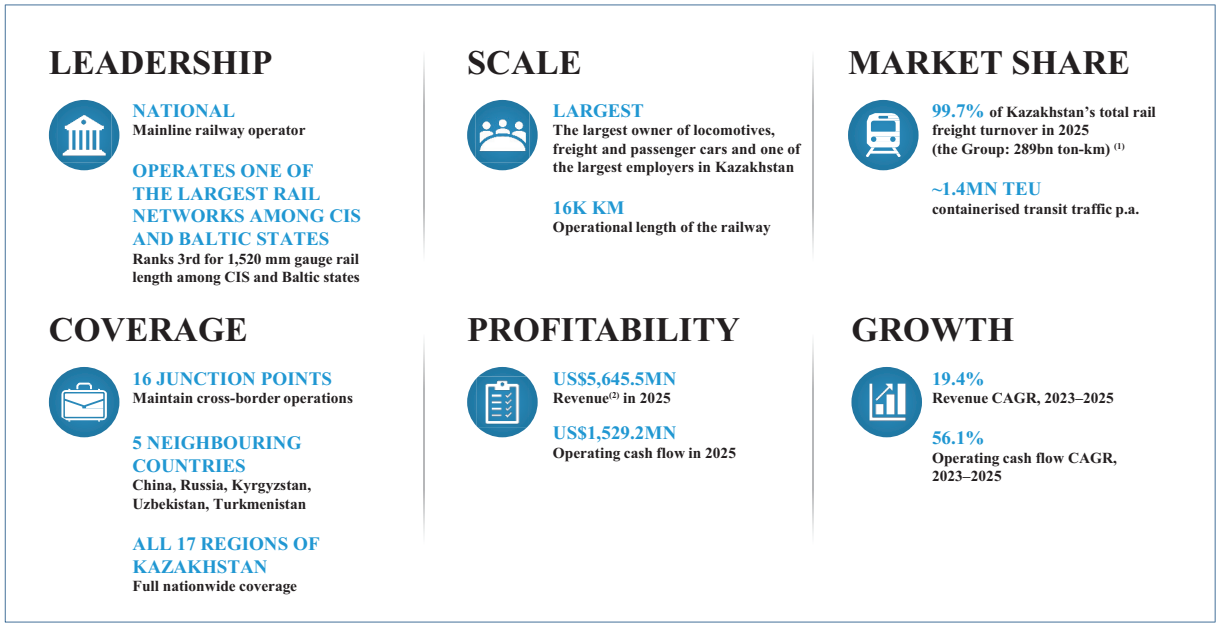
SUMMARY

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 119,910 employees as at 30 June 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.



Notes:

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

(2) Revenue represents total revenue and other income.

Business of the Group

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

- freight transportation (including 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 and approximately 21,000 km of main track, approximately 2,000 locomotives, approximately 40,000 freight cars including fitting platforms, approximately 2,200 passenger cars, approximately 830 stations, 30 locomotive sheds, 17 car sheds, two seaports and key dry port 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 and sea transportation solutions.

The Group carries out freight transportation services primarily through its integrated railway network as a mainline railway infrastructure operator, a railway carrier, and a transportation and logistics services operator. This includes 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 and is on a commercial basis. As at the Latest Practicable Date, the Group operates 66 socially significant passenger transportation routes and four rapid transit passenger transportation routes. 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:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
			(KZT millions)		
Revenue from freight transportation	1,682,550	1,875,558	2,463,197	1,130,511	1,322,173
Revenue from passenger transportation	101,682	110,523	129,250	60,161	66,814
Government grants	38,912	41,124	43,275	21,277	27,327
Other revenue	110,951	136,737	121,361	61,128	49,377
Total revenue and other income	**1,934,095**	**2,163,942**	**2,757,083**	**1,273,077**	**1,465,691**

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, Tselinnaya Railway Administration, and West Kazakhstan Railway Administration.

On 15 May 2002, National Company Kazakhstan Temir Zholy Closed Joint Stock Company was formed pursuant to a 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" (also known as 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. For the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026, revenue from the five largest customers, which are customers from the Group's freight transportation segment, in each year/period of the Track Record Period amounted to KZT 307,327 million, KZT 392,155 million, KZT 491,050 million and KZT 267,758 million, respectively, accounting for 15.9%, 18.1%, 17.8% and 18.2% of the total revenue and other income for the respective year/period. Revenue from the largest customer for the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026 accounted for 4.2%, 5.1%, 4.5% and 4.5% of total revenue and other income in the same years/period, 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 for the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026 amounted to KZT 283,733 million, KZT 288,436 million, KZT 445,898 million and KZT 252,944 million, respectively, representing 38.4%, 38.7%, 48.8% and 56.1% of total purchase amount for the respective year/period. Purchases from the Group's largest supplier for the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026 represented 13.0%, 10.8%, 22.0% and 27.8% of total purchase amount for the respective year/period.

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 out 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.

Government policy, in the form of the regulated tariff framework applicable to mainline railway network services and locomotive traction services, also impacts the financial performance of the Group.

STRENGTHS

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

- National champion in freight and passenger transportation with an integrated railway network
- Strategic Eurasian corridor gateway with integrated rail, port, dry port and logistics assets
- Strong and improved financial performance supported by tariff reform, freight demand and operating efficiency
- Well-invested platform supporting capacity expansion, reliability and long-term service quality
- 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/periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
			(KZT millions)	*(unaudited)*	
Revenue and other income					
Revenue from freight transportation	1,682,550	1,875,558	2,463,197	1,130,511	1,322,173
Revenue from passenger transportation	101,682	110,523	129,250	60,161	66,814
Government grants	38,912	41,124	43,275	21,277	27,327
Other revenue	110,951	136,737	121,361	61,128	49,377
Total revenue and other income	1,934,095	2,163,942	2,757,083	1,273,077	1,465,691
Cost of sales	(1,498,583)	(1,620,017)	(1,924,051)	(902,522)	(1,036,553)
Gross profit	435,512	543,925	833,032	370,555	429,138
General and administrative expenses	(106,494)	(128,390)	(145,837)	(63,776)	(79,680)
Finance income	32,221	52,955	88,618	17,755	22,585
Finance costs	(208,365)	(184,984)	(245,844)	(119,383)	(164,930)
Foreign exchange (loss)/gain	(14,124)	(69,620)	(19,990)	(77,009)	99,715
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	1,094	(2,345)
Reversal of impairment/(Impairment) of financial assets and contract assets	2,662	1,601	(3,893)	(3,106)	(638)
Reversal of impairment/(Impairment) of non-financial assets	1,149	(7,336)	(11,480)	(6,685)	(3,315)
Other profits and losses	4,395	4,606	2,781	3,511	(1,141)
Profit before tax	161,383	223,529	499,021	122,956	299,389

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
			(KZT millions)	*(unaudited)*	
Income tax expenses	(24,599)	(62,724)	(155,375)	(36,906)	(108,388)
Profit for the year/period	**136,784**	**160,805**	**343,646**	**86,050**	**191,001**

Non-IFRS Measures

To supplement the Company's consolidated financial statements presented in accordance with IFRS Accounting Standards, the Company uses EBITDA (non-IFRS measure) and EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards.

The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. The Company believes that these measures provide useful information to **[REDACTED]** in understanding and evaluating the Group's consolidated results of operations and financial condition in the same manner as they help management. However, presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and **[REDACTED]** should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS Accounting Standards.

The Company defines EBITDA (non-IFRS measure) as profit for the year/period excluding income tax expenses, finance costs, finance income and depreciation and amortisation. The Company defines EBITDA margin (non-IFRS measure) as the ratio of EBITDA (non-IFRS measure) divided by total revenue and other income.

The following tables reconcile the Group's non-IFRS financial measures with their corresponding figures presented in accordance with IFRS Accounting Standards for the periods indicated.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
			(KZT millions)	*(unaudited)*	
Profit for the year/period	136,784	160,805	343,646	86,050	191,001
Income tax expenses	24,599	62,724	155,375	36,906	108,388
Finance costs	208,365	184,984	245,844	119,383	164,930
Finance income	(32,221)	(52,955)	(88,618)	(17,755)	(22,585)
Depreciation and amortisation	156,441	170,516	196,219	95,768	112,500
EBITDA (non-IFRS measure) (A)	**493,968**	**526,074**	**852,466**	**320,352**	**554,234**
Total revenue and other income (B)	1,934,095	2,163,942	2,757,083	1,273,077	1,465,691
EBITDA margin (non-IFRS measure) ((A)/(B))(%)	**25.5**	**24.3**	**30.9**	**25.2**	**37.8**

Gross Profit and Gross Profit Margin

The Group's gross profit was KZT 435,512 million, KZT 543,925 million, KZT 833,032 million, KZT 370,555 million and KZT 429,138 million in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The Group's gross profit margin was 22.5%, 25.1%, 30.2%, 29.1% and 29.3% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, 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			As at 30 June
	2023	2024	2025	2026
	(KZT millions)			
Total non-current assets	4,554,610	5,506,575	7,107,190	8,091,949
Total current assets	385,596	452,181	491,322	656,988
Total assets	4,940,206	5,958,756	7,598,512	8,748,937
Total current liabilities	808,382	1,381,619	1,454,337	1,580,156
Net current liabilities	(422,786)	(929,438)	(963,015)	(923,168)
Total non-current liabilities	2,372,768	2,607,820	3,755,945	4,570,431
Total liabilities	3,181,150	3,989,439	5,210,282	6,150,587
Net assets	1,759,056	1,969,317	2,388,230	2,598,350

The Group's net current liabilities increased by 119.8% from KZT 422,786 million as at 31 December 2023 to KZT 929,438 million as at 31 December 2024, primarily due to (i) the increase in borrowings of KZT 458,850 million; (ii) the recognition of derivative financial instruments of KZT 32,697 million; and (iii) the increase in trade accounts payable of KZT 30,382 million, partially offset by the increase in VAT recoverable of KZT 70,857 million. In addition, the composition of current liabilities was affected by the approaching contractual maturity of bonds in the aggregate principal amount of US$883 million held by Samruk-Kazyna, which were originally scheduled to mature on 28 October 2025. During 2025, an agreement was reached to extend the maturity of these bonds to 2028 and to change coupon rate from 2% to 3%. The Group's net current liabilities increased by 3.6% from KZT 929,438 million as at 31 December 2024 to KZT 963,015 million as at 31 December 2025, primarily due to (i) the increase in trade accounts payable of KZT 294,419 million; and (ii) the increase in derivative financial instruments of KZT 58,799 million, partially offset by (i) the decrease in borrowings of KZT 324,307 million; (ii) the increase in other current assets of KZT 50,432 million; (iii) the increase in cash and cash equivalents of KZT 34,395 million; and (iv) the increase in inventories of KZT 28,602 million. The Group's net current liabilities decreased by 4.1% from KZT 963,015 million as at 31 December 2025 to KZT 923,168 million as at 30 June 2026, primarily due to an increase in cash and cash equivalents of KZT 134,722 million mainly attributable to the receipt of proceeds from the issuances of Notes in April 2026.

The Group's net assets increased by 12.0% from KZT 1,759,056 million as at 31 December 2023 to KZT 1,969,317 million as at 31 December 2024, primarily attributable to profit for the year of KZT 160,805 million, other contributions of KZT 71,516 million representing an adjustment to fair value of KZT 89,395 million recognised in respect of loans received from Samruk-Kazyna at rates lower than market, net of a deferred tax effect of KZT 17,879 million, and the issue of 1,000 shares for cash consideration of KZT 13,273 million paid by Samruk-Kazyna, partially offset by other comprehensive loss for the year of KZT 33,108 million, primarily attributable to a net loss of KZT 38,570 million in the hedging reserve, and dividends of KZT 2,225 million declared to non-controlling interests. The Group's net assets further increased by 21.3% to KZT 2,388,230 million as at 31 December 2025, primarily attributable to profit for the year of KZT 343,646 million, the issue of 1,010 shares paid by Samruk-Kazyna by contributing non-current assets with a total fair value of KZT 28,791 million, and other contributions of KZT 58,556 million representing the difference of KZT 73,195 million between loans received from Samruk-Kazyna at rates lower than market and their fair value, net of a deferred tax effect of KZT 14,639 million, partially offset by other comprehensive loss for the year of KZT 8,571 million, primarily attributable to a net loss of KZT 13,442 million in the hedging reserve, and dividends of KZT 3,509 million declared to non-controlling interests. The Group's net assets further increased by 8.8% to KZT 2,598,350 million as at 30 June 2026, primarily attributable to profit for the period of KZT 191,001 million and other comprehensive income for the period of KZT 22,302 million, primarily attributable to a net gain of KZT 31,257 million in the hedging reserve, partially offset by dividends of KZT 3,183 million declared to non-controlling interests.

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/periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
			(KZT millions)	*(unaudited)*	
Net cash from operating activities	306,318	336,597	746,797	337,966	257,683
Net cash used in investing activities	(802,702)	(734,061)	(932,267)	(366,010)	(759,822)
Net cash flows from financing activities	434,271	393,367	228,039	70,522	627,689
Net (decrease)/increase in cash and cash equivalents	(62,113)	(4,097)	42,569	42,478	125,550
Cash and cash equivalents at the beginning of the year/period	267,032	204,614	198,578	198,578	232,973
Effect of exchange rate change on balance of cash and cash equivalents denominated in foreign currency	(322)	(1,945)	(8,166)	(3,255)	9,230
Effect of change in the allowance for expected credit losses	17	6	(8)	(3)	(58)
Cash and cash equivalents at the end of the year/period	204,614	198,578	232,973	237,798	367,695

Key Financial Ratios

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

	Year ended/As at 31 December			Six months ended/As at 30 June
	2023	2024	2025	2026
Gross profit margin[(1)]	22.5%	25.1%	30.2%	29.3%
Net profit margin[(2)]	7.1%	7.4%	12.5%	13.0%
Current ratio[(3)]	0.5	0.3	0.3	0.4
Debt-to-asset ratio[(4)]	64.4%	67.0%	68.6%	70.3%
Coverage ratio[(5)]	1.77	2.21	3.03	2.82

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%.

(5) Coverage ratio is calculated by dividing profit before tax and finance costs by finance costs.

Foreign Exchange Exposure

The Group's results of operations and financial condition are affected by foreign exchange movements. In particular, the Group has revenue and expense items denominated in foreign currencies, including Swiss Franc-denominated transit revenue and expenditures for goods and services priced in foreign currencies, and the Group has foreign currency-denominated monetary items, including borrowings and debt securities, which are translated into Tenge for reporting purposes and may give rise to foreign exchange gains or losses. The Group is exposed principally to movements in the Swiss Franc, U.S. dollar, Euro, Russian Rouble and Chinese Yuan.

The following table sets forth the exchange rates of the Tenge against the Swiss Franc, U.S. dollar, Euro, Russian Rouble and Chinese Yuan which the Group used to prepare its consolidated statements of

financial position, together with the average daily rates the Group used to prepare its consolidated statements of profit or loss and other comprehensive income as of the dates or for the periods indicated:

	As at or for the year ended 31 December						As at or for the six months ended 30 June			
	2023		2024		2025		2025		2026	
	Closing	*Average*	*Closing*	*Average*	*Closing*	*Average*	*Closing*	*Average*	*Closing*	*Average*
Tenge/Swiss Franc	541.1	508.2	580.7	534.0	637.3	630.4	652.1	594.9	594.4	618.5
Tenge/U.S. dollar	454.6	456.3	525.1	469.4	505.5	521.6	519.6	512.0	480.7	486.5
Tenge/Euro	502.2	493.3	546.7	507.9	593.4	590.2	609.2	559.5	548.1	567.7
Tenge/Russian Rouble	5.1	5.4	4.9	5.1	6.3	6.3	6.6	5.9	6.1	6.4
Tenge/Chinese Yuan	63.9	64.4	71.9	65.3	73.2	71.9	72.5	70.6	70.9	70.9

As at 30 June 2026, most of the Group's borrowings (including debt securities) in foreign currencies were denominated in the Swiss Franc and U.S. dollar and, to a lesser extent, Euro, Russian Rouble and Chinese Yuan. See "Financial Information – Indebtedness and Financial Guarantee Agreement Liabilities – Borrowings" in this Document. Exchange-rate movements affect both cash costs and reported results. Depreciation of the Tenge against currencies in which the Group has borrowings (including debt securities) increases the Tenge equivalent of principal and interest obligations and may increase the Group's debt service requirements in Tenge terms. Separately, depreciation may increase the carrying amount of foreign currency-denominated monetary liabilities when translated into Tenge, which may be reflected as foreign exchange losses.

The Group generates Swiss Franc-denominated revenue from international freight transit under the CIS Tariff Agreement. Transit-related revenues, being the only revenue stream denominated in Swiss Francs, accounted for 33.9%, 32.3%, 30.0%, 30.7% and 33.4% of the Group's total revenue and other income for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively. Accordingly, fluctuations in the Tenge/Swiss Franc exchange rate may affect the Group's consolidated results of operations, and any change in the value of the Tenge against the Swiss Franc will result in an increase or decrease in the Group's revenue, as the case may be.

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025, the Group recorded foreign exchange losses of KZT 14,124 million, KZT 69,620 million, KZT 19,990 million and KZT 77,009 million, respectively, and a foreign exchange gain of KZT 99,715 million for the six months ended 30 June 2026.

See "Risk Factors – Risks Relating to Its Business and Industry – The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage", "Risk Factors – Risks Relating to Conducting Business in Kazakhstan – Devaluations of the Tenge or the adoption of a new currency exchange policy could have an adverse impact on the Group and Kazakhstan's public finances and economy" and "Financial Information - Key Factors Affecting Results of Operations – Foreign Exchange Exposure" in this Document for further information.

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's capital expenditure programme is subject to execution risks and, after the period covered by the working capital statement, will require substantial external financing that may not be available on acceptable terms.
- 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 or acquisition of assets.
- Tariff regulation by the Natural Monopoly Committee may adversely affect the Group's business and results of operations.
- Railway transportation may be subject to increasing competition from other modes of freight transportation, and the Group may be subject to increasing competition from other transportation and logistics companies.

- 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 is dependent on financial support from the Government and Samruk-Kazyna, which is non-obligatory, and may be delayed, suspended, cancelled, reduced or discontinued.
- 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.

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 ("**Samruk Dividend Policy**"), which governs dividend payments from its portfolio companies. Under this policy, dividends are calculated on a Free Cash Flow ("**FCFF**") basis, with the proportion of FCFF payable as dividends determined by reference to the financial performance of the Company. FCFF for these purposes is the consolidated operating cash flow available for distribution in the form of dividends, calculated as net cash flow from operating activities plus dividends received from joint ventures and associates, less maintenance capital expenditures for property, plant and equipment and intangible assets in the reporting period.

The amount of FCFF payable as dividends by the Company is determined based on the Company's compliance with certain financial stability indicators for the year prior to that in which a dividend is proposed which are established by an assessment on the following indicators: Debt/EBITDA (non-IFRS measure), EBITDA (non-IFRS measure)/interest expense and Debt/Equity. The extent to which the established target and threshold values of these indicators are achieved determines the applicable range of dividend distributions from FCFF. If the Company complies with financial stability ratios, it is required to pay from 50% to 100% of its FCFF as dividends. If the Company complies with the threshold values of financial stability ratios, but violates the target values, it is required to pay 50% of FCFF. In case of violation of the threshold values of financial stability ratios, dividend payments range from 20% to 50% of FCFF, with part of the remaining FCFF used to repay the company's liabilities in order to bring financial stability indicators to the target values.

Notwithstanding the above, pursuant to the Samruk Dividend Policy, Samruk-Kazyna may, at its discretion, determine in any particular year, and from time to time, that no dividend may be paid by the Company.

See "Risk Factors – Risks Relating to the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]** – The Company may elect not to pay dividends in the future" in this Document.

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

After deducting the **[REDACTED]** fees and **[REDACTED]** 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$**[REDACTED]**), the Company estimates that it will receive **[REDACTED]** of approximately HK$**[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 303 km railway line within Kazakhstan's territory 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$**[REDACTED]** million, will be allocated for repayment of the principal amounts of, and interest accrued on, a portion of the interest-bearing borrowings of the Group including the bond issued in favour of Samruk-Kazyna and other interest-bearing loan; and
- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[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]

[REDACTED]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Following 30 June 2026, the Group expects to record a significant decrease in net profit for the year ended 31 December 2026 as compared to the year ended 31 December 2025, principally due to (i) an increase in interest costs and depreciation charges resulting from the Group's multi-year capital expenditure programme (including key capacity expansion projects such as the construction of the Bakhty-Ayagoz railway line and the Dostyk-Moiynty second tracks, and the modernization of the Group's fleet); (ii) non-recurring **[REDACTED]** expenses incurred in 2026 in connection with the **[REDACTED]**; (iii) increases in regulated tariffs in 2026 being significantly less than in 2025; and (iv) increases in cost of sales primarily attributable to rising employee costs and higher prices of purchased goods and services.

Significant events after 30 June 2026, 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 30 June 2026, being the end date of the periods reported in Appendix IB to this Document, and there had been no event since 30 June 2026 that would materially affect the information as set out in Appendix IB to this Document.