There are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

The Group is Kazakhstan's national transport and logistics operator. It provides a principal overland transport link connecting Kazakhstan's production centres with China, Central Asia, Russia, the Caspian Sea region and Europe. It is wholly-owned by the Government through Samruk-Kazyna, Kazakhstan's sovereign wealth fund. It operates Kazakhstan's mainline railway network and, according to the KPMG Report, owns the country's largest fleet of locomotives and rolling stock.

The Group is one of the largest employers in Kazakhstan, with 119,542 employees as at 1 April 2026. It provides essential freight and passenger transportation services within a landlocked economy that spans the world's ninth-largest territory. Rail transport is critical to the movement of bulk commodities, industrial inputs, agricultural products, manufactured goods and passengers, particularly given Kazakhstan's vast territory, dispersed population centres and limited access to navigable waterways. Kazakhstan's fundamentals, including rising urbanisation, population growth and a medium-term growth projection of approximately 3.5%, support continued demand for reliable freight and passenger transportation services. In terms of railway length, Kazakhstan ranked third, with approximately 16,000 km of railways, among the CIS and Baltic countries with a gauge of 1,520 mm.

LEADERSHIP

NATIONAL
Mainline railway operator

OPERATES ONE OF THE LARGEST RAIL NETWORKS
Ranks 3rd for 1,520 mm gauge rail length among CIS and Baltic states

SCALE

LARGEST
The largest owner of locomotives, freight and passenger cars and one of the largest employers in Kazakhstan

16K KM
Operational length of the railway

MARKET SHARE

80% of Kazakhstan's total rail freight turnover in 2025 (the Group: 289bn ton-km) (1)

~1.4MN TEU
containerised transit traffic p.a.

COVERAGE

16 JUNCTION POINTS
Maintain cross-border operations

5 NEIGHBOURING COUNTRIES
China, Russia, Kyrgyzstan, Uzbekistan, Turkmenistan

ALL 17 REGIONS OF KAZAKHSTAN
Full nationwide coverage

PROFITABILITY

US$5,645.5MN
Revenue(2) in 2025

US$1,786.5MN
EBITDA(3) in 2025

US$1,529.2MN
Operating cash flow in 2025

31.6%
EBITDA margin(3) in 2025

GROWTH

19.4%
Revenue CAGR, 2023–2025

31.0%
EBITDA CAGR, 2023–2025

56.1%
Operating cash flow CAGR, 2023–2025

Notes:

(1) Based on total rail freight turnover in Kazakhstan.

(2) Revenue represents total revenue and other income.

(3) All EBITDA-related figures referred to represent Adjusted Group EBITDA (a non-IFRS measure).

Business of the Group

The Group operates an integrated railway transportation and logistics network comprising:

- freight transportation (including multimodal logistics); and
- passenger transportation,

each segment incorporating associated infrastructure and support services. Its integrated asset base includes approximately 16,000 km of operational rail track, approximately 1,900 locomotives, approximately 47,000 freight cars including fitting platforms, approximately 2,200 passenger cars, approximately 830 stations, 30 locomotive sheds, 17 car sheds, two seaports and key dryport and terminal assets. This integrated network enables the Group to coordinate infrastructure, rolling stock, port, terminal and logistics operations across the transport value chain and provide customers with rail, sea and multimodal transportation solutions.

The Group carries out freight transportation services primarily through its integrated railway network, including the provision of mainline railway network access, locomotive traction, rolling stock, freight forwarding, terminal, warehousing and related logistics services. Freight transportation is the Group's largest business segment and includes local transportation within Kazakhstan, export transportation from Kazakhstan to destinations outside the country, import transportation into Kazakhstan and transit transportation between foreign countries through Kazakhstan.

The Group provides passenger transportation services primarily through its wholly-owned subsidiary Passenger Transportation. The Group operates socially significant passenger transportation, which is regulated and partly subsidised by the State, and rapid transit passenger transportation, for which tariffs are not regulated. Passenger transportation forms a smaller part of the Group's business than freight transportation, but remains strategically important given the Group's role as Kazakhstan's national railway operator and the importance of rail services for inter-regional and international passenger connectivity.

The following table sets forth certain information regarding the Group's revenue and other income for the years indicated:

	2023	**2024**	**2025**
		(KZT millions)	
Revenue from freight transportation	1,682,550	1,875,558	2,463,197
Revenue from passenger transportation	101,682	110,523	129,250
Government grants	38,912	41,124	43,275
Other revenue	110,951	136,737	121,361
Total revenue and other income	**1,934,095**	**2,163,942**	**2,757,083**

The Group's Milestones

The Company's history can be traced back to 1997 when its predecessor, Kazakhstan Temir Zholy Republican State Enterprise, was established in Kazakhstan on 31 January 1997 by resolution of the Government through the merger of the following republican state enterprises: Almaty Railway Administration, Tselinny Railway Administration, and West Kazakhstan Railway Administration.

On 15 May 2002, National Company Kazakhstan Temir Zholy Closed Joint Stock Company was formed on the basis of resolution of the Government through the merger of Kazakhstan Temir Zholy Republican State Enterprise and its state-owned subsidiaries.

On 1 April 2004, National Company Kazakhstan Temir Zholy Closed Joint Stock Company was reorganised into Joint Stock Company《National Company《Kazakhstan Temir Zholy》. As of the Latest Practicable Date, the Company was wholly-owned by Samruk-Kazyna which, in turn, is wholly-owned by the Government.

CUSTOMERS AND SUPPLIERS

The Group's customers for freight transportation include suppliers of coal, oil and oil products, metals, ores, chemicals, fertilisers and agricultural products. The Group had approximately 1,700 customers for freight transportation during 2025. The Group's customers for passenger transportation are members of the public, with most passenger traffic generated from inter-regional routes. In 2023, 2024 and 2025, revenue from the five largest customers, which are customers from the Group's freight transportation segment, in each year of the Track Record Period amounted to KZT 307,327 million, KZT 392,156 million and KZT 491,050 million, respectively, accounting for 15.9%, 18.1% and 17.8% of the total revenue and other income for the respective year. Revenue from the largest customer in 2023, 2024 and 2025 accounted for 4.2%, 5.1% and 4.5% of total revenue and other income in the same years, respectively.

The Group procures a broad range of goods, works and services required for the operation, maintenance and development of its railway transport and logistics network, the majority of which is from Kazakhstan. Its principal procurement categories include fuel and lubricants, electricity, locomotives, freight wagons, passenger carriages, containers, fitting platforms, spare parts, track superstructure materials, signalling and communications equipment, construction and maintenance works, repair services, security services and other services required for railway operations. Purchases from the Group's five largest suppliers in 2023, 2024 and 2025 amounted to KZT 283,732 million, KZT 288,435 million and KZT 445,898 million, respectively, representing 38.5%, 38.9% and 48.8% of total purchase amount for the respective year. Purchases from the Group's largest supplier in 2023, 2024 and 2025 represented 13.0%, 10.8% and 22.0% of total purchase amount for the respective year.

SAMRUK-KAZYNA AS SHAREHOLDER

As at the date of this document, the entire issued share capital of the Company is legally and beneficially owned by Samruk-Kazyna. Immediately following the completion of the **[REDACTED]** [(assuming no exercise of the **[REDACTED]**)], Samruk-Kazyna will hold approximately **[REDACTED]**% of the total issued share capital of the Company.

Samruk-Kazyna was established as a joint stock company on 3 November 2008 in accordance with a decree of the President of Kazakhstan dated 13 October 2008 and a resolution of the Government dated 17 October 2008. As of the Latest Practicable Date, its entire shareholding was held by the Ministry of Finance's Committee of State Property and Privatisation on behalf of the Republic of Kazakhstan.

THE GOVERNMENT AS REGULATOR

The Government exercises indirect control over the Group through its ownership of Samruk-Kazyna and through its regulatory and legislative powers. The Government may also influence general policy relating to the Group's activities and corporate governance through Samruk-Kazyna, but may not interfere in the day-to-day operations of Samruk-Kazyna or the Group except as provided by law or as decreed by the President of the Republic of Kazakhstan.

The operations of railway infrastructure, freight and passenger transportation services carried on by the Group are principally regulated by the Law on Railway Transport. The Company's status as a natural monopoly and the status of its subsidiaries, KTZ-FT and Passenger Transportation, as dominant providers of freight transportation and passenger transportation in Kazakhstan, respectively, subject the relevant Group members to regulation by the Natural Monopoly Committee under the Natural Monopolies Law and the Entrepreneurial Code, which includes limitations on the amounts the relevant Group entities may charge customers for their services. See "Regulatory Overview" in this Document for further details. In addition, the transport and logistics industry in Kazakhstan generally, and the Group specifically, have undergone and continue to undergo reforms and restructuring aimed at improving tariff regulation, operational efficiency and long-term financial sustainability while maintaining the strategic importance of rail transportation within the national economy.

The Government also influences the Group's financial results through the regulated tariff framework applicable to mainline railway network services and locomotive traction services.

STRENGTHS

The Company believes that it benefits from the following key strengths:

- The Group is the national champion in freight and passenger transportation with an integrated railway network.
- The Group operates a strategic Eurasian corridor gateway with integrated rail, port, dry port and logistics assets.
- The Group has delivered strong and improved financial performance supported by tariff reform, freight demand and operating efficiency.
- The Group has a well-invested platform supporting capacity expansion, reliability and long-term service quality.
- The Group is an experienced public-market issuer with a seasoned management team and an improving sustainability profile.

See "Business Overview – Key Strengths" in this Document.

STRATEGIES

The Group intends to further develop and grow its business by:

- Improving rail transportation efficiency and network capacity;
- Scaling transit transportation across China-Europe, Middle Corridor and North-South Corridor
- Enhancing service quality and customer experience across freight and passenger services
- Accelerating digitalisation to improve planning, utilisation and border processing
- Embedding ESG Principles into decarbonisation, workforce development and governance
- Ensuring railway safety and operational resilience

See "Business Overview – Strategy" in this Document.

SUMMARY KEY FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of the Group's consolidated statements of profit or loss for the years indicated:

	Year ended 31 December		
	2023	**2024**	**2025**
		(KZT millions)	
Revenue and other income			
Revenue from freight transportation	1,682,550	1,875,558	2,463,197
Revenue from passenger transportation	101,682	110,523	129,250
Government grants	38,912	41,124	43,275
Other revenue	110,951	136,737	121,361
Total revenue and other income	1,934,095	2,163,942	2,757,083
Cost of sales	(1,498,583)	(1,620,017)	(1,924,051)
Gross profit	435,512	543,925	833,032
General and administrative expenses	(106,494)	(128,390)	(145,837)
Finance income	32,221	52,955	88,618
Finance costs	(208,365)	(184,984)	(245,844)
Foreign exchange loss	(14,124)	(69,620)	(19,990)
Gain on disposal of subsidiary not qualifying as discontinued operations	6,283	–	–
Share of profit of associates and joint ventures	8,144	10,772	1,634
Reversal of impairment/(Impairment) of financial assets and contract assets	2,662	1,601	(3,893)
Reversal of impairment/(Impairment) of non-financial assets	1,149	(7,336)	(11,480)
Other profits and losses	4,395	4,606	2,781
Profit before tax	161,383	223,529	499,021
Income tax expenses	(24,599)	(62,724)	(155,375)
Profit for the year	**136,784**	**160,805**	**343,646**

Gross Profit and Gross Profit Margin

The Group's gross profit was KZT 435,512 million, KZT 543,925 million and KZT 833,032 million in 2023, 2024 and 2025, respectively. The Group's gross profit margin was 22.5%, 25.1% and 30.2% in 2023, 2024 and 2025, respectively.

Summary of Consolidated Statements of Financial Position

The following table sets out selected information from the Group's consolidated statements of financial position as at the dates indicated:

	As at 31 December		
	2023	2024	2025
		(KZT millions)	
Total non-current assets	4,554,610	5,506,575	7,107,190
Total current assets	385,596	452,181	491,322
Total assets	4,940,206	5,958,756	7,598,512
Total current liabilities	808,382	1,381,619	1,454,337
Net current liabilities	422,786	929,438	963,015
Total non-current liabilities	2,372,768	2,607,820	3,755,945
Total liabilities	3,181,150	3,989,439	5,210,282
Net assets	1,759,056	1,969,317	2,388,230

Summary of Consolidated Statements of Cash Flows

The following table sets out certain information regarding the principal items of the consolidated statements of cash flows for the years indicated:

	Year ended 31 December		
	2023	2024	2025
		(KZT millions)	
Net cash from operating activities	306,318	336,597	746,797
Net cash used in investing activities	(802,702)	(734,061)	(932,267)
Net cash flows from financing activities	434,271	393,367	228,039
Net increase/(decrease) in cash and cash equivalents	(62,113)	(4,097)	42,569
Cash and cash equivalents at the beginning of the year	267,032	204,614	198,578
Effect of exchange rate change on balance of cash and cash equivalents denominated in foreign currency	(322)	(1,945)	(8,166)
Effect of change in the allowance for expected credit losses	17	6	(8)
Cash and cash equivalents at the end of the year	204,614	198,578	232,973

Key Financial Ratios

The following table sets forth the Group's selected financial indicators for the years and as of the dates indicated.

	Year ended/As at 31 December		
	2023	2024	2025
Gross profit margin[(1)]	22.5%	25.1%	30.2%
Net profit margin[(2)]	7.1%	7.4%	12.5%
Current ratio[(3)]	0.5	0.3	0.3
Debt-to-asset ratio[(4)]	64.4%	67.0%	68.6%

Notes:

(1) Gross profit margin is calculated by dividing gross profit by revenue and other income and then multiplied by 100%.

(2) Net profit margin is calculated by dividing profit for the year by revenue and other income and then multiplied by 100%.

(3) Current ratio is calculated by dividing current assets by current liabilities as of the end of the year.

(4) Debt-to-asset ratio, expressed as a percentage, is calculated by dividing total liabilities by total assets as of the end of the year and then multiplied by 100%.

Non-IFRS Measures

To supplement the Company's consolidated financial statements presented in accordance with IFRS Accounting Standards, the Company uses certain measures as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. See "Financial Information - Non-IFRS Measures" in the Document.

KEY RISK FACTORS

The Group's business and industry involve certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section carefully in its entirety before you decide to **[REDACTED]** in the **[REDACTED]**. Some of the primary risks the Group faces include the following:

- The Group faces liquidity constraints and has a significant net current liability position.
- The Group has a front-loaded capital expenditure programme and may be subject to execution and funding risks.
- The Group is dependent on continued financial support from the Government and Samruk-Kazyna, which is non-obligatory and may be delayed, suspended, cancelled, reduced or discontinued.
- Tariff regulation by the Natural Monopoly Committee may adversely affect the Group's business and results of operations.
- The Group could be adversely affected by dealings with countries or entities that are, or become subject to, sanctions administered by the U.K., the U.S. or other relevant jurisdictions.
- The Group's business and results of operations may be adversely affected by wars, regional conflicts, geopolitical developments and corridor disruptions, including as a result of the ongoing military conflict between Russia and Ukraine.
- The Group's joint ventures with foreign state-linked partners may give rise to governance, sanctions, and geopolitical risks.
- The Group is subject to ongoing regulatory and antimonopoly scrutiny, which could result in material fines, operational restrictions or reputational harm.
- The Government, which indirectly controls the Company, may cause the Company to pursue public-policy objectives that conflict with its commercial interests and the interests of the **[REDACTED]**, which includes influencing management appointments and removals, and the sale of Company assets.
- The Group's operations are restricted by its loan covenants and failure to comply with such covenants could result in a material adverse effect on the Group.

See the section headed "Risk Factors" in this Document for further details.

DIVIDEND

The Company did not declare any dividends during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to the Charter and the relevant Kazakhstan laws.

As a portfolio company of Samruk-Kazyna, the Company is subject to Samruk-Kazyna's dividend policy. See "Financial Information - Contractual Obligations - Group Financial Policy" in this Document for details.

[REDACTED]

FUTURE PLANS AND [REDACTED]

After deducting the **[REDACTED]** fees and commissions and other estimated **[REDACTED]** expenses payable by the Company in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** and HK$**[REDACTED]**), the Company estimates that it will receive net proceeds of approximately HK$**[REDACTED]** million from the **[REDACTED]**. In line with its strategies, the Company intends to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for railway digital infrastructure, to implement a comprehensive, technology-driven upgrade of the Company's railway infrastructure;
- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for capacity expansion, specifically for the construction of the Bakhty-Ayagoz railway line, a new 272 km railway line and associated infrastructure designed to create an additional railway border crossing with the People's Republic of China;

- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be allocated for repayment of the principal amounts and interests accrued on a portion of the interest-bearing borrowings of the Group including the bond issued to or subscribed for by Samruk-Kazyna and other interest-bearing debt; and
- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for working capital and general corporate purposes.

See "Future Plans and **[REDACTED]** – **[REDACTED]**" in this Document for further information.

[REDACTED]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Significant events after 31 December 2025, being the end date of the periods reported in Appendix IB to this Document, are disclosed in Note 34 of Appendix I to this Document. Such events relate to further loans, bonds or debt securities issued by the Group.

Save as disclosed above, the Directors confirm that, there had been no material adverse change in the Group's financial or trading position or prospects since 31 December 2025, being the end date of the periods reported in Appendix IB to this Document, and there had been no event since 31 December 2025 that would materially affect the information as set out in Appendix IB to this Document.