b>	-	-	-	<b>63.174.607</b>	<b>1.375.993</b>
Finance income	2024	-	19.015	-	-	66.533.541	417.839
	<b>2025</b>	<b>52.217.244</b>	<b>4.348.383</b>	-	-	<b>19.589</b>	-
Finance costs	2024	39.589.881	5.539.130	-	-	19.186	-
	<b>2025</b>	-	<b>4.645.587</b>	-	-	<b>27.060.750</b>	-
Dividend income	2024	-	4.479.493	-	-	21.901.273	-
	<b>2025</b>	-	-	-	-	<b>7.716.711</b>	-
Investments in subsidiaries	2024	-	-	-	-	59.114.009	-
	<b>2025</b>	<b>28.791.555</b>	-	<b>143.062</b>	-	-	-
Share capital contribution	2024	13.272.667	-	75.333	-	-	-
	<b>2025</b>	-	<b>21.606</b>	-	-	-	-
New lease agreements (Company as lessee)	2024	-	27.261.487	-	-	504	-
	<b>2025</b>	-	<b>14.010.499</b>	-	-	<b>4.118</b>	-
Lease payments	2024	-	10.288.383	-	-	3.866	-

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

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:

	2025	2024
Kaztemirtrans JSC	<b>21.064.098</b>	16.647.585
Kedentransservice JSC	<b>3.315.725</b>	1.917.244
UTLC ERA JSC	<b>3.145.586</b>	4.479.493
KTZ Express JSC	<b>2.680.927</b>	-
Transtelecom JSC	<b>1.500.001</b>	-
Port Kuryk LLP	-	2.636.444
Aktau International Sea Trade Port NC JSC	-	700.000
	<b>31.706.337</b>	<b>26.380.766</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**30. RELATED PARTY TRANSACTIONS (continued)**

During 2025, the subsidiaries Kaztemirtrans JSC and KTZ Express JSC made a coupon payment on perpetual bonds in the amount of 21.064.098 thousand tenge (2024: 16.647.585 thousand tenge) and 2.680.927 thousand tenge (2024: nil), respectively, which the Company recognises as dividend income.

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

In 2025, the Company issued bonds in favour of the Shareholder in the amount of 42.325.904 thousand tenge (*Note 15*) (2024: 238.168.607 thousand tenge).

As at 31 December 2025, the Company's borrowings from the Shareholder were mainly received at rates below market from 0,075 % to 9,37% (31 December 2024: from 0,075% to 9,25%) with maturity from 13 to 50 years and at initial recognition were reflected at fair value at rates from 6,53% to 16,3% (31 December 2024: from 6,53% to 14,5%).

As at 31 December 2025, certain debt securities issued by subsidiaries were indexed to reflect changes in foreign currency exchange rates. In 2025, due to changes in exchange rates, the Company recognised a foreign exchange loss in the amount of 14.670.252 thousand tenge (2024: 17.890.827 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 2025 (2024: 18 persons). Total compensation to key management personnel included in personnel costs in the separate statement of profit or loss and other comprehensive income comprised 1.036.255 thousand tenge for the year ended 31 December 2025 (2024: 815.971 thousand tenge). Compensation to key management personnel mainly consists of expenses related to remuneration of the members of the Board of Directors for their participation in meetings, contractual salaries of Management Board members, including related taxes and contributions, unused vacation reserve and other performance-based payments.

**31. 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 2024.

There are no mandatory minimum capital requirements for the Company.

The Company's equity structure includes net debt (borrowings, debt securities and lease liabilities less cash and cash equivalents) and the Company's equity, which comprises share capital and additional paid in capital, foreign currency translation reserve and retained earnings.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**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.

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.

		<b>Increase/ (Decrease) of Interest rates in basis points*</b>	<b>Impact on Profit/Equity</b>
Base rate of the National Bank of RK	<b>2025 r.</b>	<b>186/(186)</b>	<b>(1.190.400)/1.190.400</b>
	2024 r.	406/(231)	(2.598.400)/1.478.400
SARON	<b>2025 r.</b>	<b>35/(35)</b>	<b>(2.179.902)/2.179.902</b>
	2024 r.	126/(77)	(4.084.140)/2.495.863

\* 1 basis point - 0,01%.

**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.

During 2025, the Company received foreign exchange loss in the amount of 886.676 thousand tenge, most of which is attributable to loans issued and received (2024: 80.879.571 thousand tenge). The Company issues portion of loans to subsidiaries being indexed to changes in foreign currency exchange rates.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**Currency risk (continued)**

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 2025		31 December 2024	
	Increase / decrease in exchange rate	Effect on profit/ equity	Increase / decrease in exchange rate	Effect on profit/equity
US dollars	8,84% (8,84%)	(29.012.260)/ 29.012.260	9,09% (7,34%)	(32.745.937)/ 26.455.917
Swiss Francs	11,76% (11,76%)	(70.793.484)/ 70.793.484	12%/ (4%)	(65.566.377)/ 21.428.589
Euro	11,12% (11,12%)	(1.845.517)/ 1.845.517	9,00% (5,95%)	(847.038)/ 560.027
Russian roubles	24,12% (24,12%)	(422.767)/ 422.767	2,00% (22,95%)	(55.822)/ 640.611

In October-November 2022, the Group entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars. The hedged borrowings represent interest and principal payments on US\$ denominated Eurobonds in the amount of 882.978.000 US\$ with a coupon rate of 2% per annum and maturity in October 2025 and the holder is the Shareholder. In August 2025, the Company signed a memorandum to extend the maturity from 2025 until 2028 and to change the coupon rate from 2% to 3% (*Note 15*). In October 2025, the Company extended the terms of the cross-currency swap agreements by one year.

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 Company has a share of revenue denominated in Swiss Francs. These derivative financial instruments are not designated into hedging relationships in the separate financial statements.

During 2025, 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 17.565.607 US\$ (9.219.700 thousand tenge) and 4.512.532 Swiss Francs (2.926.401 thousand tenge) (2024: 17.674.778 US\$ (8.221.321 thousand tenge) and in the amount of 4.540.916 Swiss Francs (2.384.914 thousand tenge)) (*Note 26*).

As at 31 December 2025, 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 180.989.291 US\$ (91.495.518 thousand tenge) (31 December 2024: 62.267.864 US\$ (32.697.478 thousand tenge)) was recognised within current liabilities. The change in fair value of derivative financial instruments for the year ended 31 December 2025 was recognised in finance costs of 58.798.040 thousand tenge (2024: within finance income of 3.021.286 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 2025, the Company's cash with the carrying amount of 254.200 thousand tenge is placed on current accounts in Kazpost JSC and cash in the amount of 22.881.735 thousand tenge is placed on digital accounts in the National Bank of the Republic of Kazakhstan, which are the Company's related parties (0,21% and 18,75% of cash and cash equivalents, respectively) (*Note 30*).

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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

#### Credit risk (continued)

In addition, cash and cash equivalents are mainly held in Halyk Bank JSC with a credit rating of BBB- (49,99% of cash and cash equivalents) and in Fortebank JSC with a credit rating of BB (26,86% 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 will be obliged to pay in the event of claims for guarantees disclosed in *Note 29*. The Company does not guarantee the obligations of third parties, other than those disclosed in *Note 29*.

#### 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 2025, the Company entered into agreements with subsidiaries to provide financial assistance to the Company in the amount of 308.180.000 thousand tenge (2024: 229.880.000 thousand tenge for a period of up to one year. As at 31 December 2025, the carrying value of the received financial aid under the “cash pooling” mechanism amounted to 46.885.025 thousand tenge (31 December 2024: 10.781.452 thousand tenge). As at 31 December 2025, the carrying value of the received financial aid under the “cash pooling” mechanism amounted to 88.845.973 thousand tenge (31 December 2024: 44.548.470 thousand tenge (*Note 8*).

As at 31 December 2025, the Company has credit lines available at Halyk Bank JSC, ForteBank JSC, Citibank, Citibank and Freedom Bank Kazakhstan JSC with undrawn balances totalling 244.514.460 thousand tenge (31 December 2024: Halyk Bank JSC, Fortebank JSC and Citibank with undrawn balances totalling 128.068.000 thousand tenge).

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**Liquidity risk (continued)**

The following tables reflect the contractual terms of the Company's non-derivative 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.

	On demand	Up to 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
<b>2025</b>							
<i>Interest-free:</i>							
Accounts payable	-	212.676.660	-	7.408.940	-	-	220.085.600
Other current liabilities	-	4.059	26.253.913	2.629.925	-	-	28.887.897
<i>Interest-bearing:</i>							
Borrowings	-	35.795.268	28.096.968	409.215.694	1.406.394.200	2.201.806.183	4.081.308.313
Lease	-	1.997.723	1.417.372	6.378.180	16.986.083	-	26.779.358
Financial guarantees	2.563.807.403	-	-	-	-	-	2.563.807.403
Derivative financial instruments	-	-	-	94.454.923	-	-	94.454.923
	<b>2.563.807.403</b>	<b>250.473.710</b>	<b>55.768.253</b>	<b>520.087.662</b>	<b>1.423.380.283</b>	<b>2.201.806.183</b>	<b>7.015.323.494</b>
<b>2024</b>							
<i>Interest-free:</i>							
Accounts payable	-	88.289.480	7.443.762	9.611.072	-	-	105.344.314
Other current liabilities	-	1.195	17.338.477	2.365.978	-	-	19.705.650
<i>Interest-bearing:</i>							
Borrowings	-	4.340.311	24.914.789	745.750.897	711.699.494	2.216.656.448	3.703.361.939
Lease	-	4.695.315	1.997.776	8.989.693	25.467.755	-	41.150.539
Financial guarantees	2.760.169.782	-	-	-	-	-	2.760.169.782
Derivative financial instruments	-	-	-	34.311.722	-	-	34.311.722
	<b>2.760.169.782</b>	<b>97.326.301</b>	<b>51.694.804</b>	<b>801.029.362</b>	<b>737.167.249</b>	<b>2.216.656.448</b>	<b>6.664.043.946</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.

**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 have been used by the Company to estimate the fair value of the financial instruments:

**Cash and cash equivalents**

The carrying amount 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**Derivative financial instruments**

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

**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 2025 and 2024, 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 loans issued, borrowings, debt securities issued (bonds) and other financial assets as at 31 December is presented as follows:

<i>In thousands of tenge</i>	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Carrying value</b>	<b>Fair value</b>	Carrying value	Fair value
Loans issued	<b>306.599.912</b>	<b>282.052.112</b>	507.404.625	507.228.913
Other financial assets	<b>4.204.756</b>	<b>4.287.625</b>	4.327.594	4.439.927
Borrowings	<b>1.001.878.667</b>	<b>960.123.836</b>	632.499.739	591.529.131
Debt securities	<b>1.276.231.805</b>	<b>1.119.851.710</b>	1.291.892.519	1.208.325.768

**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 whose data used is directly or indirectly based on observable primary data;
- Level 3: data that is not available. This category includes instruments estimated using information not based on observable primary data. Moreover, any such unobservable data has a significant impact on an instrument's estimation. This category includes instruments estimated based on quotes for similar instruments that require the use of material unobservable quotes or judgements to reflect the different between instruments.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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

**Fair value hierarchy (continued)**

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

	Level 1	Level 2	Level 3	Total
<i>Financial assets at amortised cost:</i>				
- loans issued	-	-	282.052.112	282.052.112
- other financial assets	-	4.097.239	190.386	4.287.625
<b>Total</b>	-	<b>4.097.239</b>	<b>282.242.498</b>	<b>286.339.737</b>
<i>Financial liabilities recognised at amortised cost:</i>				
- debt securities	-	318.155.405	-	318.155.405
- debt securities from the Shareholder	-	801.696.305	-	801.696.305
- bank loans	-	868.750.577	-	868.750.577
- loans from the Shareholder and subsidiaries	-	91.373.259	-	91.373.259
<i>Financial liabilities recognised at fair value through profit or loss:</i>				
- derivative financial instruments	-	91.495.518	-	91.495.518
<b>Total</b>	-	<b>2.171.471.064</b>	-	<b>2.171.471.064</b>

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 at amortised cost:</i>				
- loans issued	-	-	507.228.913	507.228.913
- other financial assets	-	4.290.204	149.723	4.439.927
<b>Total</b>	-	<b>4.290.204</b>	<b>507.378.636</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 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.

During 2025, the Company revised its classification of loans issued and certain other financial assets carried at amortised cost as part of fair value hierarchy and determined that these assets should be classified as Level 3 due to the absence of observable transactions in the market for similar financial instruments.

As a result, the comparative information presented by levels of hierarchy was adjusted.

The adjustment of hierarchy levels did not lead to any changes in the Company's separate statement of financial position, separate statement of profit or loss and other comprehensive income, separate statement of cash flows and separate statement of changes in equity.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**

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**32. EVENTS AFTER THE REPORTING DATE**

**Borrowings received**

*Asian Infrastructure Investment Bank, International Finance Corporation, Standard Chartered Bank*

On 9 January 2026, the Company, as part of the implementation of the construction of a bypass railway line bypassing the Almaty station project (hereinafter – the “Project”), entered into a mandate letter and a loan agreement with the Asian Infrastructure Investment Bank (hereinafter – AIIB), the International Finance Corporation (hereinafter – IFC), and Standard Chartered Bank under the MIGA guarantees, for a total amount of 243.428.993 Swiss Francs.

In February 2026, the Company under the loan agreement concluded with AIIB on 9 January 2026 to finance the Project for a total amount of 119.923.249 Swiss Francs, received borrowed funds in the total amount of 72.501.178 Swiss Francs (46.732.084 thousand tenge). Loan interest is paid semi-annually at SARON 6m + 1,3%. Principal is repaid semi-annually until full repayment in 2035.

In February 2026, the Company, under the loan agreement with IFC dated 9 January 2026 to finance the Project for a total amount of 39.974.416 Swiss Francs borrowed 24.167.059 Swiss Francs (15.577.361 thousand tenge). Loan interest is paid semi-annually at SARON 6m + 1,3%. Principal is repaid semi-annually until full repayment in 2035.

In February 2026, the Company, under the loan agreement with Standard Chartered Bank under the guarantee of MIGA dated 9 January 2026 to finance the Project for a total amount of 83.531.328 Swiss Francs borrowed 51.896.370 Swiss Francs (33.335.114 thousand tenge). Loan interest is paid semi-annually at SARON 6m + 0,55%. Principal is repaid semi-annually until full repayment in 2035.

*The Shareholder*

In February 2026, the Company issued bonds on the Astana International Exchange (AIX) in favour of the Shareholder in the amount of 2.220.000.000 Chinese Yuan (158.730.156 thousand tenge) to finance the construction of the new railway line Bakhty–Ayagoz and the acquisition of six marine vessels with a coupon rate of LPR1Y+ 1,2 % per annum and a maturity date in 2028. Coupon rate - twice a year.