



JOINT STOCK COMPANY "NATIONAL COMPANY "KAZAKHSTAN TEMIR ZHOLY"

(a joint stock company organised in the Republic of Kazakhstan)

unconditionally and irrevocably guaranteed by

JOINT STOCK COMPANY "KAZTEMIRTRANS"

and

"KTZ-FREIGHT TRANSPORTATION" LLP

U.S.\$3,000,000,000

GUARANTEED GLOBAL MEDIUM TERM NOTE PROGRAMME

Under the U.S.\$3,000,000,000 Guaranteed Global Medium Term Note Programme (the "**Programme**") described in this base offering memorandum (the "**Base Offering Memorandum**"), Joint Stock Company "National Company "Kazakhstan Temir Zholy" (the "**Issuer**") may from time-to-time issue notes (the "**Notes**") in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") denominated in any currency agreed between the Issuer, the Guarantors and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of Notes outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement referred to herein), subject to increase, as described herein. The Notes are unconditionally and irrevocably guaranteed by Joint Stock Company "Kaztemirtrans" ("**Kaztemirtrans**") and "KTZ-Freight Transportation" LLP ("**KTZ-FT**") (each, a "**Guarantor**" and, together, the "**Guarantors**", which term shall include any further Guarantors appointed pursuant to the Trust Deed (as defined below)) pursuant to a guarantee (the "**Guarantee**") contained in the Trust Deed (as defined below). The Notes will be constituted by, and have the benefit of, a trust deed dated 21 April 2026 (as may be further supplemented, amended or restated from time-to-time) (the "**Trust Deed**") between the Issuer, the Guarantors and Citibank, N.A., London Branch (the "**Trustee**", which term shall include any successor trustee under the Trust Deed).

This Base Offering Memorandum does not comprise (i) a base prospectus for the purposes of Part IV of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") or (ii) a base prospectus for the purpose of the Prospectus Rules: Admission to trading on a Regulated Market sourcebook (the "**PRM**").

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for Notes issued under the Programme during the period of 12 months from the date of this Base Offering Memorandum to be admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**"). The ISM is not a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom (the "**UK**") by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"). Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "**FCA**"). Neither the London Stock Exchange nor the FCA has approved or verified the contents of this Base Offering Memorandum.

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs")). The London Stock Exchange, as a Recognised Investment Exchange does not make assessments of investor eligibility. Given that under Regulation 16 of POATRs, only qualified investors are permitted to trade on ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of POATRs are permitted to trade on ISM. Securities admitted to trading on International Securities Market are not admitted to the Official List of the FCA. London Stock Exchange has not approved or verified the contents of this Base Offering Memorandum.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes" (the "**Conditions**")) of Notes will be set out in a pricing supplement document (the "**Pricing Supplement**") which will be delivered to the London Stock Exchange, as applicable, and, with respect to Notes to be admitted to trading on the ISM, will also be published on the website of the London Stock Exchange through a regulatory information service or may be published in such other manner permitted by the International Securities Market Rulebook effective as of January 2026 (as may be modified and/or supplemented and/or restated from time to time, the "**ISM Rulebook**").

In addition, unless otherwise agreed with the relevant Dealer(s) (as defined below) and provided for in the Pricing Supplement, the Issuer will use its reasonable endeavours to cause all Notes issued by the Issuer under the Programme to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the Kazakhstan Stock Exchange (the "**KASE**") and/or to be included in the official list of and be admitted to trading on the Astana International Exchange Ltd (the "**AIX**"), from (and including) the date of issue of the relevant Notes in respect of such Notes (the "**Issue Date**"). With respect to any Notes to be included in the official list of and be admitted to trading on the AIX, the relevant Pricing Supplement will also be published on the website of the AIX through an AIX Regulatory Announcement Service.

Simultaneously with an offering of Notes outside of the Republic of Kazakhstan, at least 30 per cent. of the principal amount of Notes of each Series must be offered through the KASE and/or the AIX on the same terms as the offering in a foreign state, with at least 20 per cent. of the principal amount of such Notes being placed through the KASE and/or the AIX (a "**Kazakhstan Placement**"). In connection with the listing of the Notes on the KASE and/or the AIX and the offer and sale of Notes in Kazakhstan, the Issuer will authorise one or more Kazakhstan Manager(s) (as will be defined in the relevant Pricing Supplement), each being a licensed broker-dealer company authorised and having the legal capacity to offer or procure any Notes to be offered and placed in Kazakhstan, to provide services in connection with the Kazakhstan Placement. For the avoidance of doubt, the other Dealer(s) will not be involved in the Kazakhstan Placement.

For the purposes of AIFC Law (as defined in the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" No. 438-V dated 7 December 2015, as amended), this Base Offering Memorandum constitutes the offer document for the Notes Programme described herein and has been prepared by the Issuer pursuant to Rule PR 3 of the AIX Business Rules. Accordingly, this Base Offering Memorandum has not been approved as prospectus by the AIX and it has not been approved by any other competent authority under the AIFC Law.

References in this Base Offering Memorandum to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to trading on the ISM. The relevant Pricing Supplement will state on which exchange(s) the Notes are to be admitted to trading. The Programme also permits Notes to be issued on an unlisted basis or to be listed on such other or further listing authorities, stock exchanges or quotation systems as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s).

**AN INVESTMENT IN NOTES INVOLVES A HIGH DEGREE OF RISK.
SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED
IN CONNECTION WITH AN INVESTMENT IN THE NOTES ISSUED UNDER THE PROGRAMME.**

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and, subject to certain exceptions, may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Notes may be offered and sold (i) within the United States to persons who are qualified institutional buyers (each, a "**QIB**"), as defined in Rule 144A under the Securities Act ("**Rule 144A**"), in reliance on the exemption from registration provided by Rule 144A (such Notes so offered and sold, the "**Rule 144A Notes**") and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (such Notes so offered and sold, the "**Regulation S Notes**"). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions, see "*Subscription and Sale*" and "*Transfer Restrictions*". Regulation S Notes and Rule 144A Notes in a particular Tranche will each initially be represented by a separate global note (a "**Regulation S Global Note**" and a "**Rule 144A Global Note**", respectively, and, together, the "**Global Notes**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes (as defined herein) are described in "*Summary of the Provisions Relating to Notes in Global Form*".

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time-to-time by the Issuer and the Guarantors (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue of Notes or on an ongoing basis. References in this Base Offering Memorandum to the "relevant Dealer" shall, in relation to an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all the Dealers agreeing to subscribe for such Notes, or in the case of a syndicated issue of Notes, the lead manager of such issue, as the case may be.

As at the date of this Base Offering Memorandum, the long-term foreign currency debt of the Issuer has been rated BBB- by Fitch Ratings Limited ("**Fitch**") and Baa2 by Moody's Investors Service Limited ("**Moody's**"). Each of Fitch and Moody's is established in the United Kingdom and is registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Such rating will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Offering Memorandum should be read and construed together with any amendment or supplement hereto. Further, in relation to any Series of Notes, this Base Offering Memorandum should be read and construed together with the relevant Pricing Supplement.

Arrangers and Dealers

Citigroup

J.P. Morgan

**Société Générale
Corporate & Investment Banking**

The date of this Base Offering Memorandum is 21 April 2026

IMPORTANT NOTICES

This Base Offering Memorandum comprises programme admission particulars for the purposes of the ISM Rulebook. This Base Offering Memorandum does not comprise a prospectus for the purposes of either Regulation (EU) 2017/1129 or the PRM, and has not been approved as such by the competent authority in any member state of the EEA or by the FCA.

The Issuer and each of the Guarantors accept responsibility for the information contained or incorporated by reference in this Base Offering Memorandum and any Pricing Supplement. To the best of the knowledge of the Issuer and the Guarantors, the information contained or incorporated by reference in this Base Offering Memorandum and any Pricing Supplement is true and accurate and is in accordance with the facts and the Base Offering Memorandum as completed by the relevant Pricing Supplement does not omit anything likely to affect its import.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Base Offering Memorandum including the accuracy or completeness of any information or statement included in it. Liability for this Base Offering Memorandum lies with the Issuer and the Guarantors. Nor has the AIX, its directors, officers or employees assessed the suitability of the Notes to which this Base Offering Memorandum relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether any Notes issued pursuant to this document are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

This Base Offering Memorandum is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Offering Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantors or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors, the Trustee or any Dealer or any of their respective affiliates.

Neither the Arrangers nor the Dealers have separately verified all the information contained herein. Neither the Arrangers, the Dealers nor the Trustee has independently confirmed the completeness and accuracy of all the information contained or incorporated by reference herein. Accordingly, no representation or warranty is made or implied by the Arrangers, the Dealers, the Trustee or any of their respective affiliates, and none of the Arrangers, the Dealers, the Trustee nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained or incorporated by reference in this Base Offering Memorandum, and each of them disclaims all and any liability whether arising in tort or contract or otherwise, which it might otherwise have in respect of, this Base Offering Memorandum or any supplement hereto. The delivery of this Base Offering Memorandum, any Pricing Supplement or the offering, sale or delivery of any Note shall not, in any circumstances, create any implication that the information contained or incorporated by reference in this Base Offering Memorandum is true subsequent to the date hereof or the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantors since the date hereof or, if later, the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that any other information supplied in connection

with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Offering Memorandum nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantors, the Arrangers or the Dealers that any recipient of this Base Offering Memorandum or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Offering Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer or the Guarantors during the life of the arrangements contemplated by this Base Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Offering Memorandum or any applicable supplement; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

OFFER RESTRICTIONS

This Base Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, the Arrangers or the Dealers to subscribe for, or purchase, any Notes. The distribution of this Base Offering Memorandum, any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Memorandum or any Pricing Supplement comes are required by the Issuer, the Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Offering Memorandum or any Pricing Supplement and other offering material relating to the Notes, see "*Transfer Restrictions*" and "*Subscription and Sale*".

This Base Offering Memorandum may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

None of this Base Offering Memorandum, any Pricing Supplement or any other information supplied in connection with the Programme constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantors, the Dealers, the Trustee or any of their respective affiliates that any recipient of this Base Offering Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Offering Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors. The contents of this Base Offering Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of the Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS. The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

PROHIBITION OF SALES TO AIFC RETAIL CLIENTS. The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail client in the Astana International Financial Centre ("AIFC"). For these purposes, a retail client has the meaning defined in AIFC Glossary.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – The Pricing Supplement in respect of any Notes will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise

neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY target market – The Pricing Supplement in respect of any Notes will include a legend entitled "UK MiFIR Product Governance", which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sales To Canadian Investors: The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of the Notes.

UK Benchmarks Regulation - Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/2011, as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an

administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation. Transitional provisions in the UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Pricing Supplement to reflect any change in the registration status of the administrator.

Amounts payable on the Notes may be calculated by reference to EURIBOR or SOFR (as defined in the Conditions), as specified in the relevant Pricing Supplement. As at the date of this Base Offering Memorandum, the administrator of EURIBOR, the European Money Markets Institute, is included in FCA's register of administrators under Article 36 of the UK Benchmarks Regulation. As at the date of this Base Offering Memorandum, the Federal Reserve Bank of New York (as administrator of SOFR) is not included in the FCA's register of administrators under Article 36 of the UK Benchmarks Regulation.

As far as the Issuer is aware, SOFR does not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation and (b) the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the Federal Reserve Bank of New York (as administrator of SOFR), is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The language of this Base Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. In connection with the listing of the Notes on the KASE, the Issuer will furnish the KASE with a Russian translation of this Base Offering Memorandum (the "**Translation**"). The Translation has been prepared by the Issuer solely for the purpose of listing the securities described in the Base Offering Memorandum on the KASE. None of the Dealers or any of their affiliates has verified, makes any representation or warranty, or takes any responsibility for the accuracy or completeness of the Translation. This Base Offering Memorandum in English is the only authentic and definitive version for the investment decision making process. In the event of any conflict or discrepancy between the English version of this Base Offering Memorandum and the Translation, or any dispute regarding the interpretation of any statement in the English version or the Translation, the English version shall prevail.

NEITHER THE NOTES NOR ANY BENEFICIAL INTERESTS THEREIN HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes may have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's home currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes, which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes are expected to perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors may be subject to law or review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent Notes are lawful investments for it, Notes can be used as collateral for various types of borrowing, and other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer and its subsidiaries (together, the "**Group**") are required to maintain its accounts in accordance with relevant laws and regulations in the Republic of Kazakhstan ("**Kazakhstan**"). The Group's audited consolidated financial statements, reflecting all Guarantors and the Issuer's other subsidiaries that are not Guarantors (the "**Non-Guarantor Subsidiaries**"), as at and for the year ended 31 December 2025, including the notes thereto, which include comparative data as at and for the year ended 31 December 2024 (the "**2025 Financial Statements**"), as at and for the year ended 31 December 2024, which include comparative data as at and for the year ended 31 December 2023 (the "**2024 Financial Statements**") and as at and for the year ended 31 December 2023 (the "**2023 Financial Statements**" and, together with the 2025 Financial Statements and the 2024 Financial Statements, the "**Financial Statements**") have been prepared in Tenge in accordance with IFRS Accounting Standards ("**IFRS Accounting Standards**"), as promulgated by the International Accounting Standard Board (the "**IASB**") and applicable laws and regulations in Kazakhstan.

The 2025 Financial Statements have been audited by Ernst & Young LLP ("**E&Y**") and the 2024 Financial Statements and the 2023 Financial Statements have been audited by Deloitte LLP ("**Deloitte**").

As at and for the year ended 31 December 2025, the financial results of the Issuer and the Guarantors comprised 79.4% of assets, 85.8% of revenue and 97.6% of the Adjusted Group EBITDA of the consolidated Group.

The Financial Statements have been prepared on a going concern basis. This assumes the sale of assets and settlement of liabilities in the normal course of business for the foreseeable future. As at 31 December 2025, the Group's current liabilities exceeded its current assets by KZT 963,015 million. Historically, the Group has financed major investment projects using funds from the Government and through borrowings, in addition to cash from operating activities. For the year ended 31 December 2025, cash flows from operating activities amounted to KZT 746,797 million. As at 31 December 2025, Group borrowings of KZT 488,658 million were payable within 12 months. Management has assessed its need for cash, including for the scheduled repayment of borrowings and its development plans and after making appropriate enquiries with respect to such matters, Management has considered that the Group has adequate resources to continue in operational existence and settle its liabilities and that the going concern basis is appropriate in preparing the Group's Financial Statements. See Note 2 to the 2025 Financial Statements.

Reclassification

As at 31 December 2024, the Group performed an analysis of assets related to corporate income tax withheld at the source of payment due to the accumulated carried forward corporate income tax losses. These assets expire for tax purposes within 10 years from the date of their occurrence. As at 31 December 2024, the Group classified corporate income tax withheld assets for the amount of KZT 35,413 million as non-current, as the Group did not expect that it will be able to utilise them within the next twelve months after the reporting date in accordance with the effective Kazakhstan tax legislation. The Group revised the classification of assets related to corporate income tax withheld as at 31 December 2023 and reclassified the assets in the amount of KZT 40,121 million from other current assets to other non-current assets. This reclassification had no impact on the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows.

Currencies

In this Base Offering Memorandum:

- **"Tenge"** or **"KZT"** refers to Kazakhstan Tenge, the lawful currency of the Republic of Kazakhstan;
- **"U.S.\$"** or **"U.S. Dollars"** refers to U.S. Dollars, the lawful currency of the United States of America;
- **"CHF"** or **"Swiss Francs"** refers to Swiss Francs, the lawful currency of Switzerland; and
- **"euro"** refers to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European community, as amended.

Solely for convenience, this Base Offering Memorandum includes conversions of certain Tenge amounts into U.S. Dollars at specified rates. Unless otherwise stated, data presented in U.S. Dollars is converted from Tenge at the applicable market exchange rate on the date or at the year-end of the relevant data or at the average exchange rate for the year for the relevant data. In line with the Resolution of the Board of the NBK № 15 dated 25 January 2013 and the Order of the Minister of Finance of the Republic of Kazakhstan № 99 dated 22 February 2013, the market exchange rate for the translation of Tenge amounts into U.S. Dollars is determined based on the weighted average exchange rate of the Tenge to the U.S. Dollar, calculated at 15:30 hours (Astana time) on the basis of morning (main) and daily (additional) sessions of the KASE.

Although the Group use the market exchange rate when preparing their financial statements, the Tenge to U.S. Dollar translations included in this Base Offering Memorandum are not reflective of a translation in accordance with IFRS Accounting Standards and should not be construed as a representation that the Tenge amounts have been or could be converted into U.S. Dollars at that rate or any other rate.

The following table sets forth the year end, average and low and high rates for Tenge, each expressed in Tenge and based on the Tenge/U.S. Dollar market exchange rates quoted on the KASE, as reported by the National Bank of Kazakhstan (the **"NBK"**) (after rounding adjustments) for the years indicated:

Period	Year end ⁽¹⁾	Average ⁽²⁾	High	Low
		<i>(KZT/U.S.\$1.00)</i>		
Year ended 31 December 2025	505.53	521.59	549.15	488.53
Year ended 31 December 2024	525.11	469.44	525.11	439.40
Year ended 31 December 2023	454.56	456.31	482.77	431.08

Notes:

- (1) Data for the year end are taken from the website of the NBK (<https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>) as at 1 January of the following year. The weighted average exchange rate of Tenge against U.S. Dollar fixed on the KASE as of 15:30 Astana time is set as an official exchange rate of the national currency Tenge against U.S. Dollar as at the next day after the trading day.
- (2) The average exchange rate for the year is calculated as the arithmetic average for the business days of the year. Source: The NBK, "Official Foreign Exchange Rates on average for the period" (<https://nationalbank.kz/en/news/oficialnye-kursy/>).

The Tenge/U.S. Dollar exchange rate as reported by the NBK on 17 April 2026, was KZT 471.45 per U.S.\$1.00.

The above rates may differ from the actual rates used in the preparation of the Issuer's or the Guarantors' financial statements or other financial information appearing in this Base Offering Memorandum. No representation is made that the Tenge amounts in this Base Offering Memorandum could have been converted into U.S. Dollars, at any particular rate or at all. Fluctuations in exchange rates between the Tenge and U.S. Dollar are not necessarily indicative of fluctuations that may occur in the future.

Certain Definitions

In this Base Offering Memorandum, the "**Issuer**" refers to Joint Stock Company "National Company "Kazakhstan Temir Zholy", and the "**Group**" refers to the Issuer together with its subsidiaries. The "**Government**" means the government of the Republic of Kazakhstan and "**State**" means the Republic of Kazakhstan.

Rounding

Certain amounts which appear in this Base Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the sum of the figures which precede them.

Market and Industry Data

Certain statistical data and other information appearing in this Base Offering Memorandum relating to the railway industry in Kazakhstan has, unless otherwise stated, been extracted from documents and other publications released by the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of Kazakhstan (the "**National Statistics Bureau**"), the Ministry of Finance of Kazakhstan, the National Bank of Kazakhstan (the "**NBK**") and other public sources in Kazakhstan, including the World Bank and the International Monetary Fund, as well as from Kazakhstan press reports and publications, Kazakhstan laws and estimates of the Issuer (based on its management's knowledge and experience of the markets in which the Issuer operates). In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Any discussion of matters relating to Kazakhstan in this Base Offering Memorandum is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information. See "*Risk Factors—Macroeconomic, Geopolitical and Kazakhstan-Related Risks—The Group cannot ensure the accuracy of official statistics and other data in this Base Offering Memorandum published by Kazakhstan authorities*". The Issuer confirms that, where information included in this Base Offering Memorandum has been sourced from a third party, the source is identified, that information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Prospective investors should note that some of the Issuer's and the Guarantors' estimates are based on such third-party information. None of the Issuer, the Guarantors, the Arrangers or the Dealers have independently verified the figures, market data or other information on which third parties have based their studies.

Official data published by Kazakhstan governmental or regional agencies are substantially less complete or researched than those of more developed countries. Further, official statistics, including those produced by the NBK, the National Statistics Bureau and the National Statistics Office, may be produced on different bases than those used in more developed countries. Specifically, investors should be aware that certain statistical information and other data contained in this Base Offering Memorandum has been extracted from official Kazakhstan government (the "**Government**") sources and was not prepared in connection with the preparation of this Base Offering Memorandum. Unless otherwise stated, macroeconomic data, which appear in this Base Offering Memorandum have been derived from statistics published by the National Statistics Office. Nevertheless, prospective investors are advised to consider this data with caution.

Rounding

Certain figures included in this Base Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Non-IFRS Measures of Financial Performance

In this Base Offering Memorandum, the Group uses the following metrics in the analysis of its business and financial position, which the Issuer considers to constitute Alternative Performance Measures ("APMs"), as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015 (the "ESMA Guidelines").

The following table sets forth a summary of the APM metrics used, the definition, bases of calculation and reconciliation of such metrics and the rationale for the inclusion of such metrics.

<u>Metric</u>	<u>Definition, method of calculation and reconciliation to financial statement line item</u>	<u>Rationale</u>
Adjusted Combined Guarantor EBITDA	Calculated as the aggregate of Adjusted Guarantor EBITDA for all Guarantor companies.	Performance measure
Adjusted Combined Non-Guarantor EBITDA	Calculated at the level of aggregated non-guarantor subsidiaries of the Issuer.	Performance measure
Adjusted debt	Calculated as the sum of total borrowings, total lease liabilities and total guarantees in favour of third parties, which are not consolidated in the financial statements of the Group.	Liquidity measure
Adjusted Debt to Adjusted Group EBITDA ratio.....	Calculated as the ratio of Adjusted debt divided by Adjusted Group EBITDA.	Performance measure
Adjusted debt to equity ratio	Calculated as the ratio of Adjusted debt divided by total equity.	Performance measure
Adjusted Group EBITDA.....	Calculated as profit for the year excluding income tax expenses, finance costs, finance income, depreciation and amortisation, further adjusted for the effects of foreign exchange loss (which management considers to be unusual).	Performance measure
Adjusted Group EBITDA margin	Calculated as the ratio of Adjusted Group EBITDA divided by total revenue and other income.	Performance measure
Adjusted Guarantor EBITDA (individually)	Calculated at the level of each Guarantor company as profit for the year excluding income tax expenses, finance costs, finance income, and depreciation and amortisation, but after taking into account any further adjustments for the effects of foreign exchange loss.	Performance measure
Adjusted Issuer EBITDA	Calculated at the standalone parent company level as profit for the year excluding income tax expenses, finance costs, finance income, and depreciation and amortisation, but after taking into account any further adjustments for foreign exchange loss (which management considers to be unusual).	Performance measure
Adjusted net debt	Calculated as Adjusted debt minus cash and cash equivalents.	Liquidity measure
Adjusted net debt/Adjusted Group EBITDA	Calculated as the ratio of Adjusted net debt divided by Adjusted Group EBITDA.	Performance measure
Coverage ratio.....	Calculated as the ratio of profit before tax and finance costs divided by finance costs.	Liquidity measure

Gross profit margin	Calculated as total revenue and other income minus cost of sales divided by total revenue and other income.	Performance measure
Current ratio	Calculated as the ratio of current assets divided by current liabilities.	Liquidity measure

The above APMs have been included in this Base Offering Memorandum to facilitate a better understanding of the Group's historic trends of operation and financial condition. The Group uses APMs as supplementary information to its IFRS Accounting Standards operating results. The APMs are not defined by, or presented in accordance with, IFRS Accounting Standards. The APMs are not measurements of the Group's operating performance under IFRS Accounting Standards and should not be used instead of or considered as alternatives to any measures of performance and/or liquidity under IFRS Accounting Standards.

The Group uses such measures to measure operating performance and liquidity in presentations to the Board of Directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of its operating cash flow and liquidity. Management believes that these and similar measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The APMs relate to the reporting periods described in this Base Offering Memorandum and are not intended to be predictive of future results. The APMs are unaudited. In addition, other companies, including those in the Group's industry, may calculate similarly titled APMs differently from the Group. Because companies do not calculate these APMs in the same manner, the Group's presentation of such APMs may not be comparable to other similarly titled APMs used by other companies. The APMs have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS Accounting Standards.

For an explanation of the relevance of each of the APMs, a reconciliation of the APMs to the most directly comparable measures calculated and presented in accordance with IFRS Accounting Standards and a discussion of their limitations, see "*Selected Consolidated Financial and Other Information of the Group*". The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS Accounting Standards or those calculated using financial measures that are calculated in accordance with IFRS Accounting Standards.

FORWARD-LOOKING STATEMENTS

Certain statements included herein, including the documents incorporated by reference, may constitute forward-looking statements that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Offering Memorandum and include statements regarding the Issuer's and the Guarantors' current intentions, beliefs or expectations concerning, amongst other things, the Issuer's and the Guarantors' results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's and the Guarantors' actual results of operations, financial condition and liquidity and the development of the sectors and economy in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this Base Offering Memorandum. In addition, even if the Issuer's and the Guarantors' results of operations, financial condition and liquidity and the development of the sectors and economy in which they operate are consistent with the forward-looking statements contained in this Base Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to overall business and government regulatory conditions; changes in tariff and tax requirements (including tax rate changes, new tax laws and revised tax law interpretations); interest rate fluctuations and other capital market conditions, including foreign currency exchange rate fluctuations; economic and political conditions in Kazakhstan and other emerging markets; and the timing, impact and other uncertainties of future actions.

The sections of this Base Offering Memorandum titled "*Risk Factors*", "*Summary Consolidated Financial Information*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" "*Selected Consolidated Financial and Other Information of the Group*" and "*Business of the Group*" contain a more complete discussion of the factors that could affect the Issuer's and/or the Guarantors' future performance and the sectors and economy in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Offering Memorandum may not occur.

Neither the Issuer nor any of the Guarantors undertakes any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or the Guarantors or to persons acting on their behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Offering Memorandum.

ADDITIONAL INFORMATION

The Issuer is not required to file periodic reports under Section 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For so long as the Issuer is not a reporting company under Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer will, upon request, furnish to each holder or beneficial owner of Notes that are "restricted securities" (within the meaning of Rule 144(a)(3) under the Securities Act) and to each prospective purchaser thereof designated by such holder or beneficial owner upon request of such holder, beneficial owner or prospective purchaser, in connection with a transfer or proposed transfer of any such Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. See "*Terms and Conditions of the Notes—Negative Pledge and Covenants*". As long as the relevant Notes are represented by a Rule 144A Global Note, for the purposes of this paragraph the expression "holder" shall be deemed to include account holders in the clearing systems who have interests in the relevant Rule 144A Global Note.

SUPPLEMENTS TO THIS BASE OFFERING MEMORANDUM

The Issuer and each Guarantor has undertaken, in connection with the listing of Notes, that if there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Offering Memorandum, which is capable of affecting the assessment of any Notes, whose inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in this Base Offering Memorandum, for the purpose of making an informed assessment of the ability of the Issuer and the Guarantors, as the case may be, to meet their obligations to holders of Notes, the Issuer will prepare or procure the preparation of a supplement to this Base Offering Memorandum or, as the case may be, publish a new Base Offering Memorandum, for use in connection with that or any subsequent issue by the Issuer of listed Notes.

PRICING SUPPLEMENT

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the ability of the Issuer and the Guarantors, as the case may be, to meet their obligations to holders of Notes. In relation to the different types of Notes, which may be issued under the Programme, the Issuer and each Guarantor has endeavoured to include in this Base Offering Memorandum all of the necessary information, except for information relating to the Notes, which is not known at the date of this Base Offering Memorandum and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Offering Memorandum and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained the relevant Pricing Supplement.

For a Tranche of Notes, which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete this Base Offering Memorandum and must be read in conjunction with this Base Offering Memorandum. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Terms and Conditions of the Notes described in the relevant Pricing Supplement as supplemented to the extent described in the relevant Pricing Supplement.

ENFORCEMENT OF FOREIGN JUDGMENTS

Each of the Issuer and the Guarantors is a joint stock company or a limited liability partnership organised under the laws of Kazakhstan and all of their respective officers and certain of their respective directors and other persons referred to in this Base Offering Memorandum are residents of Kazakhstan. All or a substantial portion of the assets of the Issuer and each Guarantor are located in Kazakhstan. As a result, it may not be possible (i) to effect service of process upon the Issuer or any such person outside Kazakhstan, (ii) to enforce against any of them in courts of jurisdictions other than Kazakhstan, judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or (iii) to enforce against any of them, in Kazakhstan courts, judgments obtained in jurisdictions other than Kazakhstan, including judgments obtained in respect of the Notes or the Trust Deed in the courts of England and judgments obtained in the United States predicated upon the civil liability provisions of the federal securities laws of the United States.

The Notes, the Agency Agreement and the Trust Deed (as such terms are defined below) are governed by the laws of England and Wales, and the Issuer and the Guarantors have agreed in the Notes, the Agency Agreement and the Trust Deed that disputes arising thereunder are subject to arbitration in London. See Condition 23 under "*Terms and Conditions of the Notes*". The Civil Procedure Code of Kazakhstan, which became effective on 1 January 2016, provides that Kazakhstan courts should recognise and enforce foreign court judgments only if such recognition and enforcement is provided for by Kazakhstan legislation or international treaties ratified by Kazakhstan, or on the basis of the principle of reciprocity. Kazakhstan is not a party to any multilateral or bilateral treaties with the United Kingdom (or the U.S. or any other Western jurisdiction) for the mutual enforcement of court judgments, and, accordingly, there is a risk that a judgment obtained from a court in England would not be enforceable in Kazakhstan. Each of Kazakhstan and the United Kingdom are, however, parties to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**Convention**") and, accordingly, an arbitral award obtained under the Convention generally should be recognised and enforceable in Kazakhstan provided the conditions to enforcement set out in the Convention and the Civil Procedure Code of Kazakhstan are met. The Civil Procedure Code of Kazakhstan establishes the procedure for the enforcement of foreign arbitral awards.

The Issuer and the Guarantors have agreed that disputes arising under the Notes, the Trust Deed and the Agency Agreement are subject to arbitration.

The Law "On Arbitration" (№ 488-V, dated 8 April 2016) (the "**Arbitration Law**") was signed by the President of Kazakhstan on 8 April 2016. The introductory language to the Arbitration Law, as well as other provisions of the Arbitration Law, imply that the Arbitration Law should apply only where the matter involves dispute resolution in Kazakhstan (*i.e.*, in respect of arbitration bodies with a seat in Kazakhstan). In particular, the preamble to the Arbitration Law states that: "*This [l]aw regulates social relations arisen in the process of arbitration activity on the territory of the Republic of Kazakhstan as well as the procedure and terms of recognition and enforcement of arbitral awards in Kazakhstan...*".

There are, however, certain provisions in the Arbitration Law, which may have implications (as described below) in respect of the arbitration provisions contained in the Notes and the Trust Deed. In particular, the provisions of the Arbitration Law do not clearly differentiate between domestic and foreign arbitration. In particular:

- Article 8.8 of the Arbitration Law restricts the trying of disputes involving quasi-sovereign companies by arbitration. The Issuer falls under the definition of a quasi-sovereign company. More specifically, Article 8.8 provides that a dispute between quasi-sovereign companies cannot be resolved by arbitration. While there is no established practice in relation to Article

8.8 of the Arbitration Law, the Issuer's management believes that this requirement only applies when two or more quasi-sovereign companies are involved in a dispute as adverse parties. Accordingly, Article 8.8 should not apply if two or more quasi-sovereign companies are not adverse parties to the dispute, which would be the case in respect of the Notes, the Agency Agreement and the Trust Deed.

- Article 8.10 of the Arbitration Law requires state-controlled companies to obtain consent from the competent authority of a relevant industry in order to enter into an arbitration agreement. While the Issuer falls within the definition of a state-controlled company, in November 2023, the Supreme Court of Kazakhstan clarified, in Resolution No. 3, that no competent authority's consent shall be required for an arbitration agreement between state-controlled companies and non-residents of the Republic of Kazakhstan. Accordingly, management believes that Article 8.10 should not apply to arbitration agreements under the Notes, the Agency Agreement and the Trust Deed.

Given that the Arbitration Law has not been tested in practice, there can be no assurance that Kazakhstan courts would support the above interpretation of the Arbitration Law and that an award against the Issuer and/or any Guarantor in arbitral proceedings in London under English law would be enforced in Kazakhstan. See "*Risk Factors—Factors that are material for assessing the market risks associated with Notes issued under the Programme—Enforceability of Judgments.*".

In addition, certain of the assets owned by the Issuer or its subsidiaries, as well as certain of the shares in the Issuer's subsidiaries, are considered to be so called "strategic assets". Kazakhstan law provides that Kazakhstan shall have a priority right to purchase the strategic assets in the event of their disposition (whether through sale, foreclosure, bankruptcy or receivership).

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Base Offering Memorandum. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer	Joint Stock Company "National Company "Kazakhstan Temir Zholy"
Guarantors	Joint Stock Company "Kaztemirtrans" "KTZ-Freight Transportation" LLP and any further Guarantors appointed pursuant to the Trust Deed
Legal Entity Identifier of the Issuer	213800X9NVS4IWFKLS77
Legal Entity Identifiers of the Guarantors	Joint Stock Company "Kaztemirtrans": 549300LDQLJ9VJX1Y231 "KTZ-Freight Transportation" LLP: 549300RC1HLFXK4GB516
Guarantee	The Notes are subject to a Guarantee
Arrangers	Citigroup Global Markets Limited, J.P. Morgan Securities plc and Société Générale
Dealers	Citigroup Global Markets Limited, J.P. Morgan Securities plc, Société Générale and any other Dealer(s) appointed in accordance with the Programme Agreement.
Trustee	Citibank, N.A., London Branch
Principal Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Registrar	Citibank Europe plc
Size	U.S.\$3,000,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Programme Agreement) outstanding at any one time. the Issuer may increase the amount of the Programme at any time in accordance with the Programme Agreement.
Issuance	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects. Each issuance of Notes will be the subject of a Pricing Supplement, which, for the purposes of that issuance of Notes only, supplements the Terms and Conditions of the

Notes and this Base Offering Memorandum and must be read in conjunction with this Base Offering Memorandum. The terms and conditions applicable to any particular issuance of Notes are the Terms and Conditions of the Notes, as supplemented, amended or replaced by the relevant Pricing Supplement.

At least 20% of the principal amount of the Notes of each Series offered for sale in connection with the Programme will be offered and placed through AIX and/or KASE as part of each issuance.

Forms of Notes	Each Series of Notes will be issued in registered form only. Regulation S Notes and Rule 144A Notes will initially be represented by a Regulation S Global Note and a Rule 144A Global Note, respectively. The Global Notes will be exchangeable for Definitive Notes in the limited circumstances specified in the Global Notes.
Clearing Systems	DTC (in the case of Rule 144A Notes), unless otherwise agreed, and Clearstream, Luxembourg and Euroclear (in the case of Regulation S Notes), unless otherwise agreed, and such other clearing system as may be agreed between the Issuer, the Principal Paying and Transfer Agent, the Trustee and the relevant Dealer.
Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory and central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes and the Guarantee	The Notes, and the obligations of the Guarantors under the Guarantee, will constitute direct, general and unconditional obligations of the Issuer or, as the case may be, the Guarantors, and will rank <i>pari passu</i> among themselves and <i>pari passu</i> in right of payment with all other present and future unsubordinated obligations of the Issuer or, as the case may be, the Guarantors, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price	Notes may be issued at any price, as specified in the relevant Pricing Supplement.
Maturities	Any maturity, subject, in relation to specific currencies, in compliance with all applicable legal, regulatory and central bank requirements.
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise), as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more

	instalments on such dates and in such manner, as may be specified in the relevant Pricing Supplement.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part), the Noteholders or both to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption	Early redemption will be permitted for certain tax reasons, as set out in Condition 10.2 under " <i>Terms and Conditions of the Notes</i> ".
Interest	Notes may be interest-bearing or non interest-bearing (as set out in the relevant Pricing Supplement). Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series (as set out in the relevant Pricing Supplement).
Denominations	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement (the " Specified Denomination "), provided that the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency. For so long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in the minimum authorised denomination of €100,000 (or its equivalent in another currency) and higher integral multiples of any smaller amount specified in the relevant Pricing Supplement.
	Interests in the Rule 144A Notes shall be held in amounts of not less than U.S.\$200,000 or its equivalent in another currency.
Negative Pledge and Covenants	The Notes will have, among others, negative pledge, limitations on changes in business and disposals of assets, and limitations on merger or consolidation.
Cross Default/Cross Acceleration ..	The Notes will have the benefit of a cross default and cross acceleration condition as described in Condition 13.3 under " <i>Terms and Conditions of the Notes</i> ".
Taxation	All payments in respect of Notes or under the Guarantee will be made free and clear of withholding taxes of Kazakhstan unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 under " <i>Terms and Conditions of the Notes</i> ") pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Redenomination	The applicable Pricing Supplement may provide that Notes may be redenominated in Euros in accordance with Condition 22 under " <i>Terms and Conditions of the Notes</i> ".
Governing Law	English law.
Listing	<p>Application has been made for Notes issued during the period of 12 months from the date of this Base Offering Memorandum to be admitted to trading on the ISM. The Notes are not admitted to the Official List of the FCA. Application has also been made for the Notes issued under the Programme to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE and/or to the official list of and be admitted to trading on the AIX.</p> <p>The Programme also permits Notes to be issued on an unlisted basis outside of Kazakhstan or to be listed on such other or further listing authorities, stock exchanges or quotation systems outside of Kazakhstan, as may be agreed between the Issuer and the relevant Dealer. In addition, the Issuer shall make an application to the KASE and/or the AIX for Notes issued under the Programme to be listed on KASE and/or the AIX, although no assurance can be given such listing will be obtained.</p>
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, Kazakhstan, Singapore and the Dubai International Financial Centre. See " <i>Subscription and Sale</i> ".
Risk Factors	Investing in the Notes involves a high degree of risk, which investors should ensure they fully understand. These include factors that may affect the Issuer's and each Guarantor's ability to fulfil their respective obligations under, or in connection with Notes issued under the Programme and factors that are material for assessing the market risks associated with Notes issued under the Programme. There are also certain factors that may affect the Guarantors' ability to fulfil their respective obligations under the Guarantee. See " <i>Risk Factors</i> ".

OVERVIEW OF THE GROUP

The following is an overview of certain information contained elsewhere in this Base Offering Memorandum. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Base Offering Memorandum. Prospective investors should also carefully consider the information set forth in "Risk Factors" below prior to making an investment decision, Capitalised terms not otherwise defined in this overview have the same meaning as elsewhere in this Base Offering Memorandum.

The Group is the national transportation and logistics operator for Kazakhstan and is responsible for rail and sea transportation, as well as the provision of transport and logistics centres, including seaports and railroad infrastructure. The Group owns and manages railway infrastructure, is the largest owner of locomotives, freight and passenger cars, the main consumer of products from domestic manufacturers in the field of railway transport, and one of the largest employers. The Issuer was established by a decree of the Government, which, through its wholly-owned management company, Samruk-Kazyna, owns all of the outstanding shares of the Issuer. As Kazakhstan's national railway company, the Issuer has a natural monopoly over the provision of services on Kazakhstan's mainline railway network and, through its subsidiary, KTZ-FT, is the dominant provider of railway freight transportation and, through its subsidiary, JSC "Passenger Transportation" ("**Passenger Transportation**"), is the dominant provider of passenger transportation. The Group is one of the largest employers and taxpayers in Kazakhstan and is also a significant contributor to the development of the infrastructure necessary to transport raw materials and finished goods, both into and out of Kazakhstan. Due to Kazakhstan's limited access to navigable water routes, underdeveloped road infrastructure and its dependence on the export of raw materials (predominantly commodities) and import of finished goods, the railway system is a crucial component of Kazakhstan's economic growth.

The Group is responsible for the maintenance, operation and modernisation of Kazakhstan's mainline railway network and provides railway transportation, infrastructure and support services, which include: maintaining all railway infrastructure, machinery and equipment in Kazakhstan; ensuring the safety of railway operations; developing material and technical systems for the railway network; and establishing international railway transit corridors as agreed with the Ministry of Transport.

For the year ended 31 December 2025, the Group had overall freight turnover of 288.8 billion tonne-kilometres, reflecting a 10.4% increase from 261.7 billion tonne-kilometres for 2024. The Group's freight turnover (including the mileage of empty privately-owned wagons leased by the Group), accounted for 87.8% of the total freight turnover in Kazakhstan by all modes of transport (excluding pipelines) for the year ended 31 December 2025, as compared to 89.7% for the year ended 31 December 2024. For the year ended 31 December 2025, the Group's revenue from freight transportation increased by 31.3% to KZT 2,463,197 million, as compared to KZT 1,875,558 million for 2024, accounting for 89.3% of total consolidated revenue and other income in 2025 and 86.7% of total consolidated revenue and other income in 2024.

For the year ended 31 December 2025, revenue from export freight transportation accounted for 19.9% of total revenue from freight transportation, as compared to 27.9% from domestic freight transportation, 33.6% from transit freight transportation, 11.2% from import freight transportation and 7.4% from other freight transportation (as compared to 17.2%, 27.1%, 37.3%, 10.4% and 8.1%, respectively, for 2024). See "*Business of the Group—Transportation Services—Freight Transportation*".

For the year ended 31 December 2025, the Group had a passenger turnover of 11.4 billion passenger-kilometres, reflecting a decrease of 2.6% from 11.7 billion passenger-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from passenger transportation increased by 16.9% to

KZT 129,250 million, as compared to KZT 110,523 million for 2024, accounting for 4.7% and 5.1%, respectively, of total consolidated revenue and other income. See "*Business of the Group—Transportation Services—Passenger Transportation*".

INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Offering Memorandum shall be incorporated in, and form part of, this Base Offering Memorandum:

- the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2025 prepared in accordance with IFRS Accounting Standards (including the auditors' report thereon and notes thereto), which are available for viewing at: https://railways.kz/media/filer_public/a8/a3/a8a3df16-22b3-4014-bb45-d3ab1cf599b5/consolidated_financial_statements_nc_ktz_jsc_for_2025.pdf;
- the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2024 prepared in accordance with IFRS Accounting Standards (including the auditors' report thereon and notes thereto), which are available for viewing at: https://railways.kz/media/filer_public/a4/ad/a4ad409f-1eb3-40f0-9440-d6edc46cadba/30042025_-_consolidated_financial_statements_nc_ktz_jsc_for_2024_ifrs.pdf; and
- the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2023 prepared in accordance with IFRS Accounting Standards (including the auditors' report thereon and notes thereto), which are available for viewing at: https://railways.kz/media/filer_public/6d/83/6d8360db-bac4-4057-b20a-3d18cb2dbf6f/30042024_-_consolidated_financial_statements_nc_ktz_jsc_for_2023_ifrs.pdf;

(together, the "**Documents Incorporated by Reference**"). The Documents Incorporated by Reference shall be incorporated in, and form part of, this Base Offering Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Offering Memorandum. Those parts of the Documents Incorporated by Reference in this Base Offering Memorandum which are not specifically incorporated by reference in this Base Offering Memorandum are either not relevant for prospective investors in the Notes to be issued under the Programme or the relevant information is included elsewhere in this Base Offering Memorandum. Any documents themselves incorporated by reference in the Documents Incorporated by Reference in this Base Offering Memorandum shall not form part of this Base Offering Memorandum.

Copies of the Documents Incorporated by Reference in this Base Offering Memorandum may be obtained from the registered office of the Trustee and from the specified office of the Principal Paying Agent during usual business hours.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following summary consolidated financial information as at and for the years ended 31 December 2025, 31 December 2024 and 31 December 2023 has been extracted or derived from the Financial Statements (as defined herein), all of which are incorporated by reference into this Base Offering Memorandum. The financial information for some line items in Consolidated Statement of Financial Position for the year ended 31 December 2023 has been derived from the 2024 Financial Statements and, as such, may differ from the amounts presented in the 2023 Financial Statements due to certain reclassifications, as described in "Presentation of Financial and Other Information—Reclassification".

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "Presentation of Financial and Other Information", "Risk Factors", "Capitalisation", "Operating and Financial Review of the Group" and "Business of the Group" as well as the Financial Statements, together, in each case, with the related notes thereto appearing elsewhere in this Base Offering Memorandum.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>		<i>(KZT millions)</i>	
Revenue and other income				
Revenue from freight transportation.....	4,901	2,463,197	1,875,558	1,682,550
Revenue from passenger transportation.....	257	129,250	110,523	101,682
Government grants	86	43,275	41,124	38,912
Other income.....	241	121,361	136,737	110,951
Total revenue and other income.....	5,486	2,757,083	2,163,942	1,934,095
Cost of sales	(3,828)	(1,924,051)	(1,620,017)	(1,498,583)
Gross profit.....	1,658	833,032	543,925	435,512
General and administrative expenses	(290)	(145,837)	(128,390)	(106,494)
Finance income	176	88,618	52,955	32,221
Finance costs	(489)	(245,844)	(184,984)	(208,365)
Foreign exchange loss	(40)	(19,990)	(69,620)	(14,124)
Gain on disposal of subsidiary not qualifying as discontinued operations.....	—	—	—	6,283
Share of profit of associates and joint ventures	3	1,634	10,772	8,144
(Impairment)/reversal of impairment of financial assets and contract asset	(8)	(3,893)	1,601	2,662
(Impairment)/reversal of impairment of non-financial assets.....	(23)	(11,480)	(7,336)	1,149
Other profit and losses.....	6	2,781	4,606	4,395
Profit before tax.....	993	499,021	223,529	161,383
Income tax expenses.....	(309)	(155,375)	(62,724)	(24,599)
Profit for the year.....	684	343,646	160,805	136,784
Other comprehensive income/(loss), net of income tax:				
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>				
Remeasurement gain/(loss) on defined benefit plans	1	276	3,688	(540)

Other comprehensive income that may be reclassified to profit or loss in subsequent periods:

Loss on cash flow hedging instruments.....	(194)	(97,584)	(48,625)	—
Reclassification of the loss on cash flow hedging instruments to profit for the period.....	161	80,781	412	—
Income tax relating to items that may be reclassified subsequently to profit or loss.....	7	3,361	9,643	—
Foreign exchange difference on translation of foreign operations...	9	4,595	1,774	(4,918)
Other comprehensive loss for the year.....	(17)	(8,571)	(33,108)	(5,458)
Total comprehensive income for the year.....	667	335,075	127,697	131,326

Note:

(1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Summary Consolidated Statement of Financial Position

	As at 31 December			
	2025 ⁽¹⁾	2025	2024 ⁽²⁾	2023 ⁽²⁾
Assets	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>		<i>(KZT millions)</i>	
Non-current assets				
Property, plant and equipment.....	11,691	5,875,447	4,782,227	3,794,479
Goodwill.....	31	15,520	15,520	15,520
Intangible assets.....	22	11,022	11,250	13,824
Investments in joint ventures.....	23	11,637	1,396	1,579
Investments in associates.....	112	56,464	48,678	38,989
Deferred tax assets.....	1	312	21	60
Other non-current assets.....	2,226	1,118,527	628,464	669,256
Other non-current financial assets.....	36	18,261	19,019	20,903
Total non-current assets.....	14,142	7,107,190	5,506,575	4,554,610
Current assets				
Cash and cash equivalents.....	464	232,973	198,578	204,614
Inventories.....	172	86,422	57,820	64,362
VAT recoverable.....	97	48,789	120,475	49,618
Trade receivables.....	36	18,009	21,666	16,326
Corporate income tax prepaid.....	16	8,219	7,899	3,535
Asset under contracts with customers.....	2	1,071	336	1,153
Other current assets.....	132	66,302	22,753	31,489
Other current financial assets.....	59	29,537	22,654	14,499
Total current assets.....	978	491,322	452,181	385,596
Total assets.....	15,119	7,598,512	5,958,756	4,940,206
Equity and Liabilities				
Equity				
Share capital.....	2,294	1,152,698	1,123,907	1,110,634
Hedging reserve.....	(103)	(52,012)	(38,570)	—
Foreign currency translation reserve.....	27	13,589	8,994	7,220
Retained earnings.....	2,498	1,255,462	856,709	623,698
Equity attributable to the Shareholder.....	4,715	2,369,737	1,951,040	1,741,552
Non-controlling interests.....	37	18,493	18,277	17,504

Total equity	4,752	2,388,230	1,969,317	1,759,056
Non-current liabilities				
Borrowings.....	5,367	2,697,359	1,840,423	1,763,432
Deferred tax liabilities.....	1,224	615,181	468,057	411,888
Lease liabilities.....	448	224,936	139,465	54,555
Employee benefit obligations.....	82	41,027	41,105	37,396
Derivative financial instruments.....	—	—	—	35,719
Other non-current liabilities.....	353	177,442	92,444	41,510
Other non-current financial liabilities.....	—	—	26,326	28,268
Total non-current liabilities	7,473	3,755,945	2,607,820	2,372,768
Current liabilities				
Borrowings.....	972	488,658	812,965	354,115
Trade accounts payable.....	1,046	525,770	231,351	200,969
Liabilities under contracts with customers.....	297	149,196	133,170	115,868
Lease liabilities.....	90	45,146	35,517	16,951
Derivative financial instruments.....	182	91,496	32,697	—
Other taxes payable.....	32	16,083	15,694	13,961
Employee benefit obligations.....	16	8,167	7,598	7,608
Other current liabilities.....	49	24,391	34,636	31,848
Other current financial liabilities.....	210	105,430	77,991	67,062
Total current liabilities	2,894	1,454,337	1,381,619	808,382
Total liabilities	10,367	5,210,282	3,989,439	3,181,150
Total equity and liabilities	15,119	7,598,512	5,958,756	4,940,206

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) In the 2024 Financial Statements and 2023 Financial Statements, other non-current assets and other non-current financial assets as well as other current assets and other current financial assets were presented aggregated as Other non-current assets and Other current assets. Other non-current liabilities and other non-current financial liabilities as well as other current liabilities and other current financial liabilities were presented aggregated as Other non-current liabilities and Other current liabilities.

Consolidated Statement of Cash Flows

	For the year ended			
	31 December			
	2025⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>		<i>(KZT millions)</i>	
Net cash from operating activities.....	1,486	746,797	336,597	306,318
Net cash used in investing activities.....	(1,855)	(932,267)	(734,061)	(802,702)
Net cash flows from financing activities.....	454	228,039	393,367	434,271
Net increase/(decrease) in cash and cash equivalents.....	85	42,569	(4,097)	(62,113)
Cash and cash equivalents at the beginning of the year.....	395	198,578	204,614	267,032
Effect of exchange rate change on balance of cash and cash equivalents denominated in foreign currency.....	(16)	(8,166)	(1,945)	(322)
Effect of change in the allowance for expected credit losses.....	(0)	(8)	6	17
Cash and cash equivalents at the end of the year.....	464	232,973	198,578	204,614

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or have been converted into U.S. Dollars at this rate or any other rate.

RISK FACTORS

Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under the Notes, and the Guarantee. Most of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer believes are material for the purpose of assessing the market risks associated with the Notes are also described below.

Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer (or the Guarantors) to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons, and neither the Issuer nor the Guarantors represents that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Offering Memorandum and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE GROUP'S AND/OR THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER, OR IN CONNECTION WITH, THE NOTES

Operational Risks relating to the Group and its Business

The Group has historically received, and continues to rely on, support from the Government, which may be delayed, reduced or discontinued.

The Group has historically received, and continues to rely on, various forms of Government support (on an annual basis), either directly or through the Issuer's sole shareholder, Samruk-Kazyna. Such support has historically included, among other things, capital contributions, grants and subsidies, loans granted and bonds issued on concessional terms. While the amounts received annually amount to less than 10% of the Group's revenues, the Group relies on such support to finance its operations and fund capital expenditures both in respect of the expansion and maintenance of its railway infrastructure and in the further development of its logistics business. In addition, the Group has in the past received concessional rate loans and capital contributions from Samruk-Kazyna. For example, during 2025, the Group obtained a loan of KZT 65,480 million from Samruk-Kazyna for financing the acquisition of passenger carriages at an interest rate of 0.05%. During 2025, the Group issued 1,010 shares that were paid for by long-term assets with total market value of KZT 28,791 million by Samruk-Kazyna, and in 2024 the Group issued 1,000 shares that were paid for in KZT 13,273 million in cash by Samruk-Kazyna.

Historically, the Group has received: (i) interest rate subsidies, which are intended to subsidise the purchase of new gondola cars and fitting platforms and the interest rate under certain of the Group's local bonds and (ii) subsidies that are aimed to reduce the Group's losses in respect of its passenger transportation services. As at 31 December 2025, the Group had received KZT 1,803.4 billion in various forms of Government support, including KZT 699.7 billion in concessional financing with interest rates between 0.05% and 2% and long-term maturities, KZT 351.3 billion in financing with interest rates covered by 10% government subsidies, and KZT 209.6 billion in financing with interest rates covered by 6-8% government subsidies.

The provision, renewal and rollover of such interest rate subsidies and other forms of subsidised financing are subject to annual governmental and corporate approval processes, and, as a result, the timing of subsidy payments or formal rollovers may not always align with contractual payment dates under the related financing arrangements. In certain cases, subsidies are formally rolled over rather than repaid at the beginning of the relevant calendar year due to administrative or budgetary timing,

even where the subsidy is ultimately renewed and no payment default exists in substance. From an accounting and contractual perspective, such timing mismatches may be treated as technical defaults under the relevant loan agreements unless waivers are obtained, notwithstanding that the underlying financing remains supported by the Government. Delays arising from such administrative or procedural processes are largely outside the Group's control.

On 2 March 2026, the Issuer received a letter from Samruk-Kazyna confirming its intention to provide ongoing financial and operational support to the Issuer for the foreseeable future and for at least 12 months from the date of approval of the 2025 Financial Statements. There can be no assurance, however, that interest rate subsidies will be paid or what format and at what level financial and operational support will be provided by Samruk-Kazyna or the Government. The Group also receives Government grants as compensation for certain passenger transportation tariffs that are set at levels that are either low or not profitable. See "*—The position of the Issuer as a monopoly and a dominant entity, as well as the position of KTZ-FT as a member of the market of public importance, may result in adverse interference in the Group's operations*". The level of Government grants received by the Group changes periodically. For the year ended 31 December 2025, revenues from government grants amounted to KZT 43.3 billion, compared to KZT 41.1 billion in 2024. The increase reflects changes in the amount and timing of government subsidy payments.

While the Government has agreed to provide financial support to the Group under certain agreements and programmes, the Government (either acting directly or through Samruk-Kazyna) generally has no obligation to provide financial support to the Group, whether in the form of capital contributions, grants, loans, subsidies or otherwise, and there can be no assurance that the Group will continue to receive the same or a sufficient level of support from the Government. In addition, there can be no assurance that Government support, if any, will be given in a timely fashion. Moreover, any delay in the receipt of Government support may result in an inability of the Group to complete key capital expenditure and investment projects on time or at all.

If the Government delays, reduces or discontinues its financial support of the Group, whether through a delay, reduction or discontinuation of capital contributions, grants or loans, it would have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions.

On 24 February 2022, Russian forces commenced an armed conflict against Ukraine. The conflict and the sanctions imposed by the United States, the United Kingdom, the European Union and other authorities against Russia, Belarus and related persons and entities have materially altered operating conditions in the region. Kazakhstan has significant economic and political relations with Russia and Belarus, and the Kazakhstan-Russia border is the longest continuous land border in the world (approximately 7,599 kilometres), with a substantial portion of trade conducted by rail. Kazakhstan, Russia and Belarus are members of the Customs Union and the Common Economic Space and established the Eurasian Economic Union on 1 January 2015. In 2024, trade turnover between the Republic of Kazakhstan and the Eurasian Economic Union amounted to approximately U.S.\$30,448 million, of which approximately 91.3% related to trade with the Russian Federation. As a result, the Group is exposed, directly and indirectly, to developments relating to the conflict and the related sanctions and regulatory environment.

For the Group's core railway network to function, the Group's operators are required to perform operations on Russian territory, including at the Iletsk Railway Junction and the Eastern Railway Junction. Railway infrastructure across Kazakhstan, Russia and Belarus is interconnected, and the

Group's locomotives, freight cars and passenger cars travel from, to and through Russia and Belarus. Accordingly, the Group interacts with Russian Railways and Belarusian Railways in connection with extra-territorial passenger and freight transportation and related payments. The Group has also entered into agreements with Russian Railways for certain services, including information system maintenance and technical support, and a strategic partnership agreement signed in November 2024 aimed at modernising railway infrastructure at nine key border crossings and improving cross-border freight operations. Russian Railways and Belarusian Railways are subject to sanctions, including asset freeze measures.

The Group believes that its current activities do not violate applicable sanctions as at the date of this Base Offering Memorandum. While none of the Group's members have been sanctioned and no Group entity has engaged in or expects to engage in, any actions that would cause it to be sanctioned by any relevant authority, there can be no assurance that a Group company will not be sanctioned in the future.

The Group is involved in projects with Russian- and Belarusian-controlled entities, including UTLC Eurasian Railway Alliance JSC ("**UTLC ERA**"), a joint venture with Russian Railways and Belarusian Railways formed to promote Eurasian transit corridors between China, South Asia and Europe. The Issuer, Russian Railways and Belarusian Railways each hold a 33.3% interest in UTLC ERA. Mr. Koishibayev, a member of the Issuer's Management Board, and Mr. Meshcheryakov, a representative of the Issuer's interests (Managing Director for New Projects) serve on the board of directors of UTLC ERA, and the Issuer receives dividends from this joint venture. UTLC ERA is currently operating normally and its assets are not frozen. The Issuer does not intend to apply any of the net proceeds of the issuance of the Notes to fund, finance or otherwise contribute to UTLC ERA.

The Group has historically maintained relationships with Russian state-owned banks, including Sberbank SB JSC and VTB Bank PJSC, which are subject to EU, UK and U.S. sanctions. In March 2022, the Group prepaid the principal amounts of its loans from VTB Bank PJSC and Sberbank SB JSC in the amounts of RUB 19,400,000,000 and KZT 5,064 million, respectively, and closed the corresponding bank accounts. However, an associate of the Group, Aktau Sea Northern Terminal LLP, remains a borrower under a loan facility provided by Sberbank SB JSC, with RUB 5,102 million outstanding until 2029. The Issuer nominates two of the five members of the Supervisory Board of Aktau Sea Northern Terminal LLP. This relationship reflects a legacy exposure at the level of an associate and does not constitute a new or incremental Russian banking exposure for the Group. The Issuer does not intend to apply any of the net proceeds of the issuance of the Notes to fund, finance or otherwise contribute to Aktau Sea Northern Terminal LLP.

In addition, the Group maintains a commercial relationship with Lukoil Lubricants Central Asia, a subsidiary of PJSC Lukoil, in connection with the supply of certain lubricants used in the Group's rail operations. This relationship is conducted on a non-exclusive, commercial basis and lubricants represent a non-core input relative to the Group's overall cost base. Although the Group has not experienced supply disruptions or sanctions-related issues in relation to this relationship to date, any expansion of sanctions, counter-sanctions, regulatory restrictions or changes in the legal or compliance status of this counterparty could require the Group to adjust procurement arrangements, potentially resulting in increased costs or operational inefficiencies.

The Group is also indirectly exposed to the consequences of the conflict. In February 2022, the Tenge depreciated significantly against major foreign currencies, and movements in the Russian Rouble have historically affected the Tenge. Currency volatility may increase the Group's costs where borrowings, goods or services are denominated in foreign currencies. Since 2022, Kazakhstan has experienced significant inward migration, particularly from Russia, and increased financial flows, which may contribute to macroeconomic volatility and indirectly affect demand for rail transportation services and the Group's operating costs.

Due to the uniform railway gauge of 1,520 millimetres across Kazakhstan, Russia and Belarus, the railway systems are closely integrated. In this context, the Single Economic Space provides for the unification of freight tariffs by route, and the Group charges unified tariffs for domestic, export and import freight transportation. Changes to this framework or its application could affect the Group's tariff practices and revenues.

In March 2022, the Russian Government imposed a ban on the transportation of goods and empty wagons through Russia and Belarus to, or by transit through, Ukraine. While, as at the date of this Base Offering Memorandum, the Group is not aware of broader restrictions affecting transit through Russia to the European Union and other countries, further bans, restrictions, sanctions or counter-sanctions, disruptions to transit routes or ports, or additional currency volatility could adversely affect the Group's freight volumes and operations.

If transportation through Russia is restricted, the Group's freight volumes could be negatively affected. The Group is therefore developing alternative corridors, including increasing turnover on the Trans-Caspian International Transport Route ("TITR") and assessing other routes through Turkmenistan, Georgia, Azerbaijan and Turkey, as well as a route to India via the North-South corridor. Although the Group has reoriented parts of its logistics network and enhanced compliance systems since 2022, there can be no assurance that alternative routes will be available or commercially viable.

In addition, as a result of the conflict and the Group's actual or perceived exposure to Russia and Belarus, certain investors in the United States, the European Union, the United Kingdom and other jurisdictions may be required, by operation of law, regulation or internal investment policies, to divest their holdings of the Notes or may be restricted from acquiring or holding securities of issuers with exposure to sanctioned jurisdictions or counterparties. If any member of the Group were to become subject to sanctions in the future, certain investors may likewise be required or elect to divest their holdings of the Notes or may be prohibited or restricted from acquiring or holding such securities. Such divestments or investment restrictions may reduce the pool of potential investors, adversely affect the liquidity of the Notes and negatively impact the market price of the Notes, irrespective of the Group's compliance with applicable sanctions.

Any escalation or prolongation of the Russia-Ukraine conflict, expansion of sanctions or additional restrictions affecting transportation routes, counterparties or financial transactions could materially and adversely affect the Group's business, financial condition and results of operations.

The Government, which indirectly controls the Issuer, may cause the Issuer to engage in business practices that conflict with the Issuer's commercial interests and the interests of the Noteholders.

The Group is the national transportation and logistics operator of Kazakhstan. The Government, through Samruk-Kazyna, wholly-owns and controls the Issuer and the other members of the Group. As the Government's national management holding company, with the goal of supporting and diversifying Kazakhstan's economy, the interests of Samruk-Kazyna may differ significantly from the interests of the Noteholders, which may cause the Group to engage or expand in business areas that may materially and adversely affect the Group's ability to operate on a commercial basis or may cause the Group to operate in a way that is inconsistent with the best interests of the Noteholders. For example, the Group is required to provide certain passenger transportation services, which are not profitable and may in the future be required to provide other services that the Group may not consider to be in its best commercial interests, but are for the public good. In addition, the Group could be forced by the Government to engage in activities outside its core businesses, to acquire assets for its business in transactions that are not on an arm's length basis or to dispose of assets that the Group considers useful for its business or on non arm's length terms. For example, in July 2012, the Government directed the Group to construct a multi-functional ice arena in Astana at the Group's

expense. The Group invested KZT 47.8 billion in the construction of this project. Following completion, this arena was donated to the Mayor's administration of Astana City in May 2017.

Historically, the Government has also imposed on the Group other social duties, such as requiring it to construct social and recreational infrastructure, engage in charitable activities and implement community development programmes. For example, in December 2018, the Government and Samruk-Kazyna charged the Group with the financing of construction of a children's centre in Turkestan with original estimated construction costs of KZT 5,300 million (which the Group recognised as a distribution to Samruk-Kazyna), later increased by KZT 5 million (recognised as an additional liability). While Samruk-Kazyna has since established a company specifically for such purposes, there is no guarantee that there will be no similar requirement in the future.

In addition, the Government, through the Natural Monopoly Committee, may use tariff-setting as a means of supporting public policy initiatives in other sectors of the economy or otherwise to further Government policy without regard to its impact on the Group, including by imposing tariffs at levels lower than would be commercially viable. See "*—The position of the Issuer as a monopoly and the dominant entity, as well as the position of KTZ-FT as a member of the market of public importance, may result in adverse interference in the Group's operations.*"

Samruk-Kazyna's policy is for entities that it controls (including the Issuer) to limit their cash and cash equivalents (including deposits) in international banks. The Issuer has approved maximum permissible limits on direct (balance sheet) liabilities to counterparty banks. The limits are established in accordance with Samruk-Kazyna's policy. Depending on the levels of cash maintained by the Issuer, compliance with this policy could increase the Issuer's exposure to the Kazakhstan banking sector. In the event that the Kazakhstan banking sector encounters difficulties, it could result in a de facto or de jure freezing of all or a portion of the Group's cash, which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Furthermore, the Government imposes obligations and restrictions on the Group that limit the Group's operations. Government interference in the operations of the Group could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The position of the Issuer as a monopoly and the dominant entity, as well as the position of KTZ-FT as a member of the market of public importance, may result in adverse interference in the Group's operations.

The Group's business activities are subject to regulation by the Government. As Kazakhstan's national railway company, the Issuer has a monopoly over Kazakhstan's mainline railway network. KTZ-FT is a member of the market of public importance in the sphere of freight transportation by rail. Accordingly, both the Issuer and KTZ-FT are regulated by the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan (the "**Natural Monopoly Committee**"). The Natural Monopoly Committee, the industry regulator and local executive authorities regulate the activities of the Issuer, KTZ-FT and Passenger Transportation by establishing tariffs for domestic, import and export freight transportation on the mainline railway network, as well as tariffs for inter-regional, intercity and suburban passenger transportation. In determining tariffs, the Natural Monopoly Committee considers a range of factors, including the income and investment needs of the Group. However, the Government's tariff setting policies may not be transparent, and the Government, through the Natural Monopoly Committee, may use tariff-setting as a means of supporting public policy initiatives in other sectors of the economy or otherwise to further Government policy without regard to its impact on the Group. For example, the provision of passenger rail services in Kazakhstan is considered a social responsibility of the rail operator, and, accordingly, tariffs are kept artificially low to ensure affordable passenger rail services to all members

of the public. As a result, the revenue generated from passenger operations services has historically been insufficient to meet the operational costs of these services and the Group is reliant on Government grants to support its passenger transportation business. See "*—The Group has historically received, and continues to rely on, support from the Government, which may be delayed, reduced or discontinued*" and "*Operations and Financial Review of the Group—Factors and Trends Affecting Financial Condition and Results of Operations—Tariffs and Government Grants*".

If the Natural Monopoly Committee establishes tariffs on one or more of the Group's services that are insufficient to cover the costs of the Group's provision of such services or if tariff rates established by the Natural Monopoly Committee are at levels which do not meet the Group's budget and the Group does not receive other support from the Government to offset the effects of such tariffs, the Group could experience a reduction in liquidity and, as a result, may be unable to meet its current and future obligations as they come due or provide for planned capital expenditures, including implementing of its 10-year development strategy, which was adopted by the Issuer's Board of Directors on 29 March 2023 (the "**Development Strategy**"). In particular, while the Group intends to work with the Natural Monopoly Committee to develop and approve a new tariff calculation method to permit flexible tariff policies to take into account the interests of consumers and suppliers of train services, it is uncertain when, or if, such new methodology will be implemented. If the Natural Monopoly Committee introduces a new tariff calculation method that is unfavourable to the Group, this could have a significant impact on the Group's business. Moreover, other circumstances may arise in the future in which it would be in the commercial interests of the Group to discontinue an unprofitable service and the Group may not be permitted to do so by the Government, which would mean that the Group would have to continue to provide the service at a loss to the Group, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

As each of the Issuer and KTZ-FT are subject to Government oversight, the Government may interfere with their respective operations, which could result in a material adverse effect on their respective businesses, prospects, financial condition, cash flows or 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.

Although rail transportation remains the primary mode of freight transportation in the Republic of Kazakhstan, rail services face increasing competition from other modes of transport. According to data published by the National Bureau of Statistics, in 2025, rail transport accounted for 361.3 billion tonne-kilometres, or 61.8% of total cargo turnover in Kazakhstan, compared to 327.9 billion tonne-kilometres, or 63.7%, in 2024. Over the same periods, pipeline transport accounted for 173.6 billion tonne-kilometres (29.7%) in 2025 and 149.1 billion tonne-kilometres (29.0%) in 2024, road transport accounted for 47.4 billion tonne-kilometres (8.1%) in 2025 and 35.7 billion tonne-kilometres (6.9%) in 2024, water transport accounted for 1.9 billion tonne-kilometres (0.3%) in 2025 and 1.7 billion tonne-kilometres (0.3%) in 2024, and air transport accounted for 0.073 billion tonne-kilometres (0.01%) in 2025 and 0.066 billion tonne-kilometres (0.01%) in 2024.

Although the Group is the national transport and logistics operator, the Issuer's primary business is its railway transportation business. Accordingly, the Group faces its greatest competition in the transport of oil and oil products from the development of pipelines in Kazakhstan and countries that border Kazakhstan, as pipeline transportation is more cost efficient than rail transportation in the transportation of crude oil. Transportation of oil and oil products accounted for approximately 19% of the Group's total revenue from freight transportation in 2025 (as compared to 17% in 2024 and 18%

in 2023). In addition, the Group faces competition in the transport of freight due to the development, and increased use, of border crossings in territories other than Kazakhstan.

While freight turnover by road decreased from 8.1% of total transportation in 2024 to 6.9% in 2025, the Government is developing Kazakhstan's highway infrastructure to foster short- and medium-distance truck transportation. While most of these initiatives are long-term projects, should they succeed, the level of competition in the transportation industry could significantly increase.

In addition, although private companies must pay the Group for access to Kazakhstan's mainline railway network, these private companies are able to compete with the Group by contracting their railcars and containers for freight transportation. Many of these private companies are affiliated with the Group's existing customers and could, over time, provided that open access to the mainline railway network is granted, reduce such customers' reliance on the Group's railcars. Measures to open the carriage of goods by rail to private cargo companies are being considered. From 2018 to 2022, a pilot project to allow two private freight carriers access to railway infrastructure was conducted in the Republic of Kazakhstan under the supervision of the authorised state body. Following the conclusion of the pilot project, work has continued on the development of tariff policy for freight transportation and mainline railway network services. As of the end of 2025, the two private freight carriers that participated in the pilot project operate alongside the National Cargo Carrier on a limited number of domestic routes, and their combined share of total freight turnover was approximately 5%.

If other modes of transportation become more competitive with rail transportation or if private companies increase their share of the freight transportation market, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Maintenance, modernisation and upgrades of the Group's railway and logistics infrastructure requires continuing funding.

Historically, the Group's railway infrastructure and related assets generally was not sufficiently developed, maintained or modernised since the break-up of the Soviet Union in the early 1990s. As of 1 January 2025, the Group's mainline railway network had a depreciation rate of 57% and a total track length of 24,711.7 km, of which 16,008.5 km were in service. As of 1 January 2026, locomotive depreciation was 49.1% (677 electric locomotives and 1,245 diesel locomotives), freight car depreciation was 53.6% (47,073 units) and passenger car depreciation was 38.5% (2,112 units). A large portion of the Group's locomotives were purchased in the 1980s and, accordingly, the Group must continue to dedicate significant levels of capital expenditure to maintain its locomotives and rolling stock. In addition, the Group lacks adequate storage capacities at cargo terminals and warehouses at certain key rail cities in Kazakhstan, and the Group has insufficient capacity to efficiently transfer the high volume of freight crossing into and from China at the Dostyk station, where freight must be transferred between railcars equipped to travel on Kazakhstan's railroads and railcars equipped to travel on China's railroads, which are not the same gauge, or width, as railroads in Kazakhstan. The Altynkol station located at the Kazakhstan-China border, which was commissioned in December 2012 to help mitigate this, has processed around 58.5 tonnes since 2016. Additionally, the Group has, in the past, experienced delays in transporting coal to Russia as a result of having too few freight wagons available and has had to transfer freight wagons from other parts of Kazakhstan. There have also been instances where inadequate maintenance of track superstructure has resulted in accidents. Between 2012 and 2025, a total of nine train safety incidents occurred as a result of the substandard technical condition of elements of the track superstructure, including seven crashes and two accidents. These incidents included, among others, a train derailment in February 2017 within the Pavlodar Branch of the Mainline Network caused by a failure of the track superstructure, a passenger train crash in the Zhambyl Region in June 2018, and two crashes recorded in the Semey Branch in March and October 2024. In 2022, there were three accidents involving the Issuer's freight wagons

with no casualties. On 18 April 2022, 18 freight wagons derailed and six wagons fell into the river Irtysh in the East-Kazakhstan Region. The local department of ecology, together with the transport prosecutor's office, has commenced an audit of the Issuer and KTZ-FT's Semey branch following the accident. As part of the approved remediation program, the six freight wagons were removed from the riverbed together with related wagon spare parts and cargo remnants. Upon completion of these works, a commission act confirming acceptance of the completed remediation measures was prepared with the participation of representatives of authorized government agencies. An assessment of damage to fisheries was conducted in connection with the incident, and, in 2024, 3,518,663 ripus larvae, each weighing between 3.0 mg and 3.5 mg, were released into the river near the village of Ermakovka. Such accidents may increase the expenditures required to maintain and repair the Group's infrastructure.

Separately, given the material amount of property, plant and equipment on the Group's balance sheet, the assessment of impairment indicators involves significant management judgement and estimation. This assessment was identified as a key audit matter by the Group's auditors. The Group's property, plant and equipment, which is mainly represented by infrastructure and rolling stock, comprises approximately 77.3% of the Group's total assets. When assessing impairment indicators of property, plant and equipment, the Group considers external and internal impairment indicators. Management considers external and internal impairment indicators to determine if any events or changes in circumstances demonstrate that the carrying amount of property, plant and equipment is not recoverable. As at 31 December 2025, management did not identify any events occurring during 2025 that constituted indicators of impairment of the Group's single cash-generating unit, "Transportation Operations", which comprises freight and passenger transportation activities, mainline railway infrastructure and ancillary assets supporting infrastructure operations. As at 31 December 2025, for certain other individual cash-generating units comprising the Group's remaining business activities, management identified the presence of impairment indicators and accordingly determined the respective recoverable amounts. No impairment was identified in respect of such cash-generating units. Given the material amount of property, plant and equipment on the Group's balance sheet, management's assessment of impairment indicators and, where applicable, impairment testing involves significant judgement and estimation, and could have a material impact on the Group's financial position and results of operations. There can be no assurance that management will reach the same estimates and judgements in future periods, and changes in assumptions or circumstances could result in the recognition of impairment charges, which could have an adverse effect on the Group's financial position and results of operations.

The Group intends to invest a significant amount over the next several years to maintain, develop and modernise its railway infrastructure, as well as to develop its logistics business in line with Government programmes and initiatives.

Railway industry modernisation and expansion projects are capital-intensive and may be possible only in favourable market conditions or with the support of the Government. As a result of requirements to upgrade and construct infrastructure and rolling stock, in line with the Government's Infrastructure Development Programme, the Group's capital expenditure was KZT 1,280 billion for the year ended 31 December 2025, KZT 1,170 billion for the year ended 31 December 2024 and KZT 705 billion for the year ended 31 December 2023. In addition, the implementation of maintenance and modernisation projects involves many potential risks and uncertainties, including interruptions resulting from the unavailability of locomotives, rolling stock and parts, inclement weather, unforeseen engineering difficulties, environmental and geological problems and unanticipated cost increases and claims, any of which could give rise to delays or cost overruns. For example, the Kuryk port and the Almaty-Shu secondary railway line construction projects have each been subject to increased costs and construction delays, as compared to the initial construction agreements. See "*Operating and Financial Review of the Group—Liquidity and Capital Resources—Capital Expenditure*".

For the year ended 31 December 2025, 75% of cash paid for capital expenditures were funded by sources obtained from financial institutions, as compared to 58% in 2024 and 64% in 2023.

There can be no assurance that market conditions will be favourable or that the Group will be able to continue to obtain, from the Government or other sources, financial support sufficient to continue its maintenance and modernisation projects. If the Group is unable to obtain such financial support and conduct the necessary maintenance, development and modernisation of the railway system and related infrastructure, as well as the continued development of its logistics business, the Group's operations may be adversely affected by equipment failures and accidents attributable to poor conditions of the railway system and related infrastructure, and planned capital investment projects may not be completed.

The Group expects to have capital expenditures of KZT 2,224 billion, KZT 1,689 billion, KZT 755 billion, KZT 771 billion and KZT 695 billion in the years ended 31 December 2026, 2027, 2028, 2029 and 2030, respectively. These capital expenditures are expected to be directed toward, among other things, the completion of the Almaty bypass (Zhetygen-Kazybek Bek), the Darbaza-Uzbekistan border line, the modernization of the Altynkol-Zhetygen section through the construction of second tracks, the completion of the Mointy-Kyzylzhar branch, the construction of the Bakhty-Ayagoz line and the installation of automatic locking systems. In addition, the Group expects to continue upgrading existing railway tracks and modernizing its locomotive and rolling stock fleet through the purchase of new locomotives and rolling stock. See "*Operations and Financial Review of the Group—Liquidity and Capital Resources—Capital Expenditure*".

The Government, which indirectly controls the Issuer, may cause the appointment or removal of members of the Issuer's management team or require the Issuer to privatise certain of its assets.

The Group is the national transportation and logistics operator of Kazakhstan. The State, through Samruk-Kazyna, indirectly wholly owns the Issuer and, therefore, is in a position to appoint and remove, or influence the appointment and removal of, the members of management of the Issuer and its subsidiaries. According to both the Issuer's Charter and applicable law, while the Board of Directors of the Issuer is responsible for appointing the members of the Management Board, the appointment of the Chairman of the Management Board is within the authority of Samruk-Kazyna as the sole shareholder. For instance, on 3 July 2025, by a Resolution of the Management Board of Samruk-Kazyna, Mr. Talgat Aldybergenov was appointed as the Chairman of the Management Board of the Issuer. In addition, four of the nine members of the Issuer's Board of Directors are representatives of Samruk-Kazyna.

In December 2020, the Government approved the 2021 Complex Privatisation Plan for the period 2021–2025 pursuant to Government Resolution No. 908 "On Certain Issues of Privatisation for 2021–2025". This plan, as amended, continues to apply to Samruk-Kazyna and its portfolio companies. Government Resolution No. 894 dated 24 October 2025 "On Certain Issues of Optimisation of Quasi-State Sector Entities and State Property Objects" further updated the applicable methodology for determining privatisation candidates and approved updated lists of quasi-state and state-owned entities subject to potential privatisation, reorganisation or liquidation. In accordance with Resolution No. 894, the Issuer is explicitly identified as a candidate for privatisation through an initial public offering scheduled for 2026.

The 2021 Complex Privatisation Plan (as amended) also contemplates the potential privatisation or reorganisation of certain subsidiaries, associates and joint ventures within the Samruk-Kazyna group, including several entities within the Issuer's group perimeter. None of the Guarantors are identified as independent privatisation candidates in the current plan. The method, scope and timing of any such disposals have not been finally determined and will be subject to further review, consultations with

independent advisers and compliance with applicable covenants. There can be no assurance as to the terms on which any such disposals may occur, if at all. Any such transactions may result in reduced dividends being paid to the Issuer, which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

A potential initial public offering by Samruk-Kazyna of a minority stake in the Issuer is expressly contemplated under the 2021 Complex Privatisation Plan (as updated by Resolution No. 894), with the IPO currently scheduled for 2026. Such offering is anticipated to involve up to 25% of the Issuer's shares, although the final size, structure and timing of any such transaction may be revised by the Government. There can be no assurance as to the terms, timing or effect of any such offering on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group could incur significant costs for violations of applicable environmental laws and regulations.

Like other transportation companies, the Group's operations are subject to extensive national and local laws and regulations governing emissions and the transportation of products that are hazardous to the environment. In carrying out its environmental policies, the Group seeks to adhere to international standards and best practices. In light of the extensiveness of the railway network, the Group has experienced certain irregularities and incompliances with applicable environmental laws, mainly due to its outdated infrastructure. The Group is further subject to regular inspections from the environmental and ecological authorities of Kazakhstan, which may impose fines and request monetary compensation of damages to the environment, in case of discovery of any extensive damage. Compliance with environmental regulations is an ongoing process and as such, new laws and regulations, the imposition of tougher requirements, increasingly strict enforcement or new interpretations of existing environmental laws may require the Group to modify its operations, incur substantial unbudgeted costs to comply with current or future regulations or incur fines or penalties for environmental violations, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group's operations depend on obtaining and maintaining licences and permits necessary for the operation of its business.

The Group conducts its business operations under various licences and permits which authorise it to carry out a full range of railway-related business activities, such as the transport of hazardous materials and the performance of expert works and engineering services, including planning, surveying, building and installation services. As a result, the Group's activities are dependent upon the grant, renewal or continuance in force of these licences and permits, which in certain circumstances may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such licences and permits will be granted, renewed or continue in force and, if so, on what terms.

KTZ-Freight Transportation LLP ("**KTZ-GP LLP**") holds a cargo transportation licence. In June 2015, the Issuer obtained a five-year licence authorising the transportation of certain controlled chemicals (the "**precursors**"), which expired in June 2020. A new five-year licence was obtained by KTZ-GP LLP in May 2021 and is valid until 2026. During the period from June 2020 to April 2021, transportation of precursors was carried out without a licence. The state authorities of Kazakhstan were aware of this violation and no administrative penalties were imposed by the authorised bodies of the Republic of Kazakhstan.

In March 2017, KTZ-GP LLP obtained a five-year licence authorising the transportation of nuclear and radioactive materials and substances, including radioactive waste, through the territory of Kazakhstan, which expired in March 2022. In April 2022, KTZ-FT obtained a five-year licence

authorising the transportation of nuclear and radioactive materials and substances, including radioactive waste, which expires in April 2027.

Failure to obtain necessary licences or permits (either at all or in a timely manner) or any suspension or termination thereof could have a material adverse effect on the Group's business, financial condition, cash flows or results of operations.

The Group may be unable to retain key personnel or attract and retain qualified personnel.

The Group's ability to maintain its competitive position and to implement its business strategy, including the Development Strategy, is dependent on the services of its personnel, including key engineering, managerial, financial, commercial, marketing and processing personnel, as well as the maintenance of good labour relations. Competition for qualified personnel, especially for managerial positions and engineering positions to oversee increasingly automated processes, is intense, due to the small pool of qualified individuals and strong demand for such individuals. In recent years, the Group has also imposed a Group-wide ban on employing persons to certain priority positions from outside of the Group, subject to limited exceptions and waivers of this policy. Accordingly, the pool of persons available to fill vacant positions in the Group has been further narrowed. The loss or diminution in the services of key personnel, an inability to attract and retain additional qualified personnel could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Each of the Group and the railway industry in Kazakhstan has undergone and is continuing to undergo restructuring, which will require the Group to adapt and will likely result in a more competitive environment.

The Government has been actively reforming the railway industry in Kazakhstan since 1997. As the national transport and logistics operator, the Issuer implements Government initiatives and programmes aimed at developing the transport and logistics sector in Kazakhstan. Under the Development Strategy, the Issuer's vision is to be a leading transport operator providing efficient, safe, socially responsible and environmentally sustainable freight and passenger transportation services, supported by modern management practices, digital technologies and an enhanced customer focus. The Development Strategy sets out the Issuer's long-term objectives, including improving the efficiency of railway transportation, developing transit potential, increasing customer satisfaction, expanding the digitalisation of operations, embedding ESG principles across the business and ensuring the safety of train traffic.

Reforms of the railway industry and transportation and logistics sector in Kazakhstan, together with implementation of the Development Strategy, will require further significant changes to the structure of the Group, including the transfer or contribution of assets among members of the Group in furtherance of the reorganisation of operations and functional responsibilities and privatisation of certain business lines or operations. See also "*—The Government, which indirectly controls the Issuer, may cause the appointment or removal of members of the Issuer's management team or require the Issuer to privatise certain of its assets.*"

In addition, it is possible that the Group may find it necessary to alter the services that it offers in response to developments that come about as a result of the significant changes that are expected to take place within Kazakhstan's railway industry and transportation and logistics sector as a result of the more competitive environment.

The success of the Development Strategy will depend on the Group's ability to restructure its businesses effectively, to adapt its management structure and managerial personnel to reflect the significant changes in its operational structure and to implement cost efficiency measures. If the Group

is not able to implement these restructuring measures or adapt to new circumstances that result from reforms in the railway industry and transportation and logistics sector or the implementation of the Development Strategy, it may result in disruptions and difficulties in the Group's operations and increases in operating expenses, any of which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

In addition, the timing of the implementation of the Development Strategy, as well as the Group's ability to implement the Development Strategy successfully, are subject to a number of other factors beyond the control of the Group, including the Group's ability to take actions that require the involvement or approval of the Government or the consent of certain of the Group's creditors and geopolitical developments such as the conflicts in Ukraine and the Middle East. Failure to obtain any such approvals or consents could delay or otherwise hinder the Group's ability to restructure its business and, consequently, its ability to run its business and compete effectively. If the Group is unable to compete effectively as a result of these or other factors, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group may not be successful in implementing its strategic aims.

The Group plays a key role in the implementation of key Government projects and such role has been reaffirmed by recent initiatives. See "Kazakhstan's Economy and the Railway Industry in Kazakhstan—Kazakhstan's Economy—Economic Programmes and Initiatives". The Issuer is taking a number of measures to: (i) develop infrastructure in line with the targets and reforms set out in the Infrastructure Development Programme and the National Plan; (ii) continue to develop its framework of strategic alliances with partners in the main transport corridors to, *inter alia*, increase service levels, develop competitive tariff rates and increase the speed of cargo delivery; (iii) conduct marketing initiatives to attract new cargo flows; and (iv) work with Government agencies to reduce administrative barriers to transit activities and improve transit-related logistics. A number of targets are also set out in the Group's Development Strategy and other State programmes. There can be no assurance, however, that the Group will be successful in fulfilling in these projects or strategic aims or that the cost of implementing such strategic aims will be in line with the Group's expectations. Any failure to achieve such aims or need to incur unexpected costs to achieve such aims could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Insufficient supply of, or increases in the prices, of locomotives or rolling stock may limit the Group's investment in its infrastructure

A significant part of the Group's locomotives and rolling stock are approaching the end of their useful lives and require replacement. Although the Group has purchased new rolling stock in recent years in an effort to upgrade its fleet of rolling stock, the Issuer expects that a large portion of the Group's capital expenditures over the next several years will continue to be for these purposes. There is still a relatively limited number of quality rolling stock manufacturers in Kazakhstan and the Commonwealth of Independent States (the "CIS"), and their output is limited. In addition, the adaptability of these manufacturers' production facilities from one type of rolling stock to another is limited. The Issuer has entered into, and plans to continue to enter into, joint ventures with foreign railway operators and companies, which have expertise in locomotive and rolling stock assembly and repair with an aim, in part, to provide the Group with a sufficient quantity of locomotives and rolling stock. However, there can be no assurance that the Group will be able to source sufficient supplies of new locomotives or rolling stock for its fleet on commercially acceptable terms, or at all, and there can be no assurance that the Group will be successful in continuing to enter into, or will realise the benefits from entering into, joint ventures and other agreements in order to address these supply shortfalls. If the Group is unable to procure the requisite amount of new locomotives or rolling stock on commercially acceptable terms, whether from third party manufacturers or its anticipated joint ventures, or experiences delays

or failures in delivery of locomotives or rolling stock, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group is required to comply with commitments arising from Kazakhstan's participation in multilateral and bilateral international treaties and in international organisations.

The Group is subject to Kazakhstan foreign policy relating to arrangements in the railway industry. For example, the Group's operations are, and will continue to be, subject to the Customs Union and Eurasian Economic Union ("EEU") among Kazakhstan, Armenia, Belarus, Russia and the Kyrgyz Republic. As part of the SES (as defined below) established by Belarus, Kazakhstan and Russia, the unification of tariffs, by route, was envisaged by 1 January 2013, covering freight tariffs for domestic, export and import routes within each of these countries and permitting rail transportation operators, at their discretion, based on certain economic factors, to amend the tariffs. The Group completed unification of its domestic, export and import transportation tariffs and currently charges a unified tariff for freight transportation by rail which does not take into account whether the cargo is transported within, imported into or exported from Kazakhstan.

In the context of implementation of the treaty establishing the EEU, a unified transport policy for member states was agreed, which sets out the general principles for the functioning of the transport industry in the context of integration, including provisions for the phased formation of a common market and the liberalisation of transport services. Such principles aim to ensure the effective use of member states' transit potential and to develop Eurasian rail transport corridors. In 2014, the EEU Treaty was signed, which entered into force on 1 January 2015 and marked the transition to a new level of integration. This introduced freedom of movement of goods, services, labour, and freedom of movement. It also introduced co-ordinated or unified policy in key sectors of the economy, including transport, technical, and customs regulation.

In 2017, the member states of the EEU approved a new customs code, which entered into force on 1 January 2018. The new customs code provides for the full transition to electronic customs declarations, a reduction in the time required for customs clearance of transit goods from one working day to four hours and a 50% reduction in the time permitted for customs authority inspections from ten days to five days.¹

Failure by the Group to adapt its operations to further rules or regional integration supported by the EEU or similar future organisations, or acceptance by Kazakhstan of any international commitments that are not in accordance with the interests of the Group, could make it difficult for the Group to compete effectively with regional railway companies or enjoy the benefits that the EEU and similar organisations may bring to its member states. If the Group is unable to compete effectively as a result of these or other factors, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group's business is dependent on economic conditions in the countries bordering Kazakhstan and maintaining good relations with neighbouring countries to have open access to international commodities markets.

The Group's business is dependent on exports of products from, and imports of products into, Kazakhstan. The volumes of such shipments vary based on economic conditions in Kazakhstan and the countries bordering Kazakhstan, as well as the demand for commodities and other products produced in Kazakhstan. Accordingly, economic conditions in those countries have an impact on demand for the Group's transportation services. Moreover, the Group's continued efforts to expand its logistics and transshipment services will make it increasingly dependent on economic conditions in

¹ Has the Group been able to comply with these requirements?

other countries. Regional economies, in particular the Russian economy, have been negatively impacted by the conflict commenced by Russia in Ukraine and the consequent sanctions imposed on Russia and certain Russian entities and persons. Currently, due to ongoing geopolitical uncertainty around Russia and Ukraine, the potential for further sanctions applicable to Russia and Russian entities, as well as a lack of certainty as regards the ability of Russia to mitigate the adverse effects on its economy and macroeconomic indicators, the Group is unable to quantify the expected impact on the economy of Kazakhstan and, in turn, on the Group's business, prospects, financial condition, cash flows or results of operations. Additional disruption to the economies of countries bordering Kazakhstan may be occasioned by the ongoing geopolitical tensions and military conflict in the Middle East. Should economic conditions in such countries be substantially impaired, in particular for a prolonged duration, it may have a material adverse effect on the Group's exports, imports and transit transportation operations and the ability to offer logistics services to the Group's customers in these countries. See "*—The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions*".

Kazakhstan depends on neighbouring states for access to world markets for a number of its major exports, including uranium, oil, natural gas, steel, copper, ferroalloys, iron ore, aluminium, coal, lead, zinc and wheat. Accordingly, Kazakhstan is dependent upon maintaining good relations with its neighbours to ensure its ability to export.

As a result of the role assigned to the Group in Government economic programmes and initiatives, the Group is at the forefront of Kazakhstan's intention to be a large transit player on the trade route between China and the EU. As such, the Group has been, continues to be and has future plans to be, involved in cooperation with foreign and international partners. Any failure to create or maintain relationships with such partners could have a material adverse effect on the Group's ability to fulfil its strategic aims and, in turn, on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group relies heavily on information technology systems and the telecommunications and internet infrastructure of Kazakhstan to operate its business and any failure of these systems or cyber security breaches could harm its business.

The Group relies heavily on its telecommunications network and computer systems for coordination of scheduling, dispatching and other aspects of its railway operations, as well as accounting, ticket sales for passenger trains, tracking freight deliveries and numerous other functions. While the Group has undertaken and is continuing to undertake, a number of information technology investment projects, in particular, in respect of the Group's railway infrastructure, the Group's aging telecommunications network and computer systems require development and modernisation. The aging nature of the Group's computer systems means that there is an increased likelihood of failure. The hardware and software that is used by the Group may be damaged by human error, natural disasters, power loss, sabotage, computer viruses, cyber intrusion, network attacks and other events. The Group's operations may also be vulnerable to the system failures of other companies with whom such operations are closely linked, such as utility providers, telecommunication service providers and financial institutions. Problems that may occur as a result of system failures include, but are not limited to:

- the incorrect recognition of train schedule or route control data, which could disrupt railway operations and lead to railway accidents;
- system failures in ticketing, reservations and sales functions, which could cause significant confusion, inconvenience to passengers and loss of revenue; and

- difficulties in repairing systems over an extensive network that includes many remote areas, which could delay the re-establishment of operations and result in a further loss of revenue.

System failures may also reduce the attractiveness of the Group's services and, therefore, result in its customers choosing alternative means of transportation. Such system-related problems could also lead to increased expenses and decreased revenue and, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Moreover, the Group intends to increase further the use of advanced technologies in its operations. The Issuer has implemented a single information exchange system for the railway industry in Kazakhstan, which is integrated with certain neighbouring countries (including Russia, China, Uzbekistan, the Kyrgyz Republic and Azerbaijan) and other types of transportation and additional services such as customs and forwarding agents. Certain interrelated projects, such as automated processes for the planning and measuring of freight transportation, as well as the geographic mapping of the mainline railway to calculate safe interval systems between trains, have been implemented (for example, the Group operates AS MESPLAN (a system that automatically coordinates the Group's monthly data with customer information systems and which is linked to the single information exchange system) or are at the implementation stage (for example, a project aimed at controlling the progress of the transportation process from the workstations dispatcher unit). There can be no assurance, however, that the Group will be able successfully to continue to implement such advanced technologies or upgrade its computer systems, or that any systems that have been implemented will continue to operate successfully. Any such failure may have a material adverse effect on the Group's business, prospects, financial condition, cash flows and results of operations.

The Group's business depends on the performance, reliability and security of the telecommunications and internet infrastructure in Kazakhstan, where the Group's computer hardware is currently located. Any disruptions in, or failures of, the telecommunications and internet infrastructure in Kazakhstan may adversely affect the quality or availability of the Group's platforms. The failure of telecommunications network operators to provide the Group with the requisite bandwidth could affect the speed and availability of the Group's platforms. Moreover, if the security of the Group's domain names is compromised for any reason, the Group will be unable to use such domain names in its business operations, which, in turn, could adversely affect the Group's business and brand image.

While the Group has systems and processes designed to implement adequate measures of encryption of data transmitted through the networks, there is no assurance that the Group's data could be misappropriated by a third party due to vulnerabilities in Kazakhstan's telecommunications and internet infrastructure, which could adversely affect the Group's business, financial condition, results of operations and prospects.

The Group faces numerous operating risks that may result in loss and additional expenditures, which may not be fully covered by insurance.

The Group is the owner and operator of the national railway system, as well as the largest operator of passenger and freight rolling stock and locomotives in Kazakhstan. As a result, the Group's infrastructure and transportation operations may be adversely affected by many factors, including the breakdown or failure of equipment or processes, natural disasters, terrorist attacks or sabotage of the Group's extensive infrastructure and related assets. An accident, derailment or other incident involving the Group's railway operations could result in damage to, or loss of, the Group's track network, locomotives and railcar fleet, disrupt the Group's services, give rise to potential claims by freight shippers, injured passengers and others and have a material adverse effect on the attractiveness of the Group's services in the future. A negative change in the perception of the Group's safety record could result in, among other things, customers switching to other means or providers of transportation. As a

carrier and operator of rolling stock, members of the Group may also be responsible for spillage or leakage from railcars transporting environmentally sensitive materials where such spillage or leakage is the fault of the Group.

The insurance market is relatively undeveloped in Kazakhstan. While the Group maintains an insurance programme pursuant to requirements of Samruk-Kazyna, the Group does not procure insurance coverage to the same extent as what might be considered customary in more developed economies in Western Europe and North America. Except for holding the required statutory insurance coverage, including with respect to automobile insurance, employer liability insurance, environmental insurance and passenger insurance for personal injury, death and loss or damage to passenger property, the Group does not maintain any insurance (including business interruption insurance). In addition, while subsidiaries of the Issuer insure their respective rolling stock, tracks and rails owned by the Group are not insured and, in general, the Group's infrastructure assets are not insured unless insurance is required pursuant to any relevant financing agreements.

The Group is responsible for damage or loss of freight during its transportation if such damage or loss was the Group's fault. If a significant uninsured event was to occur, if the Group would incur additional expenditures for which it would not be compensated, such events could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group has entered into collective bargaining agreements.

The Group has entered into a total of 12 collective bargaining agreements with its employees for the period from 2024 to 2026 with the Public Association of Railway Workers and Employees Trade Union (the "**Trade Union**"), including agreements covering KTZ-FT and Kaztemirtrans and their respective employees. The vast majority of the Group's employees are members of the Trade Union. There can be no assurance, however, that any collective bargaining agreements will be concluded in respect of any future period on materially the same terms as the existing agreements, in a timely fashion or at all. Although there have been no recent strikes or material employee relations issues, the collective bargaining agreements with the Trade Union provide the Trade Union with a range of methods by which it could seek to influence the activity of the Group, as well as the Group's implementation of the Development Strategy. These methods include, among others, notification or coordination procedures or the requirement for Trade Union approval in respect of certain employee terminations, notification or co-ordination procedures in respect of employee wage matters, notification of the Group's intention to eliminate structural subdivisions of the Group, including eliminations that may be necessary to implement the Development Strategy, and the institution of employee strikes or commencement of judicial proceedings. An inability to reduce or restructure its workforce (whether in connection with the Development Strategy or otherwise) without violating the terms of the collective bargaining agreements with the Trade Union, or a deterioration in relations with the Trade Union, could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group has unfunded pension obligations

As at 31 December 2025 and 31 December 2024, the Group had significant unfunded pension obligations of KZT 49,194 million and KZT 48,703 million, respectively. In accordance with the collective bargaining agreements agreed with the Trade Union, the Group provides, under an unfunded scheme, a one-time retirement grant or payment upon early termination of the employment contract (subject to compliance with the Early Retirement Programme), annual financial support to pension holders, financial support for six months to employees that take voluntary redundancy, assistance to pension holders for holidays (including vouchers to health resorts), complementary train tickets, funeral aid to pension holders, anniversary bonuses and assistance for dental treatment. The Group's

policy regarding these retirement benefits does not provide for the accumulation of assets to cover liabilities and employees are not required to make additional contributions.

Changes in the interest rate environment and other factors may adversely affect the amount of the Group's unfunded pension obligations and annual funding costs. These unfunded pension obligations could have a material adverse effect on the business, results of operations and financial condition of the Group, which may, in turn, adversely affect the Group's financial condition and results of operations.

Financial Risks Relating to the Group and its Business

The Group has historically experienced liquidity problems.

Liquidity is a measure of the Group's ability to generate adequate amounts of cash to meet current and future obligations as they come due and to provide for planned capital expenditures. See "*Selected Consolidated Financial and Other Information of the Issuer*".

The Group's cash requirements for operations and capital expenditures are significant and the Group's sources of cash include revenue primarily from freight and passenger transportation and Government grants. Historically and primarily as a result of deteriorating economic conditions, the Group experienced liquidity problems and curtailed capital expenditures, and discontinued or delayed certain development projects. In addition, the Group's ability to comply with its financial covenants has been impacted by depreciations of the Tenge, and the Group has in the past been required to reset and seek waivers for non-compliance with certain covenants. See "*—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*". The Issuer also postponed certain capital expenditure projects as a result of the Tenge devaluation and geopolitical developments.

As at 31 December 2025, the Group's current assets were KZT 491,322 million (as compared to KZT 452,181 million as at 31 December 2024 and KZT 385,596 million as at 31 December 2023), while its current liabilities were KZT 1,454,337 million (as compared to KZT 1,381,619 million as at 31 December 2024 and KZT 808,382 million as at 31 December 2023). Accordingly, the Group's current liabilities exceeded its current assets by KZT 963,015 million as at 31 December 2025, KZT 929,438 million as at 31 December 2024 and KZT 422,786 million as at 31 December 2023. If the revenue of the Group were to decrease in future periods, the Group may be unable to meet its working capital requirements and could result in covenant breaches, which could lead to defaults and cross-defaults and have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations. The occurrence of such circumstances could also adversely impact the ability of the Guarantors to meet their obligations under the Guarantee.

The Group's current liabilities exceed its current assets, which could affect its ability to prepare its financial statements on a going concern basis going forward.

The Financial Statements have been prepared on a going concern basis. In assessing its going concern basis, management has considered the Group's financial position, expected future performance and cash flows from operations, borrowings, available credit facilities, its capital expenditure commitments, as well as expected tariffs, currency exchange rates and other risks facing the Group. As at 31 December 2025, the Group's current liabilities exceeded its current assets by KZT 963,015 million. Historically, the Group has financed major investment projects using funds from the Government and through borrowings, in addition to cash from operating activities. For the year ended 31 December 2025, cash flows from operating activities amounted to KZT 746,797 million. As of 31 December 2025, Group borrowings of KZT 488,658 million were payable within 12 months. The Group's loans and borrowings include certain financial covenants. See "*—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".

Management has assessed its need for cash, including for the scheduled repayment of borrowings and its development plans. After making appropriate enquiries with respect to such matters, management has considered that the Group has adequate resources to continue in operational existence and settle its liabilities and that the going concern basis is appropriate in preparing the Group's Financial Statements.

In connection with the audit of the 2025 Financial Statements, the Group's auditors identified compliance with covenants under financing arrangements as a key audit matter. Under the terms of certain financing arrangements, the Group is required to comply with various financial and non-financial covenants. Breach of these covenants could result in significant penalties and fines and may give lenders the right to demand early fulfilment of financing obligations. Compliance with these covenants was identified as a key audit matter in the auditors' report on the 2025 Financial Statements, due to its potential implications for the going concern assumption applied in their preparation and for the classification of loans, bonds and lease liabilities.

There can be no assurance, however, that management will be able to make the same assumptions in respect of going-concern principles in future periods. In addition, management may not be able to realise its plans to settle current liabilities. Any failure to be able to operate on a going concern basis would have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations. See also "*—The Group has historically experienced liquidity problems.*"

The Group is subject to commodity price risk, which the Group has a limited ability to manage.

Kazakhstan is a major exporter of commodities, including oil, natural gas, steel, copper, ferroalloys, iron ore, aluminium, coal, lead, zinc and wheat. Kazakhstan's economy and the Government's budget particularly rely on fiscal revenues from the export of oil products and are also significantly affected by imports of capital equipment and foreign investments in oil sector infrastructure projects. In turn, the Group's operations also rely on exports of commodities, which are affected by demand and fluctuations in commodity prices. International crude oil prices have fluctuated widely in recent years in response to global supply and demand, general economic conditions, competition from other energy sources and other factors, in particular that the Group does not conduct hedging activities in respect of market fuel price increases.

Fuel and lubricants accounted for 13.8%, 12.1% and 14.7%, respectively, of the Group's total cost of sales in 2025, 2024 and 2023, respectively. In particular, the Group purchases diesel fuel, the price of which can be subject to significant fluctuations, for its locomotives. The Group purchases diesel fuel and other types of fuel and lubricants, primarily through open tenders held in accordance with the procurement procedures established by Samruk-Kazyna. Although, the Group usually holds procurement tenders at the beginning of a calendar year on fixed price terms (with the flexibility to decrease such price if market prices decrease), any material increase in the price of diesel fuel or other types of fuel and lubricants used by the Group could have a significant impact on the Group's cost of sales and, in turn, on the Group's transportation and locomotive haulage services. International, political and economic circumstances and a number of other factors affect fuel prices and supplies. Recently, the conflict in the Middle East, as well as the conflict in Ukraine, have caused an increase in the price and volatility of global fuel prices. While any continued increase in global oil prices is likely to have a positive impact on hydrocarbon producers such as Kazakhstan, leading to improvements in fiscal reserves and, in turn, a potential increase in subsidies available in the budget to the Group, such prices will result in an increase in the Group's fuel costs. There can be no assurance that the Group will be able to enter into sufficient flexible procurement or hedging arrangements to protect against

commodity price risk in the future. A significant increase in fuel prices could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group includes the cost of fuel in the tariff calculations it submits to the Natural Monopoly Committee (as defined above) for approval. All of the Group's freight tariffs are subject to the approval of the Natural Monopoly Committee, except for transit tariffs, and there can be no assurance that the Natural Monopoly Committee will take into account increased cost of fuel when setting the tariffs. In addition, increases or changes in the approved tariffs are subject to regulatory approval and applied after approval has been received, while the cost of fuel may change more frequently. Because of this timing difference between the changes in fuel prices and any approval by the Natural Monopoly Committee to increase tariffs, the Group may generally be unable to pass along increased fuel costs to its customers, at least on a timely basis.

The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage.

The Group is exposed to foreign currency exchange rate risk on selected receivables, payables and borrowings that are denominated in currencies other than the Tenge. The currencies in which these transactions are denominated are primarily the U.S. Dollar, Russian Rouble, Euro, Swiss Franc and Japanese Yen. In addition, the Group receives a portion of its transit-related revenue in Swiss Francs. The Group's principal exchange rate risk involves changes in the value of the Tenge relative to the U.S. Dollar and, to a lesser extent, relative to the Swiss Franc, the Russian Rouble and other currencies.

Since the NBK adopted a floating rate exchange policy for the Tenge in April 1999, the Tenge has fluctuated significantly, and the NBK has adopted a number of exchange rate policies. Devaluations and depreciations of the Tenge have resulted in reduced access to capital, a higher cost of capital, increased inflation, the recording of large foreign exchange losses and uncertainty regarding economic growth. Such foreign exchange fluctuations have had and, if they continue, are expected to continue to have a material adverse effect on the Group's financial position, cash flows and results of operations. See "*—Macroeconomic and Geopolitical Risks—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*".

As at 31 December 2025, 2024 and 2023, 12.84%, 16.91% and 17.58%, respectively, of the Group's borrowings and debt securities were denominated in U.S. Dollars. Accordingly, any devaluation of the Tenge against the U.S. Dollar has resulted, and in the future would result, in increased foreign exchange losses for the Group. By way of example, for the years ended 31 December 2025 and 2024, the Group recorded foreign exchange losses (excluding discontinued operations) of KZT 19,990 million and KZT 69,620 million, respectively.

The Group is also subject to exchange rate fluctuations in the KZT/RUB exchange rate as a result of borrowings denominated in Russian Roubles. In 2024, the Group, represented by its subsidiary KTZ-Freight transportation, under a loan agreement with EDB to finance the acquisition of freight diesel locomotives, borrowed RUB 7,640,071,200 with such loan due to be fully repaid in 2034. As at 31 December 2025, the official KZT/RUB exchange rate reported by the NBK was KZT 6.42 per RUB 1.00, as compared to KZT 4.99 per RUB 1.00 as at 31 December 2024 and KZT 5.06 per RUB 1.00 as at 31 December 2023.

There can be no assurance that there will not be devaluations of the Tenge against the U.S. Dollar and other foreign currencies, which could be significant, and, because most of the Group's consolidated total borrowings are denominated in U.S. Dollars and, to a lesser extent, Russian Roubles, a devaluation of the Tenge against such currencies would have a net negative impact on the Group's financial condition and results of operations. The Group does maintain a portion of its cash in U.S.

Dollars in order to partially offset foreign currency gain or loss on its borrowings denominated in U.S. Dollars; however, these reserves may be insufficient to offset fully foreign currency loss.

The Group generates Swiss Franc denominated revenue from its freight transit tariffs based on the CIS Tariff Agreement (as defined below). For the year ended 31 December 2025, 30.0% of total revenue and other income was denominated in Swiss Francs, as compared to 32.3% in 2024 and 33.9% in 2023. 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 Francs will result in an increase or decrease in the Group's revenue, as the case may be. As at 31 December 2025, the official KZT/CHF exchange rate reported by the NBK was KZT 637.78 per CHF 1.00, as compared to KZT 580.49 per CHF 1.00 as at 31 December 2024, and KZT 541.08 per CHF 1.00 as at 31 December 2023. On occasion, the Group may look to hedge its foreign currency exposure. During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in KZT equivalent revenue from freight transit transportation denominated in CHF. There can be no assurance, however, that such measures will be sufficient to hedge all fluctuations in the KZT/CHF exchange rate.

There can be no assurance that the Group will have the ability to, or choose to, enter into sufficient hedging arrangements, or enter into hedging arrangements at all, to protect against foreign currency exchange rate risk in the future. If the Tenge were to experience a further significant devaluation or depreciation relative to the U.S. Dollar, the Swiss Franc or other currencies, it would have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

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.

The Group is obliged to comply with various affirmative and negative covenants and restrictions contained in its financing arrangements. In addition, its own internal policies for compliance with such covenants and restrictions may be stricter than required under such covenants and restrictions. While the specific provisions of the relevant financing arrangements vary, the covenants generally include restrictions on the ability of Group members implementing any material change to the scope or nature of their respective businesses, entering into mergers, consolidations or reorganisations, encumbering assets and completing certain sales, transfers and dispositions of properties in excess of a specified value or which are essential to the conduct of its business. The Group may also be limited in incurring capital expenditures greater than specified amounts and in incurring additional indebtedness or guaranteeing the indebtedness of third parties without the prior approval of the relevant lender.

In addition to imposing affirmative and negative obligations regarding the conduct of the business of members of the Group, existing loan and guarantee agreements and other debt instruments require that the Group company subject to the agreement maintain on an ongoing basis or periodically satisfy as at particular dates certain financial tests.

Separately, the Debt and Financial Stability Management Policy issued by Samruk-Kazyna sets the following key financial stability ratios: (i) debt to EBITDA (as defined in the Debt and Financial Stability Management Policy) of less than or equal to 4.0; (ii) EBITDA (as defined in the Debt and Financial Stability Management Policy) to interest expense of greater than or equal to 3.50; and (iii) debt to equity of less than or equal to 1.4. As a result, the Group's operations may be restricted. The Notes contain covenants that place certain limitations on the Group, including, *inter alia*, negative pledge, limitations on changes in business, the disposal of property and limitations on mergers and consolidations with other legal entities, as well as a cross-default provision. See "*Terms and Conditions of the Notes*".

There can be no assurance that the Group will be able to comply with the covenants and restrictions set out in its loan and guarantee agreements and, if not, that it will be able to extend or obtain amendments or waivers for projected non-compliances that may be required from time-to-time or on a repeated basis in the future. If the Group fails to obtain any required amendment or waiver, the relevant Group borrower would be in breach of the applicable loan, guarantee and other agreements. Moreover, any such breach would likely trigger cross default provisions in the Group's financing agreements (including the Notes) and any such default would permit the Group's lenders and other creditors to accelerate some or all of the Group's debt, which could, in turn, require the Group to restructure or refinance its outstanding indebtedness. There can also be no assurance that the Group would be able to complete any such required restructuring or refinancing. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Macroeconomic, Geopolitical and Kazakhstan-Related Risks

The Group is subject to Kazakhstan-specific risks, including, but not limited to, local currency devaluation, civil disturbances, changes in exchange controls or lack of availability of hard currency, changes in energy prices, changes with respect to taxes, withholding taxes on distributions to foreign investors, changes in anti-monopoly legislation, nationalisation or expropriation of property and interruptions or embargos on the export of hydrocarbons or other strategic material and the potential impact of international sanctions. The occurrence of any of these factors or any of the factors described below could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Emerging markets are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in Kazakhstan.

The Kazakhstan market, being an emerging market, is subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate.

Generally, investment is only suitable for sophisticated investors who fully appreciate the significance of the risks involved. Disruptions in the international capital markets and changing regulatory environments can lead to reduced liquidity and increased credit risk premiums for certain market participants and result in a reduction of available financing. Countries located in emerging markets may be particularly susceptible to these disruptions and changes and also to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

In addition, the availability of credit to emerging markets is significantly influenced by levels of investor confidence in such markets as a whole. Accordingly, any factors that impact market confidence, such as a decrease in credit ratings or state or central bank intervention in a particular market, could affect the price or availability of funding for these markets, which could, in turn, have an impact on the wider economies of such markets.

Fluctuations in the global economy or an increase in the perceived risks associated with investing in countries located in emerging markets could reduce foreign investment in Kazakhstan and, as a result, have an adverse effect on the economy of Kazakhstan. If foreign investment in the economy of Kazakhstan decreases, there may be liquidity constraints, limiting the availability of capital for businesses and potentially slowing Kazakhstan's economic growth. The economy of Kazakhstan is also not immune from developments in the economies of other countries located in emerging markets.

Financial unrest or instability experienced in one or more countries located in emerging markets, especially countries in the CIS, around the Caspian Sea, or in Central Asia (some of which have recently experienced significant political instability, including terrorism and internal unrest), could have a negative impact on the economy of Kazakhstan and a material adverse effect on the trading price of the Notes and, potentially, the Issuer's ability to make payments of principal and interest under the Notes.

The Group is dependent on the political, economic and geopolitical climate in Kazakhstan

A majority of the Group's assets and operations are located in Kazakhstan. As a result of this geographic concentration, the Group is particularly sensitive to any change in the political environment in Kazakhstan as well as any weakness in the economy, including specifically the local oil and gas markets.

Since 1992, Kazakhstan has actively pursued a programme of economic reform designed to establish a free market economy through privatisation of Government-owned enterprises and deregulation and it is more advanced in this respect than some other countries of the former Soviet Union. However, as with any transition economy, there can be no assurance that such reforms will continue or that such reforms will achieve all or any of their intended aims.

Kazakhstan has also experienced periods of political unrest that have had, and could continue to have, a negative impact on its economy. For example, in January 2022, protests triggered by rising fuel prices escalated into widespread unrest, particularly in Almaty and the southern regions. The Government declared a state of emergency, imposed restrictions on communication and transportation, and financial institutions limited their operations. The state of emergency was lifted on 19 January 2022, but internet access remained limited, disrupting online transactions and financial services. Kazakhstan's political landscape continues to evolve following the events of January 2022 and subsequent reforms. A referendum held on 5 June 2022 resulted in constitutional amendments limiting presidential powers, reforming the Constitutional Council and strengthening local representative authorities. In September 2022, President Tokayev called an early presidential election, which he won in November 2022 with 81.3% of the vote. His re-election extends his term until 2029. However, ongoing political developments, potential reforms or renewed political uncertainty could materially affect Kazakhstan's financial and economic stability, which in turn could have a negative impact on the Group's business, financial condition, results of operations and prospects.

On 15 March 2026, Kazakhstan approved a new constitution following a national referendum, introducing sweeping institutional reforms, including the replacement of the bicameral parliament with a unicameral Kurultai, the recreation of the office of vice president and the expansion of presidential authority over key state appointments. The constitutional reforms also revise provisions relating to civil rights and freedom of expression, and may tighten regulatory requirements around public order and speech. Political uncertainty in connection with the change in constitution could materially affect Kazakhstan's financial and economic stability, which in turn could have a negative impact on the Group's business, financial condition, results of operations and prospects.

Kazakhstan depends on neighbouring states to access world markets for a number of its major exports, including oil and natural gas. Thus, Kazakhstan is dependent upon good relations with its neighbours to ensure its ability to export. Should access to these export routes be materially impaired, this could adversely impact the economy of Kazakhstan. Moreover, adverse economic factors in regional markets may adversely impact Kazakhstan's economy, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Government may also be subject to litigation or arbitration proceedings from time to time, which could impact its reputation or have an impact on Kazakhstan's economy and political conditions.

Additionally, any disruption of oil and gas production, transportation or refining in Kazakhstan for any reason, including as a result of terrorism, natural disaster, industrial accident, public health threats and global pandemics or change in national government policy, could have a material adverse effect on the Issuer's business, financial condition or results of operations.

Kazakhstan's economy and finances have continued to experience moderate levels of growth following the 2020 contraction of –2.5 per cent. According to Government statistics, real GDP growth was 3.2 per cent in 2022, 5.1 per cent in 2023 and 4.8 per cent in 2024. The International Monetary Fund forecasts real GDP at 5 per cent. in 2025. Since 2022, the Tenge has generally weakened against the U.S. Dollar, moving from KZT 460.93 per U.S. Dollar in 2022 to KZT 456.21 in 2023 and further to KZT 469.31 in 2024.

Kazakhstan has a credit rating of "BBB-" (outlook stable) by S&P, "BBB" (outlook stable) by Fitch and "Baa1" (outlook stable) by Moody's. Any future negative changes to the outlook or rating downgrade is likely to result in a rating downgrade of the Issuer's ratings. Additionally, any future downgrade of Kazakhstan's sovereign credit rating and liquidity problems in Kazakhstan's economy could adversely affect its economic development, which could, in turn, materially and adversely affect the Group's prospects, business, financial condition and results of operations.

In addition, the Issuer's subsidiaries, joint ventures and associates are in many regions the largest employers in cities in which they operate. While the Group does not have any specific legal obligation or responsibilities with respect to these regions, its ability to reduce the number of its employees may nevertheless be subject to political and social considerations. Any inability to reduce the number of employees or make other changes to the Group's operations in such regions could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

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.

Although the Tenge is convertible for current account transactions, it is not a fully convertible currency for capital account transactions outside Kazakhstan. Since the NBK adopted a floating rate exchange policy for the Tenge in April 1999, the Tenge has fluctuated significantly and the NBK has adopted a number of exchange rate policies. The Tenge had generally appreciated in value against the U.S. Dollar over the previous decade until its devaluation by the NBK in February 2009. In August 2015, the NBK announced the adoption of a free-floating exchange rate and medium-term inflation targeting policy, which resulted in a 26.2% depreciation against the U.S. Dollar.

In February 2022, the Tenge depreciated significantly against major foreign currencies amid the external geopolitical situation driven by escalating tensions in the region. In order to reduce the negative impact of external factors on the Kazakhstan economy, the NBK raised the base rate from 10.25% to 13.5% per annum, and interventions with respect to the currency market were performed to support the Tenge exchange rate against foreign currencies. In 2023, the Tenge appreciated 0.9% against the U.S. Dollar and depreciated 1.8% against the euro. In 2024, the Tenge depreciated 15.2% against the U.S. Dollar and 8.8% against the euro. As of 31 December 2025, the official KZT/U.S.\$ market exchange rate reported by the NBK was KZT 502.57 per U.S.\$1.00, as compared to KZT 525.11 per U.S.\$1.00 as of 31 December 2024, KZT 454.56 per U.S.\$1.00 as of 31 December 2023, KZT 462.65 per U.S.\$1.00 as of 31 December 2022 and KZT 431.80 per U.S.\$1.00 as of 31 December 2021. Past devaluations of the Tenge have resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, all of which have had, and are expected to continue to have, a material effect on the Group's financial position and results of operations.

Many of the Group's borrowers have revenues principally generated in Tenge and, to the extent they borrow in U.S. Dollars, any decrease in the value of the Tenge relative to the U.S. Dollar may generally adversely affect their financial condition and, in particular, could have a negative effect on the ability of such borrowers to repay U.S. Dollar denominated loans extended by the Group. A devaluation of the Tenge against the U.S. Dollar or other foreign currencies could also result in an outflow of Tenge deposits at the subsidiary level. The Group is also subject to foreign currency risk as a portion of its loans from banks and other financial institutions and debt securities is denominated in U.S. Dollars. Any devaluation of the Tenge would increase the Tenge-value of these borrowings and the actual interest expense payable on them.

In addition, in the event of any shortage of availability of U.S. Dollars in Kazakhstan in the future, this could have a material adverse impact on the Group's ability to service payments under its U.S. Dollar-denominated borrowings (including the Notes) particularly as the Group continues to obtain foreign currency funding by accessing the international capital markets and syndicated and bilateral lending markets. Accordingly, any future changes in exchange rates could have a material adverse effect on the Group's business, financial condition, cash flows, results of operations and prospects. See "*Operational Risks relating to the Group and its Business—The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage.*"

Currency control laws affect the Group's foreign currency dealings.

Under the Law of Kazakhstan "On Currency Regulation and Currency Control" dated 2 July 2018 (the "**Currency Law**"), the Government, based on a joint recommendation from the NBK together with other relevant state bodies and in circumstances where serious threats arise to the sustainability of the balance of payments, the stability of the domestic foreign exchange market or the economic security of Kazakhstan, and where such situation cannot be resolved through other economic policy measures, is empowered by special action to introduce measures establishing a special procedure for the conduct of certain currency transactions. Any such measures must comply with Kazakhstan's international treaty obligations arising from its participation in international organisations and associations and are temporary in nature, being subject to cancellation once the circumstances giving rise to their introduction cease to exist.

In order for Kazakhstan to remain in compliance with its membership obligations under the charter of the International Monetary Fund, the currency regime cannot restrict residents from repaying foreign currency-denominated obligations. As at the date of this Base Offering Memorandum, the Government has not invoked the aforesaid statutory provisions. Accordingly, it is unclear how any implementation of the new currency regime would ultimately impact the Group. However, any imposition of significant restrictions on the Group's foreign currency dealings could have a material adverse effect on the Issuer's business, prospects, financial condition or results of operations.

Sustained periods of high inflation could adversely affect the Group's business.

The Group's operations are located principally in Kazakhstan and a majority of the Group's costs are incurred in Kazakhstan. Since the majority of the Group's expenses are denominated in Tenge, inflationary pressures in Kazakhstan are a significant factor affecting the Group's expenses. For example, employee and contractor wages, consumable prices and energy costs have been, and are likely to continue to be, particularly sensitive to monetary inflation in Kazakhstan.

Any further increase in inflation could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Global supply chain disruptions and inflation may adversely affect the Group's operations.

Supply and demand imbalances arising from military conflict between Russia and Ukraine and in the Middle East, as well as broader geopolitical developments, have resulted in shortages, backlogs and delayed deliveries of a wide array of products and services, increased volatility in global commodity and energy markets and disruptions to regional and global supply chains. Although the Group has not experienced significant supply chain disruptions to date and currently maintains sufficient spare parts and materials, a disruption in deliveries from third-party suppliers, manufacturers or service providers, capacity constraints, production disruptions or price increases, including those related to supply chain disruptions caused by contagious disease pandemics or geopolitical circumstances, could result in unscheduled operational downtime, deferral or reduction of revenues and increased costs, which could materially adversely affect the Group's profitability.

Recent and ongoing geopolitical tensions and military conflict in the Middle East have further increased uncertainty affecting global economic conditions, energy and fuel prices, demand and supply patterns, logistics networks and international transportation routes, including rail corridors. Although the Group's primary operations are located in Kazakhstan, the economy of Kazakhstan and regional transportation flows are influenced by broader geopolitical developments and global market dynamics. Any escalation or expansion of such conflicts could lead to higher operating costs, supply chain inefficiencies, delays in cross-border transportation or reduced volumes transported by rail. If regional instability were to intensify or spread to neighbouring regions, this could place additional pressure on the economy of Kazakhstan and negatively affect trade, industrial activity and demand for rail transportation services. While the Group currently transports only immaterial volumes of cargo, primarily grains and flour, to Iran, broader regional escalation could nevertheless have indirect adverse effects on the Group's operations, financial condition and results of operations.

The outcome of the implementation of further market based economic reforms is uncertain.

The need for substantial investment in many enterprises has driven the Government's privatisation plans. There remains a need for substantial investment in many sectors of Kazakhstan's economy and there are areas in which economic performance in the private sector is still constrained by an inadequate business infrastructure. Furthermore, the significant size of the shadow economy (or black market) in Kazakhstan may adversely affect the implementation of reforms and hamper the efficient collection of taxes. The Government has stated that it intends to address these problems by improving the business infrastructure and tax administration and by continuing the privatisation process. However, there can be no assurance that these measures will be effective and any failure to implement them may have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows, and results of operations.

Kazakhstan's physical infrastructure is in poor condition

Kazakhstan's physical infrastructure is in poor condition, which could disrupt normal business activity. Kazakhstan's physical infrastructure largely dates back to Soviet times and has not been adequately funded and maintained over the past nearly 30 years. Particularly affected are rail and road networks, power generation and transmission, pipelines and communication systems. There can be no assurance that the Government will dedicate budget revenues to improving the country's physical infrastructure. A lack of progress in the rehabilitation of Kazakhstan's physical infrastructure may harm the national economy, disrupt the transportation of goods and supplies, add costs to doing business in Kazakhstan, and may interrupt business operations, any of which could have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows, and results of operations.

The Kazakhstan economy is highly dependent on the price of commodities

Kazakhstan is a major exporter of commodities, including oil and natural gas. In 2025, mineral products (including oil, gas and coal as well as metals and precious stones) accounted for approximately 63.6% of Kazakhstan's exports.

The economy of Kazakhstan and the State budget, therefore, particularly rely on fiscal revenues from the export of minerals, in particular crude oil and oil products. Taxes on oil and petroleum product companies are a major source of revenue for the National Fund, which has an important stabilising function in the economy of Kazakhstan and is responsible for accumulating financial resources for the benefit of future generations in Kazakhstan. The National Fund is currently the source for official transfers to the State budget, which amounted to KZT 4.6 trillion in 2022, KZT 4.0 trillion in 2023 and KZT 5.6 trillion in 2024. According to the NBK, as of 31 January 2025, the National Fund held foreign currency assets in the amount of U.S.\$58,509 million (Source: *The NBK. "International Reserves and Foreign Currency Assets of the National Fund of Republic of Kazakhstan". Published on 28 February 2025*). These assets allow the National Fund to act as a fiscal buffer against external shocks to the economy and to offset any shortfalls in tax revenues from extraction sector enterprises in a given year. It also provides protection to Kazakhstan against a devaluation of the Tenge. In the event of a sustained decline in oil prices, the resources of the National Fund may be insufficient to maintain the appropriate level of liquidity in order to fund guaranteed transfers from the National Fund to the State budget. In addition, significant withdrawals from the National Fund could adversely impact the country's macroeconomic stability and fiscal resilience, leading to heightened exposure to external shocks. A reduced National Fund balance may also limit the Government's capacity to respond to future crises, exacerbating risks related to the Tenge devaluation, inflation and public debt levels. Such developments could have a material adverse effect on the economy of Kazakhstan and on investors' confidence in Kazakhstani markets.

The Issuer may have difficulties in obtaining effective redress in court proceedings

The independence of the Kazakhstan judicial system is not immune from social, economic and political influences. For example, there have been instances of improper payments being made to public officials. The judicial system is often inefficient and time intensive, and some judges are inexperienced in business and corporate law matters. Certain court decisions may not be consistent with each other. The Kazakhstan judicial system can be time intensive. Kazakhstan is a civil law-based jurisdiction and, as such, judicial precedents have no binding effect on subsequent decisions. All of these shortcomings may affect the ability of the Issuer to obtain effective legal redress in Kazakhstan courts. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain for the Group.

The Republic of Kazakhstan is not a party to any multilateral or bilateral treaties with the United Kingdom or the United States (or indeed most western jurisdictions) for the mutual enforcement of court judgments. Whilst Kazakhstan law provides for enforcement of foreign court awards on the basis of reciprocity, there is no guidance or practice on this matter and currently it is uncertain whether or not Kazakhstan courts will enforce decisions from foreign courts on such a basis. The procedures applied by the relevant Kazakhstan officials may not be entirely consistent with the legislation relating to procedure or with court rules. This could delay enforcement procedures in the Republic of Kazakhstan, particularly if enforcement is sought to be made in courts outside the principal commercial centres such as Almaty and Astana. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain and could have a material adverse effect on the price of the Notes.

Kazakhstan's taxation system is subject to frequent change

Historically, the system of tax collection in Kazakhstan has been difficult and unpredictable resulting in continual changes to the tax legislation, which sometimes have occurred on a short notice and have included changes to the provisions that establish the rules of tax administration, but also to other provisions such as tax base determination and tax rate. On certain occasions, adverse changes were adopted with retroactive effect. The lack stability of tax legislation produces tax uncertainties which may result in adverse tax implications for the Issuer.

The new Tax Code which took effect on 1 January 2026 introduced a number of important changes, including an increase of the VAT rate from 12.0 per cent. to 16.0 per cent. (with reduced rates applicable to specific industries).

It is not uncommon for the tax authorities to take differing interpretations of tax laws at different periods in time. This increases the level of uncertainty and, therefore, tax risks, and could potentially lead to the inconsistent enforcement of these laws and regulations. Official explanations and court decisions are often unclear and contradictory, while tax disputes could result in significant litigation costs for the Group.

It is also not uncommon for taxpayers and tax authorities to take different interpretations of the tax legislation. During consideration of tax disputes, the tax authorities and courts often issue decisions in favour of the Government. Therefore, taxation in Kazakhstan is often unclear or inconsistent, and may result in unexpected tax assessments and liabilities that could lead to a material adverse effect on, inter alia, the Issuer's business, financial condition, results of operations or prospects.

The Kazakhstan Law on Transfer Pricing may have a negative effect on the Group's operational flexibility and tax assessments

The Issuer's transactions for cross-border sale of gas are subject to transfer pricing scrutiny, which could have an adverse effect on the Issuer's tax implications. Under Law No. 67-IV of the Republic of Kazakhstan "On Transfer Pricing" dated 5 July 2008 (the "**Kazakhstan Law on Transfer Pricing**"), if the price of export is not at arm's length, additional taxes may be imposed on the Issuer to adjust transaction prices to the arm's length level.

The Kazakhstan Law on Transfer Pricing came into effect in Kazakhstan from 1 January 2009. It is not supported by detailed guidance, which is still under development. As a result, application of transfer pricing control to various types of transactions is not clearly regulated. As at the date of this Base Offering Memorandum, management believes that its interpretation of the Kazakhstan Law on Transfer Pricing is appropriate and that it is probable that the Issuer's positions with regard to transfer pricing will be sustained, but the Issuer can make no assurance that this is the case. Because of the uncertainties associated with the Kazakhstan Law on Transfer Pricing, there is a risk that the tax authorities may take a position that differs from the Issuer's position, which could result in additional taxes, fines and interest for the historical period under review and could in turn have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

Kazakhstan has a less developed securities market than the United States, the United Kingdom and the rest of Western Europe, which may hinder the development of Kazakhstan's economy

Kazakhstan has a less developed securities market than the United States or the United Kingdom and other Western European countries, which may hinder the development of the Kazakhstan economy.

An organised securities market was established in Kazakhstan only in the mid-to-late 1990s and procedures for settlement, clearing and registration of securities transactions may therefore be subject to legal uncertainties, technical difficulties and delays. Although significant developments have occurred in recent years, including an initiative to develop Almaty as a regional financial centre and

Astana as an international financial centre, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Kazakhstan. In particular, legal protections against market manipulation and insider trading are not as well developed or as strictly enforced in Kazakhstan as they are in the United States or the United Kingdom and other Western European countries, and existing laws and regulations may be applied inconsistently. In addition, less information relating to Kazakhstan-based entities, such as the Issuer's subsidiaries, joint ventures and associates, may be publicly-available to investors in such entities than is available to investors in entities organised in the United States or the United Kingdom and other Western European countries. The above-mentioned factors may impair foreign investment in Kazakhstan and hinder the development of Kazakhstan's economy.

There are perceived risks of corruption and business environment weaknesses in Kazakhstan.

As in many other emerging market jurisdictions, the incidence and perception of elevated levels of corruption remains a significant issue in Kazakhstan, although the climate has improved in this respect in recent years.

Kazakhstan was ranked 96 out of 182 countries in Transparency International's 2025 Corruption Perceptions Index. Kazakhstan's score in the 2024 index was 38 (with 1 being the most corrupt score and 100 being the least corrupt). Kazakhstan's business climate and competitive indicators are also negatively affected by the need for reform in investor protection arrangements, the cost of establishing a business, the tax system, resolving insolvency and contract enforcement.

Failure to address continued or perceived corruption and governance failures in the public sector and any future allegations, or perceived risk, of corruption in Kazakhstan, could have a material adverse effect upon Kazakhstan's ability to attract foreign investment, which could, in turn, have a material adverse effect on Kazakhstan's economy.

In March 2022, the National Anti-Corruption Bureau initiated a criminal investigation under Article 361 "Abuse of Official Authority" of the Criminal Code of the Republic of Kazakhstan in connection with electricity supply contracts entered into by certain entities within the Samruk-Kazyna group. The investigation initially referred to certain officials of Samruk-Kazyna, JSC Samruk-Energo and the Issuer, as well as the Issuer's "Directorate of the mainline network" branch and KTZ-FT.

Based on the information currently available to the Issuer, the investigation was initiated by the state authorities and has subsequently been redirected to the relevant electricity supply companies. As of the date of this Base Offering Memorandum, neither the Issuer nor its subsidiaries are parties to the investigation, and no investigative actions are currently being pursued against them. The Issuer has not been provided with detailed information regarding the scope or status of the investigation.

However, there can be no assurance that the Issuer or its subsidiaries will not be implicated in the investigation at a later stage, that claims will not be asserted against them, or that the investigation will not otherwise have adverse consequences. Any such developments could have a material adverse effect on the Group's business, reputation, financial condition, cash flows or results of operations.

The Group cannot ensure the accuracy of official statistics and other data in this Base Offering Memorandum published by Kazakhstan authorities.

Official statistics and other data published by Government authorities may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be produced on different bases from those used in other countries. Neither the Issuer nor the Group has independently verified such official statistics and other data and any discussion of matters relating to Kazakhstan in this Base Offering Memorandum is, therefore, subject to uncertainty due to questions

regarding the completeness or reliability of such information. Specifically, investors should be aware that certain statistical information and other data contained in this Base Offering Memorandum has been extracted from official Government sources and was not prepared in connection with the preparation of this Base Offering Memorandum.

In addition, certain information contained in this Base Offering Memorandum is based on the knowledge and research of the Group's management using information obtained from non-official sources. The Group has accurately reproduced such information and, so far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. This information has not been independently verified and, therefore, is subject to uncertainties due to questions regarding the completeness or reliability of such information, which was not prepared in connection with the preparation of this Base Offering Memorandum.

FACTORS THAT ARE MATERIAL FOR ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Enforceability of Judgments

Kazakhstan's courts will not enforce any judgment of a court established in a country other than Kazakhstan unless: (i) there is in effect a treaty between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty; or (ii) there is a proved reciprocity in enforcement of judgments of Kazakhstan courts in that country, which can be very hard or impossible to prove. There is no such treaty in effect between Kazakhstan and the United Kingdom. However, each of Kazakhstan and the United Kingdom are parties to the 1958 New York convention on Recognition and Enforcement of Arbitral Awards and, accordingly, an arbitration award should be recognised and enforceable in Kazakhstan provided the conditions of enforcement set out in such Convention and applicable Kazakhstan laws are met. See "Enforcement of Foreign Judgments".

On 8 April 2016, the Arbitration Law was signed by the President of Kazakhstan. Whilst the introductory language to the Arbitration Law, as well as other provisions of this law, imply that the Arbitration Law should only apply where the matter involves dispute resolution in Kazakhstan (i.e., in respect of arbitration bodies with a seat in Kazakhstan) and should not apply to foreign arbitration such as the LCIA with a seat outside of Kazakhstan. In particular, the preamble to the Arbitration Law states that: given that there is no well-developed practice in Kazakhstan on the application of the Arbitration Law, there can be no assurance that Kazakhstan courts would support the interpretation of the Arbitration Law set out in "Enforcement of Civil Liabilities" and that an award against the Issuer or the Guarantor's in arbitral proceedings in London under English law would be enforced in Kazakhstan. If the Arbitration Law applies to disputes under the Notes, the Guarantee and the Trust Deed, there is a risk that an LCIA award in a proceeding related to the Notes, the Guarantee and the Trust Deed may not be recognised and enforced in Kazakhstan as being contrary to Kazakhstan public order and/or a dispute under the Notes, the Guarantee and the Trust Deed cannot be resolved by arbitration. Furthermore, an event of default could occur under the Notes, the Guarantee and the Trust Deed to the extent that the Issuer's or the Guarantors' obligations under the Notes, the Guarantee and/or the Trust Deed to settle disputes by arbitration in the LCIA and/or under English law become illegal or unenforceable.

The Guarantee may not be sufficient to satisfy the Issuer's obligations under the Notes, and the Notes and the Guarantee are structurally subordinated to the indebtedness of the Issuer's and Guarantors' subsidiaries that are not Guarantors

The Notes are unconditionally and irrevocably guaranteed by the Guarantors pursuant to the Guarantee. However, the Guarantee only covers the obligations of the Issuer under the Notes and does not extend to the obligations of any other member of the Group. The Guarantors are subsidiaries of the Issuer and, accordingly, the Guarantee does not provide Noteholders with recourse to the assets of the Non-Guarantor Subsidiaries. A significant portion of the Group's operations and assets may be held through Non-Guarantor Subsidiaries, and the Issuer's ability to service its obligations under the Notes may depend in part on the receipt of dividends, distributions, loans or other payments from such Non-Guarantor Subsidiaries.

In the event of the insolvency, liquidation, reorganisation, dissolution or other winding-up of any Non-Guarantor Subsidiary, the claims of secured and unsecured creditors of such Non-Guarantor Subsidiary, including trade creditors, banks and other lenders, will have priority with respect to the assets of such Non-Guarantor Subsidiary over any claims that the Issuer or the Noteholders may have with respect to such assets. Accordingly, Noteholders will be structurally subordinated to the claims of all creditors of the Non-Guarantor Subsidiaries. The Terms and Conditions of the Notes do not restrict the amount of indebtedness that the Non-Guarantor Subsidiaries may incur.

Furthermore, the enforceability of the Guarantee is subject to certain risks and limitations. Under Kazakhstan law, the validity and enforceability of the Guarantee may be subject to challenge in certain circumstances, including where the granting of the Guarantee is found to be contrary to the corporate interests of the relevant Guarantor, where the relevant Guarantor did not obtain all necessary corporate approvals prior to granting the Guarantee, or where the Guarantee is found to constitute a transaction that is subject to challenge under applicable insolvency or bankruptcy legislation. In particular, Kazakhstan bankruptcy law provides that a transaction of a debtor can be recognised as invalid if it is entered into or made within three years prior to the initiation of bankruptcy or rehabilitation proceedings and certain grounds for invalidation exist. In addition, the Guarantee is governed by English law, and there can be no assurance that a Kazakhstan court would recognise or enforce the Guarantee or any judgment obtained in respect thereof in England. See "*Enforcement of Foreign Judgments*".

There can be no assurance that the assets and cash flows of the Guarantors will be sufficient to satisfy the Issuer's obligations under the Notes in full. If the Issuer is unable to meet its payment obligations under the Notes and the Guarantors are required to make payments under the Guarantee, there can be no assurance that the Guarantors will have sufficient assets or liquidity to do so. Any failure by the Guarantors to make payments under the Guarantee could result in a loss to Noteholders of some or all of their investment in the Notes.

The Notes are not Guaranteed by the Government.

Although the Issuer and the Guarantors are indirectly controlled by the Government, the Issuer and the Guarantors are each legal entities separate from the Government and agencies of the Government. Furthermore, the boards of directors of the Issuer and each of the Guarantors include independent directors. The Notes, and interest due or to become due in respect of the Notes, constitute obligations only of the Issuer and the Guarantees constitute obligations only of the Guarantors. The Notes and the Guarantees do not constitute obligations of, nor are they guaranteed by, the Government or any agency thereof.

Absence of Trading Market for the Notes

Notes issued under the Programme will have no established trading market when issued, and no such market may develop. If a market does develop, it may not be liquid at times or at all. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that

are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Application has been made for the admission of the Programme and/or the listing of any Series of Notes for trading on the ISM. In addition, unless otherwise agreed with the relevant Dealer and provided for in the Pricing Supplement, the Issuer will cause all Notes issued by the Issuer under the Programme to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE and to the official list of and be admitted to trading on the AIX. The liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and may be affected by political, economic, social and other developments both in Kazakhstan and in other emerging markets. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes.

Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. Certain Notes may have features, which contain particular risks for potential investors.

Set out below is a description of the most common of such features:

Notes Subject to Optional Redemption by the Issuer

If an optional redemption feature is included in a Series of Notes, it is likely to limit their market value. During any period when the Issuer may elect to redeem such Notes, the market value of those Notes will generally not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor will generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes

Notes with variable interest rates can be volatile investments. If Notes are structured to include multipliers or other leverage factors, caps or floors or any combination of those features or other similar related features, the market value of such Notes may be even more volatile than those for securities that do not include those features.

Floating Rate Notes

The Programme allows for the issuance of floating rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR. Reference rates and indices, including interest rate benchmarks such as EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**") have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on the Notes referencing or linked to such Benchmark.

Notes Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Noteholder Meetings Provisions

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined percentages of Noteholders voting in favour to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a contrary manner.

Trading in the Clearing Systems

The Terms and Conditions of the Notes provide that Notes shall be issued with a minimum denomination of €100,000 (or at least its equivalent in another currency) and in amounts, in excess thereof, which are integral multiples of an amount of the relevant Specified Currency, as specified in the applicable Pricing Supplement (the "**Specified Currency**"). Where Notes are traded in a clearing system, it is possible that processing of trades in the clearing systems may result in amounts being held in denominations smaller than the minimum denominations specified in the relevant Pricing Supplement related to an issue of Notes. If Definitive Notes are required to be issued in relation to such Notes in accordance with the provisions of the terms of the relevant Global Notes, a holder who does not have an integral multiple of the minimum denomination in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of Definitive Notes unless and until such time as its holding becomes an integral multiple of the minimum denomination. Holdings of less than a minimum denomination, or integral multiple thereof, may also be less liquid and there may be difficulties in trading such holdings.

Volatility of the Trading Price of the Notes

In recent years stock markets have experienced significant price fluctuations. These fluctuations often were unrelated to the operating performance of the companies whose securities are traded on such stock markets. Market fluctuations as well as adverse economic conditions have negatively affected the market price of many securities and may affect the market price of the Notes.

In particular, the markets for securities bearing emerging market risks, such as risks relating to Kazakhstan, may be volatile. Markets for such securities are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including Kazakhstan. In 2008, the global markets experienced significant financial turmoil that had a ripple effect on other emerging markets. These events caused significant volatility in prices of emerging market debt. Events may occur which would cause significant volatility of the sort which occurred in worldwide financial markets in 1997 and 1998. Any such volatility may adversely affect the liquidity of the market for, or price of, the Notes.

Exchange Rate Risks and Exchange Controls

The Issuer is obliged to pay principal and interest on the Notes, and the Guarantors will make any payments under the Guarantee, in the relevant Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified

Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease equivalent in the Investor's Currency of the yield on the Notes, the principal payable on the Notes and the market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit Ratings

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above or other factors that may affect the value of Notes. A credit rating is not a recommendation to buy, sell, or hold securities and may be revised or withdrawn by the rating agency at any time.

CAPITALISATION

The following table sets out the current indebtedness and capitalisation of the Issuer as at 31 December 2025. The following table should be read in conjunction with "*Selected Consolidated Financial and Other Information of the Group*", "*Operating and Financial Review of the Group*" and the Financial Statements and the related notes thereto.

	As at 31 December 2025
	<i>(KZT millions)</i>
Cash and cash equivalents	232,973
Borrowings	3,186,017
Lease liabilities	270,082
Total indebtedness	3,456,099
Equity, of which	2,388,230
Share capital	1,152,698
Hedging reserve	(52,012)
Foreign currency translation reserve	13,589
Retained earnings	1,255,462
Shareholder's equity	2,369,737
Non-controlling interests	18,493
Total capitalisation⁽¹⁾	5,844,329

Note:

(1) Calculated as the sum of total indebtedness and equity.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION OF THE GROUP

The following selected consolidated financial information as at, and for the years ended, 31 December 2025, 31 December 2024 and 31 December 2023 has been extracted from the Financial Statements, all of which are incorporated by reference into this Base Offering Memorandum.

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Capitalisation*", "*Operating and Financial Review of the Group*" and "*Business of the Group*" as well as the Financial Statements, together, in each case, with the related notes thereto appearing elsewhere in this Base Offering Memorandum.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>		<i>(KZT millions)</i>	
Revenue and other income				
Revenue from freight transportation.....	4,901	2,463,197	1,875,558	1,682,550
Revenue from passenger transportation.....	257	129,250	110,523	101,682
Government grants.....	86	43,275	41,124	38,912
Other income.....	241	121,361	136,737	110,951
Total revenue and other income.....	5,486	2,757,083	2,163,942	1,934,095
Cost of sales.....	(3,828)	(1,924,051)	(1,620,017)	(1,498,583)
Gross profit.....	1,658	833,032	543,925	435,512
General and administrative expenses.....	(290)	(145,837)	(128,390)	(106,494)
Finance income.....	176	88,618	52,955	32,221
Finance costs.....	(489)	(245,844)	(184,984)	(208,365)
Foreign exchange loss.....	(40)	(19,990)	(69,620)	(14,124)
Gain on disposal of subsidiary not qualifying as discontinued operations.....	—	—	—	6,283
Share of profit of associates and joint ventures.....	3	1,634	10,772	8,144
(Impairment)/reversal of impairment of financial assets and contract asset.....	(8)	(3,893)	1,601	2,662
(Impairment)/reversal of impairment of non-financial assets.....	(23)	(11,480)	(7,336)	1,149
Other profit and losses.....	6	2,781	4,606	4,395
Profit before tax.....	993	499,021	223,529	161,383
Income tax expenses.....	(309)	(155,375)	(62,724)	(24,599)
Profit for the year.....	684	343,646	160,805	136,784
Other comprehensive income/(loss), net of income tax:				
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>				
Remeasurement gain/(loss) on defined benefit plans.....	1	276	3,688	(540)
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Loss on cash flow hedging instruments.....	(194)	(97,584)	(48,625)	—

Reclassification of the loss on cash flow hedging instruments to profit for the period	161	80,781	412	—
Income tax relating to items that may be reclassified subsequently to profit or loss	7	3,361	9,643	—
Foreign exchange difference on translation of foreign operations...	9	4,595	1,774	(4,918)
Other comprehensive loss for the year	(17)	(8,571)	(33,108)	(5,458)
Total comprehensive income for the year.....	667	335,075	127,697	131,326

Note:

(1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Summary Consolidated Statement of Financial Position Data

	As at 31 December			
	2025 ⁽¹⁾	2025	2024 ⁽²⁾	2023 ⁽²⁾
Assets	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>		<i>(KZT millions)</i>	
Non-current assets				
Property, plant and equipment.....	11,691	5,875,447	4,782,227	3,794,479
Goodwill.....	31	15,520	15,520	15,520
Intangible assets	22	11,022	11,250	13,824
Investments in joint ventures.....	23	11,637	1,396	1,579
Investments in associates.....	112	56,464	48,678	38,989
Deferred tax assets	1	312	21	60
Other non-current assets	2,226	1,118,527	628,464	669,256
Other non-current financial assets	36	18,261	19,019	20,903
Total non-current assets	14,142	7,107,190	5,506,575	4,554,610
Current assets				
Cash and cash equivalents.....	464	232,973	198,578	204,614
Inventories.....	172	86,422	57,820	64,362
VAT recoverable.....	97	48,789	120,475	49,618
Trade receivables.....	36	18,009	21,666	16,326
Corporate income tax prepaid	16	8,219	7,899	3,535
Asset under contracts with customers	2	1,071	336	1,153
Other current assets	132	66,302	22,753	31,489
Other current financial assets	59	29,537	22,654	14,499
Total current assets	978	491,322	452,181	385,596
Total assets.....	15,119	7,598,512	5,958,756	4,940,206
Equity and Liabilities				
Equity				
Share capital	2,294	1,152,698	1,123,907	1,110,634
Hedging reserve	(103)	(52,012)	(38,570)	—
Foreign currency translation reserve	27	13,589	8,994	7,220
Retained earnings	2,498	1,255,462	856,709	623,698
Equity attributable to the Shareholder	4,715	2,369,737	1,951,040	1,741,552
Non-controlling interests	37	18,493	18,277	17,504
Total equity.....	4,752	2,388,230	1,969,317	1,759,056

Non-current liabilities

Borrowings.....	5,367	2,697,359	1,840,423	1,763,432
Deferred tax liabilities.....	1,224	615,181	468,057	411,888
Lease liabilities.....	448	224,936	139,465	54,555
Employee benefit obligations.....	82	41,027	41,105	37,396
Derivative financial instruments.....	—	—	—	35,719
Other non-current liabilities.....	353	177,442	92,444	41,510
Other non-current financial liabilities.....	—	—	26,326	28,268
Total non-current liabilities.....	7,473	3,755,945	2,607,820	2,372,768

Current liabilities

Borrowings.....	972	488,658	812,965	354,115
Trade accounts payable.....	1,046	525,770	231,351	200,969
Liabilities under contracts with customers.....	297	149,196	133,170	115,868
Lease liabilities.....	90	45,146	35,517	16,951
Derivative financial instruments.....	182	91,496	32,697	—
Other taxes payable.....	32	16,083	15,694	13,961
Employee benefit obligations.....	16	8,167	7,598	7,608
Other current liabilities.....	49	24,391	34,636	31,848
Other current financial liabilities.....	210	105,430	77,991	67,062
Total current liabilities.....	2,894	1,454,337	1,381,619	808,382
Total liabilities.....	10,367	5,210,282	3,989,439	3,181,150
Total equity and liabilities.....	15,119	7,598,512	5,958,756	4,940,206

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) In the 2024 Financial Statements and 2023 Financial Statements, other non-current assets and other non-current financial assets as well as other current assets and other current financial assets were presented aggregated as Other non-current assets and Other current assets. Other non-current liabilities and other non-current financial liabilities as well as other current liabilities and other current financial liabilities were presented aggregated as Other non-current liabilities and Other current liabilities.

Consolidated Statement of Cash Flows Data

	For the year ended			
	31 December			
	2025⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$</i>		<i>(KZT millions)</i>	
	<i>millions)</i>			
Net cash from operating activities.....	1,486	746,797	336,597	306,318
Net cash used in investing activities.....	(1,855)	(932,267)	(734,061)	(802,702)
Net cash flows from financing activities.....	454	228,039	393,367	434,271
Net increase/(decrease) in cash and cash equivalents.....	85	42,569	(4,097)	(62,113)
Cash and cash equivalents at the beginning of the year.....	395	198,578	204,614	267,032
Effect of exchange rate change on balance of cash and cash equivalents denominated in foreign currency.....	(16)	(8,166)	(1,945)	(322)
Effect of change in the allowance for expected credit losses.....	(0)	(8)	6	17
Cash and cash equivalents at the end of the year.....	464	232,973	198,578	204,614

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Non-IFRS Measures and Financial Ratios

See "Presentation of Financial and Other Information—Non-IFRS Measures" for a description of the non-IFRS measures used by the Group.

The following table sets forth certain information regarding the main non-IFRS measures and financial ratios used by the Group:

	As at and for the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions, except ratios)</i>		<i>(KZT millions, except ratios)</i>	
Adjusted Group EBITDA ⁽²⁾	1,736	872,456	595,694	508,092
Current ratio ⁽³⁾	0.34	0.34	0.33	0.48
Coverage ratio ⁽⁴⁾	3.03	3.03	2.21	1.77
Adjusted debt ⁽⁵⁾	6,926	3,480,644	2,855,819	2,217,589
Adjusted debt to equity ratio ⁽⁶⁾	1.46	1.46	1.45	1.26
Adjusted debt to Adjusted Group EBITDA ratio ⁽⁷⁾	3.99	3.99	4.79	4.36
Adjusted Group EBITDA margin ⁽⁸⁾	31.6%	31.6%	27.5%	26.3%
Gross profit margin ⁽⁹⁾	30.2%	30.2%	25.1%	22.5%
Adjusted net debt ⁽¹⁰⁾	6,462	3,247,671	2,657,241	2,012,975
Adjusted net debt/Adjusted Group EBITDA ⁽¹¹⁾	3.72	3.72	4.46	3.96

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) The Group calculates Adjusted Group EBITDA as profit for the year excluding income tax expenses, finance costs, finance income, depreciation and amortisation, further adjusted for the effects of foreign exchange loss (which management considers to be unusual). Adjusted Group EBITDA is not a measure of financial performance presented in accordance with IFRS Accounting Standards. Accordingly, it should not be considered as an alternative to profit for the period as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.
- (3) The Group defines its current ratio as current assets divided by current liabilities.
- (4) The Group defines its coverage ratio as the ratio of profit before tax and finance costs divided by finance costs.
- (5) The Group calculates adjusted debt as the aggregate of total borrowings, total lease liabilities and total amount of guarantees in favour of third parties which are not consolidated in the Group's financial statements.
- (6) The Group calculates its adjusted debt to equity ratio by dividing adjusted debt by total equity.
- (7) The Group calculates its adjusted debt to Adjusted Group EBITDA ratio by dividing Adjusted debt by Adjusted Group EBITDA.
- (8) The Group calculates its Adjusted Group EBITDA margin as the ratio of Adjusted Group EBITDA divided by total revenue and other income.
- (9) The Group calculates its gross profit margin as total revenue and other income minus cost of sales divided by total revenue and other income.
- (10) Adjusted net debt represents adjusted debt less cash and cash equivalents.
- (11) The Group calculates its adjusted net debt to Adjusted Group EBITDA ratio as the ratio of Adjusted net debt divided by Adjusted Group EBITDA.

Non-IFRS Measures

Adjusted Group EBITDA

Adjusted Group EBITDA is the measure used by management to assess the trading performance of the Group's business and is, therefore, the measure of segment profit that the Group presents under IFRS Accounting Standards. During the periods under review, the items excluded from Adjusted Group EBITDA in arriving at Adjusted Group EBITDA were income tax expenses, finance costs, finance income and depreciation and amortisation. Adjusted Group EBITDA has limitations in its use as an analytical tool. Certain of these limitations include:

- it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group's working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Group's debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted Group EBITDA does not reflect any cash requirements for such replacements; and
- it is not adjusted for all non-cash income or expense items that are reflected in the Group's statements of cash flows.

The following table sets forth certain information regarding a reconciliation of Adjusted Group EBITDA to profit for the periods indicated:

	For the year ended 31 December			
	2025⁽¹⁾	2025	2024	2023
		<i>(unaudited)</i>		
	<i>(U.S.\$ millions)</i>	<i>(KZT millions)</i>		
Profit for the year	684	343,646	160,805	136,784
Income tax expenses.....	309	155,375	62,724	24,599
Finance costs	489	245,844	184,984	208,365
Finance income	(176)	(88,618)	(52,955)	(32,221)
Depreciation and amortisation.....	390	196,219	170,516	156,441
Foreign exchange loss	40	19,990	69,620	14,124
Adjusted Group EBITDA	1,736	872,456	595,694	508,092

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Coverage ratio

The Group's coverage ratio is calculated as profit before tax and finance costs divided by finance costs. Finance costs includes interest expense on borrowings, changes in fair value of derivative financial asset designated as at fair value through profit or loss, finance leasing expense, and other finance costs.

Management believes that this metric should be made available to investors as, if the Group were unable to meet the asset coverage test, the Group's ability to borrow money would be limited, which could significantly decrease the Group's ability to obtain financing and invest in future financial and business opportunities and could decrease returns to the Group's sole shareholder. The coverage ratio and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing the coverage ratio as reported by the Group to such ratio of other companies.

The following table sets forth certain information regarding the calculation of the coverage ratio:

	As at and for the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions, except ratios)</i>		<i>(KZT millions, except ratios)</i>	
Profit for the year	684	343,646	160,805	136,784
Income tax expenses.....	309	155,375	62,724	24,599
Finance costs	489	245,844	184,984	208,365
Profit before tax and finance costs (A)	1,482	744,865	408,513	369,748
Finance costs (B).....	489	245,844	184,984	208,365
Coverage ratio ((A) / (B)).....	3.03	3.03	2.21	1.77

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Adjusted debt to Adjusted Group EBITDA ratio

The Group's adjusted debt to Adjusted Group EBITDA ratio is a performance measure used to assess the Group's performance compared to its need to service its debt requirements. Management believes that this metric should be made available to investors as it provides a good basis on which to judge whether the Group is earning sufficient profit to service its debt requirements. The Group's adjusted debt to Adjusted Group EBITDA ratio and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing the adjusted debt to Adjusted Group EBITDA ratio as reported by the Group to such ratio of other companies.

The following table sets forth certain information regarding the calculation of the Group's adjusted debt to Adjusted Group EBITDA ratio:

	As at and for the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions, except ratios)</i>		<i>(KZT millions, except ratios)</i>	
Total borrowings	6,339	3,186,017	2,653,388	2,117,547
Total lease liabilities.....	537	270,082	174,982	71,506
Financial guarantee agreement liabilities	49	24,545	27,499	28,536
Adjusted debt.....	6,926	3,480,644	2,855,819	2,217,589
Adjusted Group EBITDA⁽²⁾.....	1,736	872,456	595,694	508,092
Adjusted debt to Adjusted Group EBITDA ratio⁽²⁾.....	3.99	3.99	4.79	4.36

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) The value of Adjusted Group EBITDA has been calculated for the relevant 12-month period. For a reconciliation of Adjusted Group EBITDA, see "*Adjusted Group EBITDA*".

Adjusted Group EBITDA Margin

The Adjusted Group EBITDA margin is a performance measure used to assess the Group's performance with respect to the level of margin achieved through revenue earned. Management believes that this metric should be made available to investors as it provides a good indicator regarding the level of margin generated by the Group's revenue. The Adjusted Group EBITDA margin and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing the Adjusted Group EBITDA margin as reported by the Group to such margin of other companies.

The following table sets forth certain information regarding the calculation of the Adjusted Group EBITDA margin:

	As at and for the year ended 31 December			
	2025 ⁽¹⁾	2025	2024	2023
		<i>(unaudited)</i>		
	<i>(U.S.\$ millions, except ratios)</i>	<i>(KZT millions, except ratios)</i>		
Adjusted Group EBITDA ⁽²⁾	1,736	872,456	595,694	508,092
Total revenue and other income	5,486	2,757,083	2,163,942	1,934,095
Adjusted Group EBITDA margin	31.6%	31.6%	27.5%	26.3%

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) For a reconciliation of Adjusted Group EBITDA, see "*Adjusted Group EBITDA*".

Gross profit margin

The Group's gross profit margin is a performance measure used to assess the Group's operating efficiency by reference to the proportion of revenue remaining after deducting the cost of sales. Management believes that this metric should be made available to investors as it provides an indicator of the profitability of the Group's core operations.

Gross profit margin and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing the gross profit margin as reported by the Group to such margin of other companies.

The following table sets forth certain information regarding the calculation of the Gross profit margin:

	As at and for the year ended 31 December			
	2025⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions, except ratios)</i>	<i>(KZT millions, except ratios)</i>		
Total revenue and other income (A)	5,486	2,757,083	2,163,942	1,934,095
Cost of sales (B).....	(3,828)	(1,924,051)	(1,620,017)	(1,498,583)
Gross profit margin ((A) – (B) / (A)).....	30.2%	30.2%	25.1%	22.5%

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Adjusted net debt

Adjusted net debt is a non-IFRS measure that is defined as adjusted debt less cash and cash equivalents. Management believe that adjusted net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of cash and cash equivalents within the Group's business that could be utilised to pay down outstanding borrowings. Management believes that adjusted net debt can assist investors and other parties to evaluate the Group. Adjusted net debt and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing adjusted net debt as reported by the Group to adjusted net debt of other companies.

The following table sets forth certain information regarding the calculation of adjusted net debt.

	As at 31 December			
	2025⁽¹⁾	2025	2024	2023
	<i>(unaudited)</i>			
	<i>(U.S.\$ millions)</i>	<i>(KZT millions)</i>		
Total borrowings	6,339	3,186,017	2,653,388	2,117,547
Total lease liabilities.....	537	270,082	174,982	71,506
Financial guarantee agreement liabilities	49	24,545	27,449	28,536
Adjusted debt.....	6,926	3,480,644	2,855,819	2,217,589
Cash and cash equivalents.....	464	232,973	198,578	204,614
Adjusted net debt	6,462	3,247,671	2,657,241	2,012,975

Note:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Adjusted net debt to Adjusted Group EBITDA

The Group's adjusted net debt to Adjusted Group EBITDA ratio is an additional performance measure used to assess the Group's performance compared to its need to service its debt requirements. Management believes that this metric should be made available to investors because it provides a good basis on which to judge whether the Group is earning sufficient profit to service its debt requirements. The Group's adjusted net debt to adjusted Group EBITDA ratio and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing the adjusted net debt to adjusted Group EBITDA ratio as reported by the Group to such ratio of other companies.

The following table sets forth certain information regarding the calculation of the Group's adjusted net debt to adjusted Group EBITDA ratio:

	As at and for the year ended 31 December			
	2025⁽¹⁾	2025	2024	2023
		<i>(unaudited)</i>		
	<i>(U.S.\$ millions, except ratios)</i>	<i>(KZT millions, except ratios)</i>		
Adjusted net debt ⁽²⁾	6,462	3,247,671	2,657,241	2,012,975
Adjusted Group EBITDA.....	1,736	872,456	595,694	508,092
Adjusted net debt / Adjusted Group EBITDA ratio	<u>3.72</u>	<u>3.72</u>	<u>4.46</u>	<u>3.96</u>

Notes:

- (1) The Group's presentation currency is the Tenge. These figures have been converted into U.S. Dollars at the KZT/U.S.\$ exchange rate as at 31 December 2025 of KZT 502.57 per U.S.\$1.00. Such conversion should not be construed as a representation that Tenge amounts have been or could be converted into U.S. Dollars at this rate or any other rate.
- (2) For a reconciliation of adjusted net debt, see "*Adjusted net debt*".

BUSINESS OF THE GROUP

Overview

The Group is the national transportation and logistics operator for Kazakhstan and is responsible for rail and sea transportation, as well as the provision of transport and logistics centres, including seaports and railroad infrastructure. The Group owns and manages railway infrastructure, is the largest owner of locomotives, freight and passenger cars, the main consumer of products from domestic manufacturers in the field of railway transport, and one of the largest employers. The Issuer was established by a decree of the Government, which, through its wholly-owned management company, Samruk-Kazyna, owns all of the outstanding shares of the Issuer. As Kazakhstan's national railway company, the Issuer has a natural monopoly over the provision of services on Kazakhstan's mainline railway network and, through its subsidiary, KTZ-FT, is the dominant provider of railway freight transportation and, through its subsidiary, Passenger Transportation, is the dominant provider of passenger transportation. The Group is one of the largest employers and taxpayers in Kazakhstan and is also a significant contributor to the development of the infrastructure necessary to transport raw materials and finished goods, both into and out of Kazakhstan. Due to Kazakhstan's limited access to navigable water routes, underdeveloped road infrastructure and its dependence on the export of raw materials (predominantly commodities) and import of finished goods, the railway system is a crucial component of Kazakhstan's economic growth.

The Group is responsible for the maintenance, operation and modernisation of Kazakhstan's mainline railway network and provides railway transportation, infrastructure and support services, which include: maintaining all railway infrastructure, machinery and equipment in Kazakhstan; ensuring the safety of railway operations; developing material and technical systems for the railway network; and establishing international railway transit corridors as agreed with the Ministry of Transport.

For the year ended 31 December 2025, the Group had overall freight turnover of 288.8 billion tonne-kilometres, reflecting a 10.4% increase from 261.7 billion tonne-kilometres for 2024. The Group's freight turnover (including the mileage of empty privately-owned wagons leased by the Group), accounted for 87.81% of the total freight turnover in Kazakhstan by all modes of transport (excluding pipelines) for the year ended 31 December 2025, as compared to 89.7% for the year ended 31 December 2024. For the year ended 31 December 2025, the Group's revenue from freight transportation increased by 31.3% to KZT 2,463,197 million, as compared to KZT 1,875,558 million for 2024, accounting for 89.3% of total consolidated revenue and other income in 2025 and 86.7% of total consolidated revenue and other income in 2024.

For the year ended 31 December 2025, revenue from export freight transportation accounted for 19.9% of total revenue from freight transportation, as compared to 27.9% from domestic freight transportation, 33.6% from transit freight transportation, 11.2% from import freight transportation and 7.4% from other freight transportation (as compared to 17.2%, 27.1%, 37.3%, 10.4% and 8.1%, respectively, for 2024). See "*—Transportation Services—Freight Transportation*".

For the year ended 31 December 2025, the Group had a passenger turnover of 11.4 billion passenger-kilometres, reflecting a decrease of 2.6% from 11.7 billion passenger-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from passenger transportation increased by 16.9% to KZT 129,250 million, as compared to KZT 110,523 million for 2024, accounting for 4.7% and 5.1%, respectively, of total consolidated revenue and other income. See "*—Transportation Services—Passenger Transportation*".

As at 31 December 2025, the assets of the Group included:

- 16,003.1 km of operational rail track, of which 4,237.5 km were electrified tracks;

- 833 stations and other separating points with track development, including: (i) six marshalling and one passenger yard; (ii) 84 freight stations; (iii) 64 division stations; and (iv) 678 wayside stations, where trains can be temporarily idled to make way for passing trains;
- 1,922 locomotives;
- 46,647 freight cars;
- 2,151 passenger cars;
- 19,004 track switches; and
- two seaports (Kuryk and Aktau ports).

As at 31 December 2025, the assets of the Group under trust management included one seaport (Aktau seaport).

See "*—Transportation Services—The Rail System*" and "*Kazakhstan's Economy and the Railway Industry in Kazakhstan—Railway Industry—The Rail System*".

Relationship with the Government

The Government exercises indirect control over the Group through its regulatory and legislative powers. As the Issuer's sole shareholder, Samruk-Kazyna has the exclusive right to, among other things, determine when dividends are paid by the Issuer and elect the Issuer's Board of Directors, as well as the Chairman of the Issuer's Management Board. Four of the nine members of the Issuer's Board of Directors are representatives of Samruk-Kazyna. In addition, since Samruk-Kazyna is wholly-owned by the Government, the Government has the right to determine general policy with respect to the Group's activities and corporate governance matters, including by passing resolutions with respect to sales of the Issuer's shares and its reorganisation. The Government may not, however, interfere in the day-to-day operations of Samruk-Kazyna or the Group, except as provided by law or as decreed by the President. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Government, which indirectly controls the Issuer, may cause the appointment or removal of members of the Issuer's management team or require the Issuer to privatise certain of its assets*".

The Issuer'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, respectively, subject the relevant Group members to regulation by the Government, which includes limitations on the amounts these entities may charge customers for their services. See "*—Government Regulation and Tariffs*". In addition, the transport and logistics sector industry in Kazakhstan, generally, and the Group, specifically, have undergone and continue to undergo reforms and restructuring. See "*—Ongoing Restructuring and Initiatives*".

The Government also exerts influence on the Group's financial results through the provision of grants to subsidise passenger transportation and other funding, principally equity injections and shareholder loans, including on concessional terms, for capital expenditures and other investment projects of the Group. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Government, which indirectly controls the Issuer, may cause the appointment or removal of members of the Issuer's management team or require the Issuer to privatise certain of its assets.*" The Issuer also has financial and business relationships with other state-owned companies

such as JSC Development Bank of Kazakhstan, Industrial Development Fund and JSC NC "KazMunayGas". See "*Transactions with Related Parties*".

A potential initial public offering of the Issuer is also contemplated in the Government Resolution No. 894 "On some issues of optimisation of quasi-public sector entities and state-owned facilities" dated 24 October 2025. According to the Kazakhstan National Office for Privatisation, an initial public offering of the Issuer will be carried out in 2026. See "*—Ongoing Restructuring and Initiatives*". Pursuant to the Resolution of the Government of the Republic of Kazakhstan "On Certain Issues of Optimization of Quasi-Public Sector Entities and State-Owned Assets" dated 24 October 2025, IPO of the Issuer has been rescheduled from 2025 to 2026.

See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group has historically received, and continues to rely on, support from the Government, which may be delayed, reduced or discontinued*".

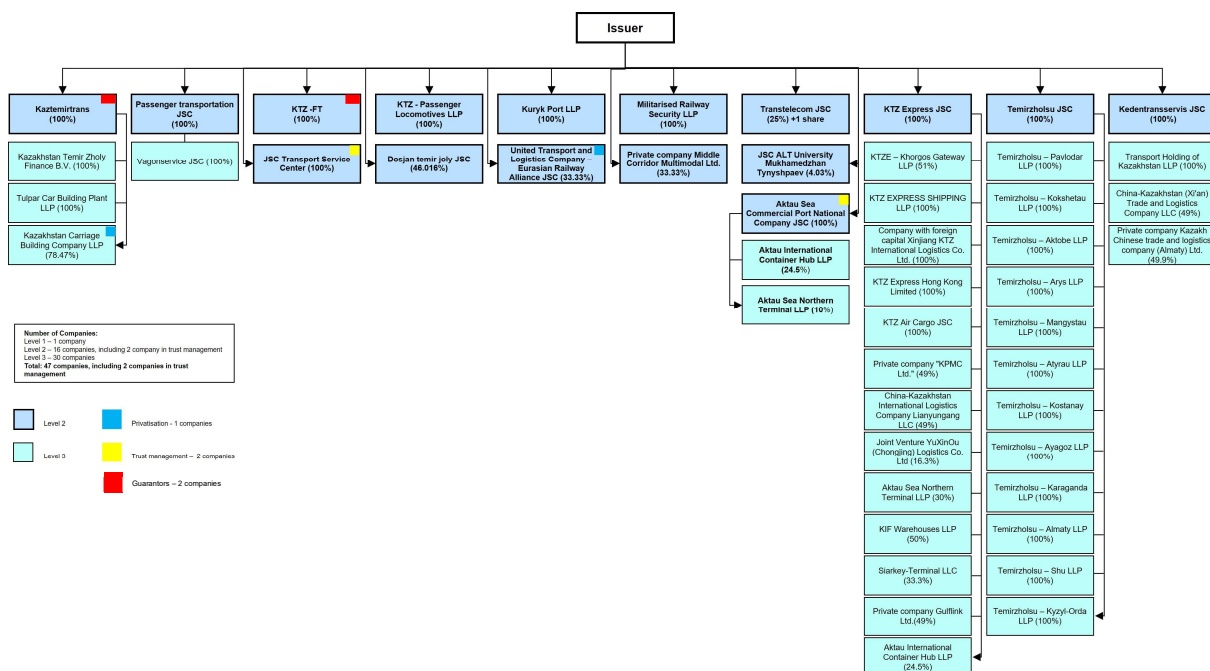
The Issuer

The legal name of the Issuer is Joint Stock Company "National Company "Kazakhstan Temir Zholy". The Issuer is a Kazakhstan joint stock company as defined in the Civil Code of Kazakhstan, the JSC Law (as defined below) and other legislative acts of Kazakhstan, operating under business identification number 020540003431. The Issuer is wholly-owned by the Government through Samruk-Kazyna. See "*Share Capital and Sole Shareholder—Samruk-Kazyna*". The Issuer was established pursuant to Government Resolution No. 310 dated 15 March 2002, as amended by Government Resolutions No. 313 dated 15 March 2002, No. 479 dated 27 April 2002, No. 1051 dated 25 September 2002, No. 1404 dated 28 December 2002 and No. 1389 dated 25 December 2004. The date of incorporation of the Issuer is 15 May 2002, and the Issuer is listed in the Register of Industries Having Strategic Importance and Falling under State Monitoring of Ownership pursuant to the Government Resolution No. 810 dated 30 July 2004.

The business address and registered office of the Issuer is 6 Konaev Street, Esil District, Astana 010000, Republic of Kazakhstan, and its telephone number is +7 (7172) 60 47 77.

The Group

The following chart sets forth the structure of the Group as at 31 December 2025:



The Group includes 47 organisations. The Group's corporate portfolio is split into five blocks: (i) the mainline railway network; (ii) freight transportation (primarily through KTZ-FT and Kaztemirtrans); (iii) transport and logistics (primarily through Joint Stock Company "KTZ Express" ("**KTZ Express**"), Joint Stock Company "Kedentransservice" ("**Kedentransservice**"), UTLC ERA and Port Kuryk LLP); (iv) passenger transportation (through Passenger Transportation and KTZ-Passenger Locomotives LLP); and (v) specialised auxiliary services (primarily through Militarised Railway Security LLP, Temirzholsu JSC and others). As at 31 December 2025, the Issuer had the following consolidated subsidiaries:

Subsidiary ⁽¹⁾	Nature of Activities	Country of residence	Ownership Share (%)
Kaztemirtrans JSC.....	Freight wagon operation	Kazakhstan	100
Passenger Transportation JSC	Passenger transportation	Kazakhstan	100
KTZ – Freight Transportation LLP	Freight transportation and locomotive haulage	Kazakhstan	100
KTZ Express JSC	Multimodal transportation	Kazakhstan	100
Kedentransservice JSC.....	Freight forwarding services, handling rolling stock and terminal services	Kazakhstan	100
Temirzholsu JSC	Utilities	Kazakhstan	100
Militarised Railway security LLP.....	Security	Kazakhstan	100
Aktau Sea Commercial Port National Company JSC ⁽²⁾	Vessel loading and unloading work and vessel servicing	Kazakhstan	100
Port Kuryk LLP.....	Freight transshipment and vessel servicing	Kazakhstan	100
KTZ-Passenger Locomotives LLP	Locomotive rolling stock services	Kazakhstan	100

Notes:

(1) The Issuer's subsidiaries do not have any treasury shares.

(2) Under KTZ trust management. The Group does not legally hold shares in Aktau Sea Commercial Port National Company JSC.

Key Strengths

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

- **Status as National Railway Company of Kazakhstan and Strategic Element of the Kazakhstan Economy**

The Group owns and operates Kazakhstan's national railway system and related infrastructure. Consequently, the Group has a dominant role in Kazakhstan freight and passenger transportation, plays a strategic role in the overall Kazakhstan economy and is among the highest-rated Kazakhstan issuers rated by the international credit rating agencies. The Group also provides significant domestic passenger transportation services in Kazakhstan, with overall passenger turnover of 11.4 billion passenger-kilometres in the year ended 31 December 2025 and 11.7 billion passenger-kilometres in the year ended 31 December 2024. The Group is a significant contributor to the Government's budget, as one of the largest taxpayers in Kazakhstan paying KZT 280 billion and KZT 211 billion in taxes in 2025 and 2024, respectively, and is a significant employer in Kazakhstan, employing an average of 118,506 people in 2025. See "*Management and Employees of the Issuer*".

Kazakhstan is a major producer and exporter of natural resources. Based on publicly available information, gas and oil are estimated to have accounted for approximately 20% of Kazakhstan's GDP in 2025, although no official government statistics are available in respect of this figure. As evidenced by the statistics set out above, railways are the key method of transportation both within Kazakhstan and for export. Accordingly, the Kazakhstan economy is reliant on rail freight, in particular, in the transportation of oil and oil products, coal, minerals, grain and other commodities, as well as intermediate goods, all of which are the country's main export items and are transported by the Group.

- **Strong Government Support**

The Group has historically received, and continues to receive, strong financial support from the Government through its sole shareholder, Samruk-Kazyna, as well as other Government-funded support. This support includes capital contributions to finance the Group's operations, railway and logistics infrastructure development and capital expenditures, subsidies that are aimed to reduce the Group's losses in respect of its passenger transportation services and other financial support, such as concessional rate loans. Between 1 January 2023 and 31 December 2025, the Group received KZT 177.8 billion in various forms of Government support. This included subsidies to compensate losses incurred by Passenger Transportation in respect of passenger transportation services in the amount of KZT 86.2 billion, subsidies in respect of passenger locomotive traction provided to Passenger Locomotives LLP in the amount of KZT 34.8 billion, subsidies in respect of certain borrowings of Passenger Transportation in the amount of KZT 7.9 billion, subsidies in respect of certain borrowings of Kaztemirtrans in the amount of KZT 10.7 billion, subsidies provided to JSC KTZ Express in the amount of KZT 15.9 billion and subsidies in respect of coupon bonds of the Issuer in the amount of KZT 22.3 billion. During this period, the Group received KZT 49.8 billion in 2023, KZT 75.8 billion in 2024 and KZT 43.3 billion in 2025. Between 2012 and 2025, the Group had received KZT 1,803.4 billion in various forms of Government support, including KZT 699.7 billion in concessional financing with interest rates between 0.05% and 2% and long-term maturities, and KZT 351.3 billion in financing with interest rates covered by 10% government subsidies, and KZT 209.6 billion in financing with interest rates covered by 6-8% government subsidies.

Government grants for the Group's passenger transportation business accounted for 1.7%, 1.9% and 2.0% of total consolidated revenue and other income for the years ended 31 December 2025, 2024 and 2023, respectively. See "*Operating and Financial Review of the Group—Liquidity and Capital Resources—Borrowings—Government Financing Bond Programme*" and "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group has historically received, and continues to rely on, support from the Government, which may be delayed, reduced or discontinued.*"

The Group has historically received financial support from Samruk-Kazyna and the Government in connection with the implementation of certain strategic Government infrastructure projects. In particular, between 1 January 2023 and 31 December 2025, the Group received approximately KZT 177.8 billion in various forms of Government support. Such support primarily comprised subsidies for passenger transportation services, interest rate subsidies on loans for the acquisition of rolling stock and, in certain cases, subsidies relating to bond coupon payments.

In 2023, Government support received by the Group amounted to KZT 49.8 billion. This consisted primarily of subsidies for passenger transportation services (KZT 27.0 billion) provided to Passenger Transportation, subsidies for passenger locomotive traction (KZT 11.9 billion) provided to LLP "Passenger Locomotives", and interest rate subsidies on loans for the acquisition of rolling stock (approximately KZT 10.9 billion in aggregate) provided to Kaztemirtrans, KTZ Express and Passenger Transportation.

In 2024, the Group received approximately KZT 75.8 billion in Government support. This support was primarily attributable to subsidies for passenger transportation services (KZT 29.6 billion), subsidies for passenger locomotive traction (KZT 11.4 billion), interest rate subsidies on loans for the acquisition of freight and passenger rolling stock (approximately KZT 14.9 billion in aggregate), and subsidies of KZT 22.3 billion relating to coupon payments on bond issuances of the Issuer.

In 2025, Government support received by the Group amounted to KZT 43.3 billion and consisted predominantly of subsidies for passenger transportation services (approximately KZT 32.0 billion), subsidies for passenger locomotive traction (approximately KZT 11.5 billion) and interest rate subsidies on loans for the acquisition of rolling stock (approximately KZT 7.6 billion).

- **Responsibility for Implementing Transport-Related Government Strategy**

As the national transport and logistics group, the Group plays a significant role in the implementation of the Government's plans to develop Kazakhstan's railway and logistics infrastructure and transport policy. The Group is charged with implementing a number of targets aimed at the improvement of transportation infrastructure and export potential set out in programmes such as the National Plan and the National Infrastructure Plan 2029. See "*Kazakhstan's Economy and the Railway Industry in Kazakhstan—Kazakhstan's Economy—Economic Programmes and Initiatives*".

The Issuer continues to believe that it has the strong support of the Government, which has historically assisted the Issuer by providing financing and strategic support and otherwise played an important role in the expansion of the Group's operations.

- **Existing Infrastructure, Investment Projects and Expansion**

The Group owns or leases all the buildings, equipment and other assets necessary for it to conduct its business, as it has historically been conducted, and such buildings, equipment and other assets are generally in good operating condition and repair. The Group recognises the importance of developing its infrastructure in order to further adapt the Kazakhstan railway system to meet international rail standards and future transportation demand. See "*Transportation Services—The Rail System—Existing Infrastructure, Investment Projects and Expansion.*"

- **Strategic Location and Proximity to China**

Kazakhstan (and the Group's infrastructure) is a key transport hub connecting China, the EU, Russia and CIS countries. In particular, the Issuer believes that Kazakhstan's geographic position relative to China affords Kazakhstan unique opportunities to capitalise on China's economic growth by facilitating both China's import of raw materials from the EU and its export of finished goods to countries in Europe as the volume of trade between the EU and China continues to increase. The Government's objective is to provide railway services that will promote an increase in trade volumes between China and the EU overland through Kazakhstan. The Issuer believes the transit route from China to Europe through Kazakhstan has several advantages, including that it is faster than the current sea route through the Suez Canal or competing rail routes through other countries and is cheaper than transporting by air freight. As a result, the Issuer believes that, in the future, it could attract an increasing amount of freight traffic away from these alternative routes. In May 2020, the first transit container train from China to Turkmenistan passed through Kazakhstan.

An additional development that the Issuer believes has increased and will continue to increase the flow of transit freight traffic between China and the EU through Kazakhstan is the significant number of initiatives being undertaken by the Chinese government to develop the Xinjiang Uyghur Autonomous Region ("**XUAR**") adjacent to the Kazakhstan-China border. In addition, the continued implementation of a Chinese integrated transport strategy and the "Go West" programme for accelerated development of the western provinces of China was designed to bridge the gap between the economically developed coastal areas of China and less developed western regions. As a result of the implementation of Kazakhstan's transit growth strategy, the volume of transit freight traffic between China and the EU through Kazakhstan decreased from 662,164 TEUs in 2021 to 457,608 TEUs in 2025. In 2025, there were 2,653 freight trains operating along this route (excluding freight trains to Russia and Belarus), including 2,195 freight trains from China to the EU, and 458 freight trains from the EU to China.

Through the creation of favourable conditions for transit and the elimination of existing physical and non-physical barriers to trade, the Issuer believes these programmes will help increase the Kazakhstan railway's role in acting as a land bridge between East and West, paving the way for increases in the transit of goods from the western part of China to Europe. In addition, the "One Road - One Belt" programme announced by the Chinese government, aimed at stimulating trade and economic growth by building infrastructure to connect China with infrastructure in other countries, has had a positive impact on transit traffic between China and the EU and on increasing transit through Kazakhstan. The Group is also implementing certain logistics infrastructure projects to encourage further transit development. For example, the Group's investment programme is primarily focused on removing capacity constraints and improving operational efficiency across key east-west and cross-border railway corridors. The programme includes, among other projects, the construction and development of the Mointy-

Kyzylzhar, Darbaza-Maktaral and Bakhty-Ayagoz railway lines, the upgrade of certain congested sections such as Dostyk-Mointy and Altynkol-Zhetygen, and the development of related railway-linked logistics and terminal facilities. These investments are intended to enhance the reliability and throughput of the national rail network and to support the further development of transit freight traffic between China and Europe.

The Issuer has also entered into a number of strategic cross-border partnerships, including signing an agreement with Russian Railways in August 2017 to jointly develop trans-Eurasian transit. The Issuer has also entered into a joint venture with Russian Railways and Belorussian Railways. See "*—International Joint Ventures and Projects*".

In March 2022, the Issuer announced that it had commenced discussions and preparatory work with the national railway companies of Azerbaijan and Georgia regarding the potential establishment of a joint venture company aimed at facilitating transit cargo transportation along the TITR, connecting China, Central Asian countries and Europe. On 23 June 2023, during the official visit of the Prime Minister of the Republic of Kazakhstan, A.A. Smailov, to Georgia, the Issuer, CJSC Azerbaijan Railways and JSC Georgian Railways signed an agreement on the basic principles of the establishment and operation of such joint venture. On 26 October 2023, in Tbilisi, the Issuer, CJSC Azerbaijan Railways and JSC Georgian Railways entered into an agreement on the establishment of a joint venture company, Middle Corridor Multimodal Ltd., on a parity basis. On 16 November 2023, Middle Corridor Multimodal Ltd. was registered as a private company at the Astana International Financial Centre ("**AIFC**").

The Group held a meeting with the Ministry of Industry and Infrastructure Development on 2 March 2022, which was aimed at solving any problems related to the transportation of goods and rolling stock in the territories of foreign railway administrations as a result of the ongoing conflict in Ukraine, as well as the possibility of their reorientation in other directions. A hotline has been created to support wagons heading towards Ukraine. There are currently no significant problems with the shipment of goods transported by rail in transit through Kazakhstan to Europe through Russian crossing points. Since 2022 the Group has transitioned from short-term problem-solving to a long-term reorientation of its logistics network in response to the ongoing conflict in Ukraine. While the Group continues to maintain transit operations through Russian crossing points for commodities that are not subject to applicable sanctions, it has also been developing the TITR with a view to reducing reliance on any single transit corridor. In this context, the Group has modernised its rolling stock and implemented digital tracking and monitoring systems designed to support compliance with applicable international sanctions requirements.

In parallel with these operational measures, including further digitalisation and initiatives aimed at improving corridor efficiency, the Group has been advancing a number of infrastructure projects intended to increase the capacity and resilience of the TITR. These projects include the Almaty Railway Bypass, which is intended to divert freight traffic around the city of Almaty, alleviate a key network bottleneck and contribute to increased capacity and reduced transit times along the Middle Corridor.

The Group is also pursuing the Mointy-Kyzylzhar railway project, which envisages the construction of a new 322.3-kilometre railway line. Upon completion, this line is expected to shorten the relevant corridor by approximately 149 kilometres and reduce congestion on existing routes.

In addition, the Government of the Republic of Kazakhstan is investing in the further development of the TITR, including through new railway construction, the expansion of the

Aktau and Kuryk ports and the development of a container hub at the Port of Aktau. The Issuer believes that these initiatives may, over time, support increased transit traffic and contribute to a more diversified revenue profile.

- **Geographic Reach and Flexibility of Services**

The geographic reach of the railway system allows the Group to take advantage of evolving regional economic centres, as the Group is able to divert resources and route traffic to areas with increasing transportation demand. The Issuer believes that this geographic reach will allow it to grow and evolve simultaneously with the development of the Kazakhstan economy and new trade routes, which will allow it to expand the railway system's throughput capacity, while increasing efficiencies by reducing the frequency of empty runs. The Issuer believes this strength is particularly significant due to the Kazakhstan economy's heavy dependence on commodity exports and freight transportation, as well as Kazakhstan's limited access to navigable water routes and underdeveloped road infrastructure.

- **Control over major near-border logistic facilities, including Aktau Seaport and Khorgos dry port**

A transport and logistics and industrial hub (the "**Khorgos Hub**") is in development at the Khorgos-Eastern Gateway" free economic zone ("**FEZ Khorgos**"). This hub, which includes the world's largest dry port, is expected to connect FEZ Khorgos, the Khorgos to Zhetygen railway line and the "Western Europe-to-Western China" highway and, in turn, to increase export and transit potential through Kazakhstan. The co-ordination of the activities of the Khorgos Hub and the Aktau Seaport, which is the main transport centre for international corridors such as the transport corridor (Europe, Caucasus, Asia) ("**TRACECA**") and the North-South corridor (the "**North-South Corridor**") (connecting Northern Europe with the Middle East through Russia and Kazakhstan) is expected to open up an effective route for freight transportation from Western and Central China to Europe and Turkey. In 2017, the Issuer entered into an investment agreement with Cosco Shipping Corporation and Lianyungang Port on the joint development of FEZ Khorgos pursuant to which Chinese investors purchased a 49% interest in the Khorgos dry port. In May 2018, it was announced that KTZ will operate Cosco Shipping Corporation's container fleet in Kazakhstan and Central Asian countries, as well as in the direction of the TITR. While in March 2020, KTZ Express transferred a 100% interest in FEZ Khorgos to the Almaty municipality free of charge and, as a result, the Group lost control over the FEZ Khorgos, KTZ Express holds the remaining 51% interest in the Khorgos dry port. Through the joint efforts of the Issuer and its Chinese counterparts, Khorgos dry port is a key logistical link for transit container traffic flowing through Kazakhstan from China to Europe.

Pursuant to an order of the President of the Republic of Kazakhstan dated 7 July 2022 relating to the development of the country's transport and logistics infrastructure, a container hub has been established at the Port of Aktau. In connection with this project, a joint venture company, Aktau International Container Hub LLP ("**AICH**"), was registered on 25 November 2024. AICH is owned by Shanghai (Hongkong) Investment and Development Company Ltd. (51%), KTZ Express JSC (24.5%) and Aktau International Sea Trade Port NC JSC (24.5%).

The project is intended to develop infrastructure for the handling, processing and shipment of containerised cargo through the Port of Aktau and to support the provision of logistics services for cargo flows across the Caspian region and Central Asia.

The container hub was commissioned in late March 2026. The Issuer believes that, once operational, the project may support the development of multimodal transit routes across the Caspian Sea, including routes forming part of the TITR and China-Caspian-Europe corridor (the "**Middle Corridor**"), and may contribute over time to improved efficiency of regional transit and international trade flows.

- **Broad Range of Services**

The Group's principal activities involve providing a broad range of field-oriented services, such as operating the mainline railway network, freight and passenger traffic, logistics and infrastructure services, as well as services that are ancillary to field-oriented services. The Group's ability to offer customers a large array of transportation services enables it to realise efficiencies and economies of scale, which the Issuer believes give it an advantage over competitors.

Overview of the Business Operations of the Group

The Group provides the following services:

- **Transportation Services**

The Issuer carries out freight transportation services, through its wholly-owned subsidiary KTZ-FT. Freight transportation services play a key role in the Group's business operations. For the year ended 31 December 2025, the Group had overall freight turnover of 291.3 billion tonne-kilometres, reflecting a 7% increase from 272.1 billion tonne-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from freight transportation increased by 31.3% to KZT 2,463,197 million, as compared to KZT 1,875,558 million for 2024, accounting for 89.3% of total consolidated revenue and other income in 2025 and 86.7% of total consolidated revenue and other income in 2024. See "*—Transportation Services—Freight Transportation*".

The Issuer provides passenger transportation through its wholly-owned subsidiary Passenger Transportation, which, as at 31 December 2025, had 101 international and inter-regional routes and 60 inter-regional and intercity and suburban routes as at 31 December 2025. Since 2012, Passenger Transportation has been implementing a high-speed passenger traffic programme and has established 12 expressways linking all major cities in Kazakhstan. In 2020, a former subsidiary of Passenger Transportation, Suburban Transportation, was merged into Passenger Transportation. For the year ended 31 December 2025, the Group had a passenger turnover of 11.4 billion passenger-kilometres, reflecting a decrease of 2.6% from 11.7 billion passenger-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from passenger transportation increased by 16.9% to KZT 129,250 million, as compared to KZT 110,523 million for 2024, accounting for 4.7% and 5.1%, respectively, of total consolidated revenue and other income. The Group's passenger transportation business is not profitable, although the Group's losses on passenger transportation are reduced by Government subsidies. See "*—Transportation Services—Passenger Transportation*" and "*Risk factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group has historically received, and continues to rely on, support from the Government, which may be delayed, reduced or discontinued.*".

- **Infrastructure Services**

The Group's infrastructure services include selling access to the mainline railway network to passenger and freight carriers. See "*—Infrastructure Services*".

- **Support Services**

The Group provides services that support transport services and infrastructure services and which include, among others, telecommunication services, provision of locomotive supplies, heat, water and electricity, communication services and wagon repairs. See "*—Support Services*".

- **Multimodal Transportation and Logistics Services**

The Group performs the functions of the national logistics operator through its wholly-owned subsidiary KTZ Express, which integrates multimodal transportation routes including railway, road and sea with a network of terminals and warehouses, as well as the cargo loading operations at strategic points that are key gateways to freight moving from or to China. Multimodal transportation and logistics services include a variety of transport, handling, warehousing and other services provided by the Group, including the management of the Aktau Seaport and the Khorgos dry port, among other logistical assets. KTZ Express is actively involved in expanding the network of transport and logistics centres inside Kazakhstan and establishing transport and logistics centres and agent offices outside of Kazakhstan, allowing for more efficient transportation and delivery using one or several modes of transportation. All such activities are expected to support the Group's core freight transportation business, in particular, through increasing freight transit transportation volumes See "*—Multimodal Transportation and Logistics Services*" and "*—Ongoing Restructuring and Initiatives—Development of Transport Logistics*".

Ongoing Restructuring and Initiatives

The Issuer has undertaken a programme of organisational restructuring aimed at streamlining its corporate structure and optimising its asset base. Between 1 January 2014 and 31 December 2025, 99 companies were divested from the Group as part of this process.

As a result of these measures, the Issuer has formed an asset structure that supports the implementation of its objectives. In particular:

Infrastructure Unit

The Issuer, as the railway infrastructure operator, is a natural monopoly with respect to the maintenance and management of the mainline railway network. In addition, it performs the functions of a railway administration in its interactions with foreign railway administrations.

Freight Transportation Unit

The Issuer operates the largest locomotive fleet in the country, together with an extensive locomotive infrastructure, and is the largest owner of railcars. The provision of freight transportation services by the Issuer includes transportation planning and the direct execution of the transportation process.

Transport and Logistics Services

The Issuer offers a full range of multimodal and container freight forwarding services in domestic and international markets, including the operation of specialised rolling stock (flatcars), contract logistics

services and terminal operations, including cargo delivery and the transshipment of railcars and containers at the Dostyk and Altynkol border hubs.

Passenger Services

The Issuer operates the largest fleet of passenger railcars and provides passenger transportation services. Passenger rail transportation services include the organisation and facilitation of the transportation of passengers, baggage, excess luggage and mail, as well as the operation, servicing and repair of the passenger railcar fleet and other related activities.

Development Strategy until 2032

On 29 March 2023, the Issuer's Board of Directors approved the Issuer's Development Strategy for the period through 2032 (the "**Development Strategy**"). The Development Strategy sets out the Issuer's mission, vision and strategic priorities in relation to the provision of freight and passenger transportation services and the development of the transit potential of the Republic of Kazakhstan. The Development Strategy also describes the Issuer's approach to delivering transport and logistics services, including through a focus on economic efficiency, safety, social and environmental considerations, and the application of modern management practices, innovative technologies and digital solutions.

The Issuer has identified six strategic goals to support the achievement of the objectives set out in its mission and vision.

Improving the efficiency of rail transportation

Within this area, the Development Strategy focuses on measures aimed at modernising and expanding railway infrastructure in order to eliminate bottlenecks and increase capacity on key routes, as well as on improving the productivity of traction and rolling stock. The latter includes the automation of operational processes and the implementation of technical solutions intended to enhance the efficiency of rail transportation operations

Developing Transit Transportation

Another strategic goal of the Issuer is the development of transit transportation. This goal is focused on leveraging Kazakhstan's geographic location and existing transit corridors. The Development Strategy identifies the development of the China–Europe–China routes, the Trans-Caspian Transport Route and the North–South Corridor as key priority areas.

In this context, the Development Strategy addresses the need to adapt to changes in global logistics chains through measures aimed at increasing the attractiveness of these transit corridors. Such measures include the modernisation of infrastructure, the further development of digital solutions, the removal of operational and administrative barriers, and the development of logistics assets and commercial operations outside the Republic of Kazakhstan.

Improving Customer Satisfaction

In line with this strategic goal, the Issuer focuses on improving the quality and accessibility of its services. Measures in this area include the simplification of procedures, the introduction of a continuous feedback mechanism for shippers and passengers, and the renewal of the passenger car fleet. In addition, the Issuer conducts surveys on an ongoing basis in order to identify areas for further improvement.

Digitalization

This includes the modernisation of information technology systems and the use of digital solutions, including Big Data analytics, artificial intelligence for route diagnostics and predictive tools for managing transportation processes. In this context, the Issuer is implementing artificial intelligence solutions to support transportation planning and operational optimisation.

Implementation of ESG Principles

The Issuer's activities encompass environmental, social and corporate governance considerations, including carbon footprint reduction, workforce development and gender equality, and the enhancement of corporate governance practices.

In the context of sustainable development, the Issuer's activities address a range of objectives, including the development of Kazakhstan's transit and export potential, contributions to economic activity, improvements in transport accessibility and population mobility, workforce development and occupational health and safety, and the reduction of environmental impact through the use of modern technologies and rolling stock. In 2013, the Group became a participant in the United Nations Global Compact and supports its ten principles covering human rights, labour relations, environmental protection and anti-corruption. The Issuer has also aligned its activities with the United Nations Sustainable Development Goals, with particular emphasis on Goals 3 (good health and well-being), 5 (gender equality), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 12 (responsible consumption and production) and 13 (climate action).

Since 2022, the Issuer has been assigned an ESG rating by S&P Global and has demonstrated year-on-year improvement in its assessment results. The Issuer's ESG ratings were 54 points out of 100 in 2023 (placing it among the top 15% of companies in the transportation sector), 60 points out of 100 in 2024 (top 10%) and 75 points out of 100 in 2025 (top 3%).

Corporate governance is regarded by the Issuer as a key element of its long-term development and operational efficiency. The Issuer's Development Strategy emphasises interaction between the shareholder, governing bodies and employees, as well as the application of principles of transparency, accountability and fairness, supported by the adoption of international corporate governance practices.

In 2021, the Issuer's shareholder conducted an external independent assessment of the Issuer's corporate governance practices. As a result of this assessment, the Issuer received a corporate governance rating of "BB", reflecting compliance with the majority of established criteria across key governance areas. Following the assessment, recommendations were issued relating to Board agenda structuring, the distribution of powers among governing bodies, the integration of risk management into business processes and the strengthening of the Internal Audit Service. These recommendations were subsequently implemented by the Issuer.

In 2025, the Issuer engaged an independent consultant to assess the performance of the Board of Directors against seven corporate governance objectives in accordance with the methodological guidelines of Samruk-Kazyna JSC. Based on this assessment, the Board of Directors was assigned a rating of "AA", indicating compliance with the applicable criteria and the effective functioning of the corporate governance framework. In addition, an assessment of the Issuer's corporate governance system was conducted with reference to the UK Corporate Governance Code, resulting in recommendations aimed at the further enhancement of governance practices.

Ensuring Train Traffic Safety

The Issuer recognises train traffic safety as a priority area, including the reduction of traffic accidents. Improving transport safety forms part of the Issuer's strategic initiatives.

In this context, the Issuer's activities are focused on (i) the safety and health of individuals, (ii) the protection of cargo, rolling stock and infrastructure, (iii) road safety, and (iv) measures aimed at limiting the consequences of traffic accidents.

Restructurings and Privatisations

In order to optimise the structure of the Group's assets, the Development Strategy envisages a number of restructurings and privatisations.

A potential initial public offering by Samruk-Kazyna of a stake in the Issuer is contemplated in the Government Resolution on Privatisation. According to the National Office for Privatisation of the Republic of Kazakhstan, such an offering is currently envisaged to be carried out in 2026. In connection with the preparatory phase of the contemplated offering, an analysis of the Issuer's financial position has been conducted, certain measures aimed at increasing regulated tariffs have been implemented, international advisers have been engaged and preliminary discussions have been held with potential investors. It is envisaged that any proceeds from the offering would be applied toward the repayment of external indebtedness of the Group.

Since 1 January 2023, the Group has not completed any material restructuring, privatisation or disposal that resulted in a loss of control over any material subsidiary or a material change in the scope of the Group's core railway infrastructure, freight or passenger operations.

Certain assets within the wider Group perimeter have, however, been included in, or considered for inclusion in, the privatisation or transfer-to-competition programme implemented in the Republic of Kazakhstan in accordance with the applicable privatisation framework. In particular, Kazakhstan Railcar Building Company LLP and Dosjan Temir Zholy JSC have been identified in publicly available materials relating to such programme.

As at the date of this Base Offering Memorandum, the timing, method and outcome of any such process remain subject to further corporate and governmental decisions, and no assurance can be given that any such transaction will occur. As at the date of this Base Offering Memorandum, the Issuer has not completed, or disclosed, any transaction in respect of such assets that has had or is expected to have a material effect on the Group's business, assets, financial condition or results of operations.

For information regarding the Issuer's disposal of interests in certain subsidiaries, see "*Operating and Financial Review of the Group—Factors and Trends Affecting Financial Condition and Results of Operations—Acquisitions, Restructurings and Privatisations*".

The aim of the Group's restructuring and privatisation projects is to transform the Group from a railway group of companies to a logistics group to support the aim of making Kazakhstan a key freight and transportation hub. This restructuring process is not intended to weaken the link with, or result in a reduction of support from, the Government.

Development of Transport Logistics

The President instructed the Government to create a national transportation and logistics company to promote the development of Kazakhstan's transportation and logistics capacity. This function is conducted by KTZ Express, a wholly-owned subsidiary of the Issuer. KZT Express co-ordinates use of railway, road and sea transport modes, seaport infrastructure and a network of terminals and warehouses, as well as the cargo loading operations, at strategic points that are key gateways to freight moving to or from China.

KTZ Express's activities support the Group's core business of freight transportation and seek to enhance the logistics operations and establish complex customer-oriented logistics services through

performance of targeted door-to-door delivery services and attraction of additional freight (in particular transit freight) through the expansion of trade routes between the EU and China (rather than the existing sea routes). KTZ Express has identified a number of priority projects that are currently being implemented in accordance with the Government's intention to expand the New Silk Road trade route between European countries and China as a faster and more efficient alternative to the long sea route from the east coast of China to the western states. The main part of the "New Silk Road" is the entrance from China to the Dry Port of the Khorgos SEZ, where the main cargo flow to Central Asia, the EU, Turkey, the Baltic States and the Middle East is handled smoothly. For further transportation to Turkey and the countries of the Black Sea coast and the Persian Gulf, the cargo can be moved from the Dry Port of the SEZ Khorgos to the Aktau seaport by rail for processing for shipment across the Caspian Sea. In addition, KTZ Express owns two vessels operating in the Caspian Sea to support its broader transportation and logistics activities. KTZ Express also actively participates in the expansion of the network of transport and logistics centres within Kazakhstan, the creation of agency offices outside Kazakhstan, the organisation of intermodal transportation and the creation of its own dry cargo merchant fleet. See "*—Multimodal Transportation and Logistics Services*".

The Issuer has undertaken a number of internal measures aimed at improving its organisational and operational efficiency, including:

- aligning the Issuer's development with the Development Strategy;
- upgrading freight and passenger locomotive and rolling stock fleets;
- the modernisation of infrastructure;
- implementing measures to increase asset productivity and reduce fuel and energy costs; and
- the implementation of digitalisation initiatives.

Transportation Services

Freight Transportation

Freight transportation plays a key role in the Group's business operations. For the year ended 31 December 2025, the Group had overall freight turnover of 288.8 billion tonne-kilometres, reflecting a 10.4% increase from 261.7 billion tonne-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from freight transportation increased by 31.3% to KZT 2,463,197 million, as compared to KZT 1,875,558 million for 2024, accounting for 89.3% of total consolidated revenue and other income in 2025 and 86.7% of total consolidated revenue and other income in 2024.

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of transportation activity, for the years indicated:

	For the year ended		% change between the years ended 31 December 2025 and 2024
	31 December		
	2025	2024	
	(KZT millions)		(%)
International (Transit)	827,178	698,797	18.4
Domestic	687,325	507,501	35.4
International (Export)	489,375	322,631	51.7
International (Import)	276,243	194,279	42.2
Additional charges related to the transportation process	65,194	67,769	(3.8)
Other ⁽¹⁾	117,882	84,581	39.4
Total	2,463,197	1,875,558	31.3

Note:

(1) Includes revenue for use of freight cars by third parties and revenue for locomotive haulage and additional charges, including support services such as loading, cleaning, storage, shunting and other services, which do not form part of the freight tariff.

The following table sets forth certain information regarding the Group's freight transportation volume, freight transportation turnover and average freight transportation distance, by type of transportation activity, for the years indicated:

	For the year ended 31 December														
	2025					2024					2023				
	% of Total Volume	% of Total Volume	% of Total Turnover	Average Turnover	Average Distance	% of Total Volume	% of Total Volume	% of Total Turnover	Average Turnover	Average Distance	% of Total Volume	% of Total Volume	% of Total Turnover	Average Turnover	Average Distance
	(%)	(millions of tonnes)	(%)	(billions of tonnes-km)	(km)	(%)	(millions of tonnes)	(%)	(billions of tonnes-km)	(km)	(%)	(millions of tonnes)	(%)	(billions of tonnes-km)	(km)
Export...	28	89.2	36	104.5	1,171	27	83.3	35	92.3	1,109	29	85.7	37	96.3	1,124
Domestic	55	176.9	32	93.6	529	57	172.2	35	90.8	527	55	164.2	34	89.1	543
Transit ..	10	33.0	23	65.5	1,984	9	27.5	21	54.8	1,996	9	27.3	20	52.6	1,924
Import...	6	20.8	9	25.2	1,211	7	20.2	9	23.8	1,173	7	20.2	9	24.4	1,209
Total.....	100.0	320.0	100.0	288.8		100.0	303.2	100.0	261.7		100.0	297.4	100.0	262.4	

Despite the relatively low volumes of transit freight, transit freight continues to be an important part of the Group's business as tariffs rates on transit freight are not subject to the Natural Monopoly Committee's approval and are, on average, higher than rates for other services, which are subject to approval by the Natural Monopoly Committee. Revenue from transit freight accounted for 33.6%, 37.3% and 39.0% of the Group's revenue from freight transportation in the years ended 31 December 2025, 2024 and 2023, respectively. See "*Government Regulation and Tariffs—Freight Tariff Regulation and Pricing—Transit Freight Tariffs*" for more information on the Group's revenue from freight transportation by transportation type.

Coal has historically been the main product, by volume, transported by rail and is the main source of energy in Kazakhstan for generation of electric energy and heating, although the transportation of oil and oil products generated more revenue for the Group in each of the periods shown than coal due to higher tariff rates on these items. See "*Operating and Financial Review of the Group—Factors and Trends Affecting Financial Condition and Results of Operation—Demand for the Transportation of Commodities*".

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of freight, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	<i>(KZT millions)</i>		
Coal.....	180,173	119,961	50
Ore.....	74,767	48,018	56
Oil.....	26,627	19,648	36
Oil products.....	447,529	307,092	46
Construction materials.....	78,214	53,191	47
Grain and grain products.....	90,623	56,288	61
Ferrous scrap.....	6,097	5,016	22
Chemicals and sodium carbonate.....	118,928	81,371	46
Chemical and mineral fertilisers.....	58,440	44,481	31
Coloured ore.....	58,650	42,690	37
Nonferrous metals.....	23,846	18,278	30
Ferrous metals.....	187,317	121,878	54
Other ⁽¹⁾	1,111,986	957,645	16
Total.....	2,463,197	1,875,558	31

Note:

- (1) Includes revenue for use of freight cars by third parties, revenue for locomotive haulage services rendered to third parties in freight traffic and additional charges, which include charges for ancillary services rendered by Company, such as loading, cleaning, storage, shunting and other services, that are not part of the freight tariff.

The following table set forth certain information regarding the Group's freight transportation volume, freight transportation turnover and average freight transportation distance by type of freight, for the periods indicated:

	For the year ended 31 December														
	2025				2024					2023					
	% of Total Volume (%)	Volume (millions of tonnes)	% of Total Turnover (%)	Average Distance (billions of tonnes- km)	% of Total Volume (%)	Volume (millions of tonnes)	% of Total Turnover (%)	Average Distance (billions of tonnes- km)	% of Total Volume (%)	Volume (millions of tonnes)	% of Total Turnover (%)	Average Distance (billions of tonnes- km)			
Coal.....	33.3	106.6	20.2	58.5	549	34.2	103.7	21.6	56.5	545	36.2	107.7	23.0	60.2	559
Iron ore.....	6.6	21.2	8.1	23.4	1,101	6.8	20.7	8.8	23.1	1,112	7.1	21.2	9.2	24.2	1,141
Construction materials.....	6.9	22.2	4.7	13.6	613	7.1	21.4	5.0	13.0	607	6.9	20.6	5.0	13.2	638
Oil and oil products.....	8.7	27.9	10.8	31.2	1,119	8.5	25.9	10.5	27.6	1,067	8.8	26.2	11.0	28.8	1,100
Grain and grain products.....	4.9	15.7	9.2	26.6	1,693	4.3	13	8.1	21.3	1,630	4.8	14.4	9.2	24.1	1,675
Ferrous metals.....	4.8	15.5	7.1	20.6	1,330	4.7	14.3	6.9	18.1	1,262	4.6	13.8	6.2	16.4	1,186
Other.....	34.6	110.9	39.8	114.9	1,037	34.4	104.2	39.1	102.3	982	31.4	93.5	36.4	95.6	1,022
Total.....	100.0	320.0	100.0	288.8	100.0	303.2	100.0	261.7	100.0	297.4	100.0	262.4			

Due to the country's limited access to navigable water routes, Kazakhstan has entered into several bilateral treaties in order to facilitate access to seaports. In order to avoid having to transfer freight from ship containers to train wagons or containers, container trains are used. These container trains

expedite freight transportation to and from seaports and make additional routes available for imports and exports because such freight is carried in uniform, sealed, movable containers whose contents do not have to be unloaded at each point of transfer.

As at 31 December 2025, container transportation accounted for 8% of all railway freight turnover of the Group, although the Issuer believes that container transportation continues to be one of the fastest growing segments of the Group's freight transportation business. In 2025, annual container transportation rate was reached, with 1,006,884 TEUs on all routes, an 8% decrease compared to 2024, with China-Europe-China route container transportation traffic decreasing by 21% in 2025 compared to 2024 and China-Russia-China route container transportation traffic increasing by 7% in 2025 compared to 2024.

The Group is actively involved in organising container train routes from the Baltic states and from South-Eastern Asia and China to Central Asia. In order to achieve this goal, the Issuer is taking measures to: (i) develop infrastructure technical modernisation programmes in accordance with the goals and reforms set out in the Infrastructure Development Program and the National Plan; (ii) organise and establish mutually beneficial cooperation with market participants, establish long-term partnerships, continue to develop its framework of strategic alliances with partners in the main transport corridors to, inter alia, increase service levels, develop competitive tariff rates and increase the speed of cargo delivery; (iii) conduct marketing initiatives to attract new cargo flows and build new logistics chains; and (iv) develop container capacities of transshipment terminals at Dostyk interstate junction points / Alitynkol in order to increase the capacity limit for the realisation of transit potential.

In March 2022, a subsidiary of KTZ Express, Xinjiang KTZ International Logistics Co., LTD ("**Xinjiang KTZ**"), arranged the first delivery of coal coke from Kazakhstan's Pavlodar station to China using open top containers, a new delivery technology. Open top container transportation is expected to be arranged on a regular basis, with quantities of more than 30,000 tonnes a month of cargo expected to be transported via this method. Xinjiang KTZ carried a total of 188,837 TEU of container freight during 2025 along the China–North Asia, China transit and China–Russia/Europe routes.

Passenger Transportation

For the year ended 31 December 2025, the Group had a passenger turnover of 11.4 billion passenger-kilometres, reflecting a decrease of 2.7% from 11.7 billion passenger-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from passenger transportation increased by 16.9% to KZT 129,250 million, as compared to KZT 110,523 million for 2024, accounting for 4.7% and 5.1%, respectively, of total consolidated revenue and other income. The Group's passenger transportation business is not profitable, although the Group's losses on passenger transportation are reduced by Government grants. "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group's results of operations and financial condition are influenced by general economic conditions in Kazakhstan, which, in turn, are influenced by global economic conditions.*"

See "*Operating and Financial Review of the Group—Consolidated Results of Operations for the Years Ended 31 December 2025, 2024 and 2023—Revenue—Passenger Transportation*" for details of the Group's passenger transportation revenue. The Group provides inter-regional, international, intercity and suburban passenger services throughout Kazakhstan. The following table sets forth certain information regarding the Group's passenger turnover and numbers, by route, for the periods indicated:

For the year ended 31 December												
2025				2024				2023				
% of Total Turnover	Turnover	% of Total Number	Number of Passengers	% of Total Turnover	Turnover	% of Total Number	Number of Passengers	% of Total Turnover	Turnover	% of Total Number	Number of Passengers	
(%)	(billions of passenger-km)	(%)	(millions)	(%)	(billions of passenger-km)	(%)	(millions)	(%)	(billions of passenger-km)	(%)	(millions)	
Inter-regional..	87.0	9.9	74.6	9.9	87.0	10.2	74.7	10.3	87.6	10.4	75.4	10.3
International....	7.0	0.8	6.8	0.9	7.1	0.8	7.1	1.0	6.1	0.7	6.3	0.9
Intercity and suburban	3.2	0.4	16.8	2.2	3.4	0.4	17.0	2.3	3.6	0.4	17.1	2.3
Trains of foreign railway administrations	2.8	0.3	1.8	0.2	2.5	0.3	1.2	0.2	2.7	0.3	1.2	0.2
Total.....	100.0	11.4	100.0	13.3	100.0	11.7	100.0	13.8	100.0	11.8	100.0	13.7

The Issuer provides passenger transportation through its wholly-owned subsidiary Passenger Transportation, which, as at 31 December 2025, has 101 international and inter-regional routes. Passenger Transportation carries out both socially significant passenger transportation (which is regulated and partly subsidised by the State) and rapid transit passenger transportation (the tariffs for which are not regulated). Since 2012, Passenger Transportation has been implementing a high-speed passenger traffic programme and has established 12 expressways linking all major cities in Kazakhstan. As at 31 December 2025, Passenger Transportation had 60 inter-regional and intercity and suburban routes.

The Group's passenger transportation business is not profitable. The Group's losses on passenger transportation are reduced by Government grants, subsidies and low-cost loans. Beginning in 2005, the Government introduced a competitive open tender system to issue grants for passenger transportation routes that are important to the public. Open tenders are held on an annual basis by the Ministry of Industry and Infrastructure Development and by local municipalities for the inter-regional, intercity and suburban routes, respectively. Grants for inter-regional and international routes (for the parts of the routes that are within Kazakhstan) are funded from the Government's budget, while the grants for intercity and suburban routes are funded from the budgets of local municipalities. The grant contracts obtained through the open tender process are for a fixed term of one year, with the right to extend up to three times, each for a period of up to one year. The amount of the grant under any extension shall not exceed, in total from the beginning of the contract, the amount initially granted for the relevant year. In addition, the grant contracts require the carrier receiving the grant to own or lease at least half of the passenger cars needed for the relevant route and to meet certain scheduling demands in order to ensure due and timely transportation for passengers. The Group submits applications and participates on equal terms with all other participants. If there are no private operators bidding for a particular route, the servicing of such route is automatically shifted to Passenger Transportation.

The Government has recently taken steps to develop competition in the railway industry. Access to the mainline railway network is open and the Issuer provides non-discriminatory access to the network for private carriers. As at 31 December 2025, there were 28 private carriers operating passenger transportation activities alongside the national carrier, Passenger Transportation. In 2017, the Government implemented a new model to subsidise passenger transport, which provides for long-term contracts of 20 years and establishes certain minimum requirements for carriers, including investment, rolling stock renewal and quality standards. This replaced the procedure in place prior to 2017, pursuant to which only the losses of the relevant carrier were covered. In December 2016, Passenger Transportation concluded ten contracts for the long-term subsidisation of expenses related to passenger transportation on socially significant routes with the State Institution Committee for Railway and Water Transport of the Ministry of Transport of the Republic of Kazakhstan. These contracts regulate

certain matters, including passenger boarding and disembarking procedures and limitations on the maximum level of fare increases. The contracts are valid for the following periods: from 1 January 2017 to 31 December 2036; from 2 April 2018 to 31 December 2037; from 1 July 2018 to 31 December 2037; from 16 June 2022 to 31 August 2026; from 14 September 2022 to 31 December 2041; and from 6 March 2024 to 31 December 2033.

For the year ended 31 December 2025, revenue from Government grants was KZT 43.3 billion, as compared to KZT 41.1 billion for 2024, reflecting an increase of KZT 2.2 billion, or 5.2%. Approximately 78% of passenger routes in Kazakhstan are operated by the Group and the remainder are operated by private operators.

In addition, the Group's passenger transportation business is cross-subsidised by its freight transportation business through the application of a digression factor to the mainline railway tariff and the locomotive haulage tariff. See "*—Government Regulation and Tariffs—Freight Tariff Regulation and Pricing*".

In January 2022, due to the blocking of railway tracks at certain stations and security measures put in place during the January 2022 Protests, a number of passenger trains were cancelled, and certain trains were idle along the passenger routes. In particular, 25 of the Group's trains passing through Makat, Zhem, Kazaly, Kulsary, Sekseul, Aral-Tenizi stations were temporarily cancelled.

In April 2024, in response to flooding in several regions of the Republic of Kazakhstan, the Issuer implemented additional passenger transportation measures to support the movement of residents and government personnel. A one-time train service was operated in Atyrau Oblast on the Atyrau-Kulsary-Atyrau route. In addition, extra services were scheduled on routes No. 211/212 (Uralsk-Kyzylorda), No. 213/214 (Atyrau-Karaganda), No. 216 (Atyrau-Almaty) and No. 215/216 (Almaty-Atyrau), and the capacity of certain existing services was increased. As a result, approximately 30,000 passengers were transported, including more than 3,000 passengers on the additional train services.

Overview of Rolling Stock

As at 31 December 2025, there were 1,922 locomotives operating on the mainline railway network.

The following table sets forth certain information regarding the Group's locomotives fleet as at the dates indicated:

	As at 31 December		
	2025	2024	2023
Electric			
Mainline freight locomotives	567	546	532
Mainline passenger locomotives	109	97	83
Total electric locomotives	676	643	615
Diesel			
Mainline freight locomotives	740	678	706
Mainline passenger locomotives	83	83	57
Shunting locomotives.....	439	429	425
Total diesel locomotives	1,262	1,190	1,188
Total.....	1,938	1,833	1,803

In 2021, Passenger Locomotives was established through a spin-off from KTZ-FT to own the Group's passenger locomotives.

Passenger transportation is subsidised through: (i) cross-subsidisation of the revenue from freight transportation subsidies and (ii) Government budget funds. Passenger transportation has been subsidised from the Government budget since 2005. Private cargo carriers such as TTT Service LLP and DAR Rail LLP do not participate in subsidising passenger transportation. The tariff for passenger transportation services on the mainline railway network is approved at a lower cost than the actual cost of rendering the service and a temporary reduction factor is applied to this low tariff.

In order to ensure transparency of the mechanism of state subsidisation of passenger transportation, the Issuer established KTZ-Passenger Locomotives LLP and transferred locomotives involved in passenger traffic to this entity in 2021.

KTZ-FT and Passenger Locomotives own the Group's locomotives, provide freight transportation and locomotive haulage services for its freight and the Group's passenger transportation and provide shunting operations, which involve the sorting of rolling stock into trains.

Generally, the Group from time-to-time acquires or leases locomotives or rolling-stock pursuant to long-term contracts entered into in the ordinary course, including contracts with its associates.

The Group owns and operates the majority of railcar fleet in Kazakhstan operating on the mainline railway network. The following table sets forth certain information regarding the structure of the Group's freight and passenger rail cars as at the dates indicated:

	As at 31 December		
	2025	2024	2023
Freight rail cars			
<i>Gondola</i>	29,738	28,712	27,112
<i>Platform</i>	458	464	480
<i>Box car</i>	6,361	6,664	6,841
<i>Hopper</i>	3,067	3,089	312
<i>Other</i>	55	60	62
Total	39,679	38,989	37,615
Passenger rail cars			
<i>First-class coach</i>	21	12	4
<i>Third-class sleeper</i>	551	592	640
<i>Compartment coach</i>	648	633	654
<i>Dining cars</i>	21	22	23
<i>Interregional</i>	108	114	126
<i>Baggage and luggage wagons</i>	25	25	25
<i>ZAK type cars</i>	13	9	9
<i>Talgo cars</i>	732	732	732
<i>Officer's and maintenance cars</i>	32	32	25
Total	2,151	2,171	2,238

Kaztemirtrans owns the Group's freight railcar fleet, which is primarily used for the Group's transportation services (*i.e.*, where a customer uses the Group's freight cars), and provides freight railcars and other services, such as arranging for transportation from starting points to points of destination, preparing transportation documents, transporting freight between warehouses and railway stations and packing and marking of freight. A large proportion of the Group's railcars are leased to KTZ Express. See "*Ongoing Restructuring and Initiatives—Restructurings and Privatisations*".

The Group from time-to-time acquires or purchases railcars from Kazakhstan Wagon Construction Company LLP, a subsidiary of the Issuer, and from JSC ZIKSTO.

As at 31 December 2025, KTZ Express owned 4,101 large capacity containers, including 200 autonomous refrigerated containers.

The Rail System

Overview

Kazakhstan's railway system, which is wholly owned and operated by the Group, consists of the mainline railway network, also known as corridors, which connect to rail networks in Russia, the Kyrgyz Republic, Uzbekistan, Turkmenistan and China, as well as to ancillary tracks. As at 31 December 2025, the railway system had an operational length of 16,003.1 km, of which 4,237.5 km were electrified tracks. The operational length includes 5,013.8 km of double tracks and 32.3 km of triple tracks.

As at 31 December 2025, there were 19,604 track switches.

The Kazakhstan railway network uses type P65 tracks, certain categories of which are thermally reinforced. The tracks are laid on wooden and concrete rail sleepers, also known as rail ties. As at 31 December 2025, wooden and concrete railway sleepers accounted for 22.3% and 77.7%, respectively, of the total number of railway sleepers in Kazakhstan. As at 31 December 2025, the railway system of Kazakhstan had 4,551.9 km of receiving and dispatching tracks and special tracks facilitating work at shipyards, three tunnels, 3,584 bridges, two interstate border stations and two seaports.

Electrified tracks are used in districts where electric haulage is required in order for freight and passenger trains to move at the required speeds. Freight turnover by electric locomotives on electrified tracks constituted 52.6% and 53.2% of total freight turnover of the Group for the years ended 31 December 2025 and 2024, respectively, while the balance of freight turnover was by diesel locomotives on non-electrified tracks. Electricity for electrified tracks is supplied by various electricity supply companies, but is primarily provided by Temirzholenergo LLP. The supply of electricity is sometimes occasionally interrupted, such as that may result in a cut-off or reductions of voltage of power lines. The delays caused by such interruptions are generally minimal. The Issuer monitors interruptions in the supply of electricity, and, for each interruption it generates a report documenting the reasons for such interruption, the actions taken or to be taken to promote a reliable supply of electricity and any damages to be recovered from the electricity provider.

Network Specifications and Land Leases

The Issuer is the only entity authorised to operate and manage the mainline railway network in Kazakhstan. Pursuant to Article 26 of the Land Code of the Republic of Kazakhstan dated 20 June 2003 No. 442-II (the "**Land Code**"), the land underneath the mainline railway tracks is the property of Kazakhstan and is not subject to privatisation. The Issuer has entered into a number of land lease contracts with local executive authorities in Kazakhstan so that it may use the land underneath its railway tracks. Lease payments are determined in accordance with the Tax Code, which makes certain distinctions based on region, location and soil type. The term of the land lease contracts is typically five years, but is renewable upon agreement of the parties. According to the Land Code, the Issuer has a priority right to renew, for 49 years, and the local executive authorities may not unilaterally terminate the land lease contracts. In addition, the local executive authorities may not transfer the land lease rights to any third person unless and until the Group transfers the legal title to the immovable property located on the land, including, but not limited to, the railway track, to such person. The Issuer owns

all of the mainline railway tracks in Kazakhstan and, as a result, it is the only entity leasing land underneath such railway tracks from local executive authorities.

Existing Infrastructure, Investment Projects and Expansion

The Group is implementing a multi-year capital investment programme aimed at expanding and modernising Kazakhstan's railway and related transport infrastructure in line with its Development Strategy and relevant government transport initiatives.

The Issuer estimates that capital expenditures for the period from 2026 to 2030 will amount to approximately KZT 6,134.1 billion, compared to capital expenditures of more than KZT 3,811.59 billion incurred during the period from 2021 to 2025.

Completed Projects

In the period from 2022 to 2025, a number of major infrastructure projects were launched and, in certain cases, completed, including:

- on 30 September 2025, the Head of State of the Republic of Kazakhstan launched the second line of the Dostyk-Mointy railway, with a total length of 836 km;
- in December 2025, construction of the first phase of the international container hub at the Port of Aktau was completed.

Projects Under Construction

The following infrastructure projects are currently under construction and are scheduled to be completed or commence operations during 2026-2027:

- Almaty station bypass: completion of the construction of a railway line bypassing Almaty station; in 2025, working rail movements were launched on the Zhetigen-art. Kazybek Bek section. The project is intended to reduce congestion at the Almaty hub and shorten cargo delivery times;
- Darbaza-State Border with Uzbekistan railway line: completion of a railway line connecting Kazakhstan with Uzbekistan via the Maktaaral-Syrdarya checkpoint, with the objective of shortening transit routes towards Afghanistan, Pakistan and Turkmenistan;
- Altynkol-Zhetygen section modernisation: completion of capacity upgrades, including the construction of additional tracks and sidings and the development of Altynkol station;
- Mointy-Kyzylzhar railway line: construction of a new branch line intended to increase capacity and strengthen transit capabilities;
- Bakhty-Ayagoz railway line: construction of a railway line and associated infrastructure to create an additional railway border crossing with the PRC;
- installation of automatic signalling and interlocking systems on selected railway sections, aimed at improving operational safety, throughput and traffic management.

Rolling Stock and Other Investments

The Group also continues to invest in rolling stock and supporting infrastructure. In particular:

- in 2025, the Group purchased 135 new locomotives; a total of 921 locomotives are planned to be acquired on a phased basis between 2026 and 2036;

- in 2025, the passenger rail fleet was expanded by 161 domestically produced carriages;
- the Group intends to continue purchasing new rolling stock, modernising existing locomotives and rolling stock, and upgrading existing railway infrastructure.

Additional Projects

The Issuer has also entered into strategic cross-border partnerships and, in April 2017, GE Transportation invested in one of the Group's locomotive plants.

On 26 January 2017, the Issuer entered into an agreement with GE Transportation, pursuant to which GE Transportation acquired 50% of the shares in JSC Locomotive Kurastyru Zauyty. As a result, the current shareholding of JSC Locomotive Kurastyru Zauyty consists of GE Transportation holding 50% shares and CJSC Transmashholding holding the remaining 50%. GE Transportation's obligations under the contract include: (i) the purchase of passenger locomotives of the TE33A series and freight locomotives of the TE33A series; (ii) maintenance of KTZ's locomotive fleet; and (iii) cooperation in the field of digitalisation and automation.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—Maintenance, modernisation and upgrades of the Group's railway and logistics infrastructure requires continuing funding."

The Group owns or leases all the buildings, equipment and other assets necessary for it to conduct its business as it has historically been conducted and such buildings, equipment and other assets are generally in good operating condition and repair. The Group's existing infrastructure, however, requires significant ongoing investment and the value of the principal types of the Issuer's fixed assets (for example, track, electricity supply equipment, alarm systems and connections and rolling stock) have depreciated significantly in the past.

During the year ended 31 December 2025, the Issuer made KZT 1,279.7 billion in capital expenditure investments for the modernisation and renewal of railway rolling stock and locomotives fleet and the modernisation and renewal of infrastructure, as compared to KZT 1,170.23 billion in 2024.

As a result of modernisation works undertaken by the Group, in 2025, the asset deterioration ratio of the Group's locomotives was 53.1% (as compared to 57.9% in 2024 and 61.2% in 2023), freight railcars was 58.4% (as compared to 56.5% in 2024 and 55.6% in 2023), passenger railcars was 41.7% (as compared to 43.9% in 2024 and 47.5% in 2023) and railway infrastructure was 41.7% (as compared to 43.9% in 2024 and 47.5% in 2023).

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—Maintenance, modernisation and upgrades of the Group's railway and logistics infrastructure requires continuing funding" and "Operating and Financial Review of the Group—Liquidity and Capital Resources—Capital Expenditure".

International Transit Corridors

Kazakhstan's railway system forms part of the following five international transport corridors, which facilitate the delivery of freight between Asia and Europe:

- **Northern corridor of the Trans-Asian Railroad.** The Northern corridor connects Western Europe with the Korean peninsula and Japan through Russia and Kazakhstan. In Kazakhstan,

the Northern corridor is approximately 1,910 kilometres long and includes the cities of Dostyk, Aktogay, Astana and Petropavlovsk.

- **Southern corridor of the Trans-Asian Railroad (Central).** The Southern corridor connects Southeast Europe with China and Southeast Asia through Turkey, Iran, Central Asian countries and Kazakhstan. In Kazakhstan, the Southern corridor is approximately 1,831 kilometres long and includes the cities of Dostyk, Aktogay, Almaty, Shu and Saryagash.
- **Mid-Asian corridor of the Trans-Asian Railroad.** The Mid-Asian corridor is approximately 2,147 kilometres long and plays an important role in the support of regional transit transportation through the cities of Saryagash and Kandyagash.
- **TRACECA.** The TRACECA links Eastern Europe to Central Asia through the Black Sea, Caucasus and the Caspian Sea. In Kazakhstan, the TRACECA is approximately 3,836 kilometres long and includes the cities of Dostyk, Almaty and Aktau.
- **North-South Corridor.** In Kazakhstan, the North-South Corridor is approximately 838 kilometres long and includes the cities of Aktau, Uralsk and Atyrau.

The Organization for Cooperation between Railways ("**OSJD**") facilitates the development of international railway routes between Europe and Asia. There are 30 member countries of OSJD, including Kazakhstan's neighbours Georgia, Mongolia, Russia and Uzbekistan.

Infrastructure Services

Infrastructure services are provided by a branch of the Issuer operating under the name "Directorate of the Mainline Network". The Group does not intend to establish a separate legal entity to operate railway infrastructure.

Pursuant to the list of operations included in the services of the main railway network, as approved by Order No. 285 of the Acting Minister for Transport and Communications dated 29 August 2025, the Group provides the following services and operations:

Operations Relating to the Use of the Railway Network

- maintenance and servicing of the railway network;
- maintenance, servicing and support of the railway network's hardware and software systems;
- management of maintenance and servicing activities relating to railway network facilities and station infrastructure, as well as the related hardware and software systems;
- operation, maintenance and servicing of fire and recovery trains used to eliminate the consequences of accidents and derailments at railway network facilities.

Operations Relating to the Organisation and Movement of Train Traffic

- receipt and dispatch of trains;
- provision of parking for rolling stock on station tracks within established standard time limits;
- shunting operations on station tracks, excluding the delivery and removal of freight and passenger cars to and from sidings and rolling stock repair tracks;
- coupling and uncoupling of technically faulty cars;

- processing of shipping documents and preparation of documentation required for the formation, disassembly, receipt and dispatch of trains;
- technical inspection and maintenance of freight cars without uncoupling from a train, and technical inspection of passenger cars;
- routine uncoupling repairs of cars in the inventory fleet of railway administrations;
- recordkeeping and preparation of reporting and accounting documentation for railway transportation;
- dispatching of train traffic and shunting operations at stations;
- development of technological standards for the operation of stations and railway sections;
- development of train schedules;
- recording and input of transportation process indicators into the relevant information systems;
- calculation of the cost of railway transportation services; and
- organisation and planning of railway services, including the preparation of consolidated transportation plans regulated by decisions of the Council for Railway Transport of the Commonwealth Member States and the Organization for Cooperation between Railways.

Additional Services Provided on a Contractual Basis

- transfer of railcars between tracks;
- provision to carriers of additional information from railway information systems relating to transportation performance and the use of rolling stock;
- decoupling of technically faulty cars, followed by their subsequent coupling after routine uncoupling repairs on station tracks in accordance with the applicable formation plans and station operating procedures; and
- matching of railcars to shippers and consignees prior to delivery to sidings.

In addition to selling access to the mainline railway network, the Group's infrastructure services include the following activities:

- **Local Railway Line Operations.** The Group provides access to railway lines for various purposes, such as to allow trains to pass each other, for shunting operations, loading and discharging and layovers. In addition, the Group rolls out wagons and provides specialised mechanical equipment. The Group also arranges for various transportation services, which include customs clearance, warehousing, car and container supply and rebooking freight services.
- **Repair Services.** The Group provides repair services for its railcars and the railcars of third parties. The Group also repairs locomotives and railway lines and prepares locomotives for use during the winter and summer seasons.
- **Flushing of Wagons.** Flushing services are provided by the Group in order to prepare wagons for the loading of bulk oil. This activity is performed by the Group in the South Kazakhstan and Pavlodar regions (oblasts). The Group has installed purification facilities where it flushes

wagons in order to minimise the environmental impact of the activity. The Group's flushing activity is subject to annual inspection by the department of ecology of each of the South Kazakhstan and Pavlodar oblasts. See "*—Environmental Protection, Health & Safety—Environmental Policies*".

Support Services

Support services include providing locomotive supplies, water, heating, electricity and communication services. The Group also provides fuel oil and lubricants for the locomotives, as well as locomotive haulage services and arranges for locomotive brigades. Communication services include providing local, inter-regional and international communication, data transmission, audio/visual conferences, Internet access, circuit line rentals and mobile communication services. The Group creates integrated communication networks, fibre-optic and traditional wire communications networks and satellite and radio relay systems for use by rail operators. In addition, the Group collects and disposes of wastewater and maintains water supply systems.

Multimodal Transportation and Logistics Services

The Group is responsible to act as the national transport and logistics operator, in line with State economic programmes and initiatives, combining various transportation assets, including the Aktau seaport and the Khorgos dry port, among other logistical assets, with the intention of coordinating freight flows to promote efficiency to shorten transport times and competitive pricing for cargo moving across Kazakhstan. The Group performs the functions of the national transport and logistics operator through its wholly-owned subsidiary KTZ Express, which integrates multimodal transportation routes including railway, road and sea routes with a network of terminals and warehouses, as well as the cargo loading operations at strategic points that are key gateways to freight moving from or to China.

In the context of the transformation of the Group into a national transportation and logistics company, since 2015, a number of transportation and logistics infrastructure and assets were placed under the Group's management, including the Aktau seaport, the Khorgos International Centre of Boundary Cooperation and some of the airport network. In this connection, the Group entered into various trust management agreements in respect of certain Government-owned entities, including JSC Khorgos International Centre of Cross-border Cooperation, Kokshetau Aircompany, Petropavlovsk International Airport, Nursultan Nazarbayev International Airport, Kostanay International Airport, Shymkent Airport, Aktobe International Airport, Atyrau International Airport, Pavlodar Airport and Aktau seaport. The trust management agreements in respect of all such entities, save for Aktau seaport, have since been terminated. The assets are now owned and managed by the Ministry of Industry and Infrastructure Development. Pursuant to the trust management arrangements, the Group's role, which is exercised through the KTZ Express, is to manage and operate the relevant assets, while the ownership of such assets remains with the State. While management does not expect revenue from KTZ Express's infrastructure-related activities to have a material impact on the Group's core business or revenue composition in the medium-term, such activities are expected to support the Group's core business of freight railway transportation and, in particular, transit freight transportation.

KTZ Express has determined a number of priority projects, which it is currently implementing in line with the Government's intention to expand the "New Silk Road" trade route between European countries and China, as a faster more efficient alternative to the long sea route from China's Eastern coast to the Western states. A primary part of the "New Silk Road" is the entrance from China at the FEZ Khorgos where a dry port, which is 51%-owned by KTZ Express is expected to facilitate the movement of cargo to the EU, Turkey, the Baltic states and the Middle East. For further transportation to Turkey and the Black Sea coast and Persian Gulf states, the cargo can be moved from the dry port at FEZ Khorgos to the Aktau seaport by railway and handled in the Aktau seaport for shipping across

the Caspian Sea. In addition, KTZ Express owns two ships operating in the Caspian Sea to support its wider transportation and logistics activities. In addition, KTZ Express is actively involved in expanding the network of transport and logistic centres inside Kazakhstan, establishing transport and logistic centres and agent offices outside of Kazakhstan, arranging intermodal transportation and creating its own dry-cargo merchant fleet.

Establishment of a cargo air carrier

As part of the implementation of the instructions of the President of the Republic of Kazakhstan aimed at developing the country's transport, transit and logistics potential, measures are being undertaken to transform the Issuer into a national transport and logistics company with an expanded mandate, including the development of integrated transport and logistics services.

The Government of the Republic of Kazakhstan considers the development of air cargo transportation to be one of the strategic priorities for the transport and logistics sector. At an expanded meeting of the Government of the Republic of Kazakhstan held on January 28, 2025, the President of the Republic of Kazakhstan, Kassym-Jomart Tokayev, noted the significant potential of the global air cargo market and emphasized the importance of participation by Kazakhstani companies in this segment, as well as the further strengthening of the country's transit, transport and logistics potential. As a result, KTZ Air Cargo JSC was established on 28 October 2025. Its activities are focused on the development of the air cargo segment, the expansion of the Group's multimodal transport and logistics services, and the strengthening of the Republic of Kazakhstan's role as a transit and logistics hub between Europe and Asia.

In order to further develop KTZ Air Cargo JSC, efforts are underway to attract a private investor.

International partnerships

The Group is implementing a strategy to expand the international transport and logistics network, with the objective of strengthening the Republic of Kazakhstan's role as a transit hub between Asia and Europe. These initiatives integrate rail, maritime and warehousing services and focus on strategic routes, including the Middle Corridor and the TITR, and are intended to improve the efficiency of multimodal freight transportation across Central Asia.

KPMC Ltd. was established in the Astana International Financial Centre on 15 September 2022. On 4 October 2023, PSA Eagle Pte. Ltd. acquired a 51% shareholding in KPMC Ltd., following which the company was re-registered. KPMC Ltd. is currently owned by PSA Eagle Pte. Ltd. (51%) and JSC KTZ Express (49%). The company carries out logistics-related activities connected with trans-Caspian and international multimodal transportation.

Gulflink Ltd. was registered in the Astana International Financial Centre on 15 November 2024. Gulflink Ltd. is owned by International Maritime Investments Ltd., a subsidiary of AD Ports Group (51%), and JSC KTZ Express (49%). Gulflink Ltd. provides freight forwarding services and undertakes logistics-related investment and development activities, including in connection with North–South transit routes.

Expansion of Aktau Seaport

The Aktau seaport is one of the largest ports on the Caspian Sea and the only seaport in Kazakhstan, equipped for international shipping of different dry cargoes, crude oil and oil products. The Aktau seaport is the transport and logistic centre at the western gate of Kazakhstan. In November 2013, Samruk-Kazyna, the owner of the Aktau seaport, transferred the Aktau seaport to the trust management of the Issuer in order to facilitate the management of transportation and logistics through that port.

Accordingly, in 2013, the Issuer took control over the Aktau seaport, which is treated as a subsidiary (Aktau International Sea Commercial Port National Company JSC) and consolidated in the Group's financial statements.

In June 2016, KTZ Express commissioned a project to expand the Aktau seaport to the north, which aimed to increase the Aktau seaport's capacity from 16 million tonnes per year in 2016 to 19 million tonnes per year. Work has been completed on the construction of three cargo berths, a grain terminal (capable of storing approximately 60,000 tonnes) and a container area (capable of storing approximately 6,000 TEU), as well as open storage areas of over 100 thousand square meters. As at 31 December 2025, Aktau seaport's capacity has reached 11.8 million tonnes and it is capable of processing three vessels simultaneously.

The Aktau seaport is an integral part of the international transport corridors TRACECA and North-South corridor, providing access to the ports of the Caspian, Black Sea - Mediterranean and Baltic basins, the Persian Gulf and Southeast Asia. Cargo transportation from the Northern Terminal is mainly carried out in the direction of the ports of Iran, Russia, and Azerbaijan. The Group expects to use the Aktau seaport to enhance the efficiency and flexibility of the Issuer's freight transportation and logistics operations, including by optimising routing options and access to international export corridors. According to forecasts for the medium term, the main cargoes expected to be transhipped through the Aktau seaport are rolled ferrous metals, grain and transit freight from China, the Ural regions of Russia and the Persian Gulf countries. Within the framework of the Issuer's marketing policy, the Issuer is continuing to work on the diversification of the freight transported, as well as to attract new cargo flows.

Creation of a Network of Domestic and External Transport and Logistic Centres

Following the Group's appointment as the national transport and logistics operator, the Group, primarily through KTZ Express, has actively participated in the formation of an external and internal network of transport and logistic centres for the origin and distribution of cargo flows, including through the implementation of a roadmap for the integration of transport and logistic centre development projects with custom clearance zones with the Committee of State Revenues of the Ministry of Finance.

In January 2014, KTZ Express and the operator of the Lianyungang Port entered into a Joint Venture Agreement to construct and develop a new terminal at the Lianyungang Port, which is now the main point for the consolidation of cargo flows to and from Kazakhstan and the key transit port for the transshipment of goods to and from countries in South-East Asia, as well as China's inland ports. The favourable geographical location of the Lianyungang Port facilitates the export of Kazakhstan commodities, such as wheat which is shipped to Vietnam and Malaysia and ferroalloys, which are shipped to South Korea and Japan. It also facilitates transit of freight through Kazakhstan to third countries. See "*International Joint Ventures and Projects*".

Increasing the availability of fleet for fitting platforms

KTZ Express operates on 17 regular container routes, which connect to cities in China, including Zhengzhou, Wuhan, Chengdu and Lanzhou. In 2025, the annual volume of transit traffic was 1,380 TEU and the Issuer is targeting an increase in volumes of transit traffic through Kazakhstan in the direction of China - Europe to 745,000 TEU by 2030. See "*Kazakhstan's Economy and the Railway Industry in Kazakhstan—Kazakhstan's Economy—Economic Programmes and Initiatives*".

In order to increase the volume of container traffic, the Issuer is focused on increasing the availability of its fleet for fitting platforms. See "*Operating and Financial Review of the Group—Financial and Contingent Liabilities—Finance leases*". The Issuer believes that a larger number of 80-foot fitting

platforms will provide an economic benefit as such platforms have the capacity to load two 40-foot wagons, thus reducing the cost that is currently borne by the Issuer when such platforms return empty.

Pursuant to Contract No. 759/461/1-KP / 178-24 dated 3–5 July 2024 for the supply of 2,000 flatcars, a total of 1,627 flatcars manufactured by LLP ZIKSTO were accepted, comprising 205 40-foot flatcars and 1,422 80-foot flatcars for the transportation of large-capacity containers. As of the date of this Base Offering Memorandum, 373 flatcars under the contract remain undelivered, including 295 40-foot flatcars and 78 80-foot flatcars for the transportation of large-capacity containers.

On 12 March 2025, Agreement No. 7-C was entered into between JSC Industrial Development Fund, JSC KTZ Express, LLP ZIKSTO and the State Institution Committee for Railway and Water Transport of the Ministry of Transport of the Republic of Kazakhstan regarding cooperation in connection with the acquisition of 7,000 flatcars during the period from 2026 to 2030. In furtherance of this agreement, on 27 June 2025 Agreement No. 1026/630/1-KP/138-25 for the sale and purchase of flatcars was entered into between KTZ Express, JSC Industrial Development Fund and LLP ZIKSTO, providing for the supply of 2,700 flatcars for the transportation of large-capacity containers in 2026–2027, including 1,000 flatcars to be delivered in 2026 and 1,700 flatcars in 2027.

KTZ Express currently operates 2,140 units of 40-foot fitting platforms, 543 units of 60-foot fitting platforms and 4,476 units of 80-foot fitting platforms. See "*Operating and Financial Review of the Group—Financial and Contingent Liabilities—Finance leases*".

UTLC Eurasian Railway Alliance JSC

UTLC ERA is a joint stock company owned by the Issuer and the national railway companies of Russia and Belarus, formed with the aim of increasing the attractiveness of the Eurasian transit corridors in China, South Asia and Europe. As a result of this reorganisation, all three national railway companies own a 33.3% share in UTLC ERA. On 4 June 2019, a shareholder agreement was signed to reflect this arrangement. Mr. Koishibayev, a member of the Issuer's Management Board, and Mr. Meshcheryakov, a representative of the Issuer's interests (Managing Director for New Projects) serve on the board of directors of UTLC ERA. The authorized capital of UTLC ERA JSC is 98,127,000 Russian Roubles. The Issuer received dividends in cash from UTLC ERA of KZT 3,990 million and KZT 2,495 million in 2024 and 2023, respectively. The Group's activities in respect of UTLC ERA do not violate any applicable sanctions laws. UTLC ERA is currently operating normally, and its assets are not frozen.

At present, the Group is not aware of restrictions on the transportation of goods, including the transit of goods through Russia to the EU and other countries, and Russian ports on the Black Sea continue to operate. If restrictions are placed on the transportation of goods through Russia, the Group estimates that this could lead to a 17% decrease in freight transportation volume. In the event that the impact of sanctions is such that UTLC ERA is unable operate, the Issuer intends to put this project on hold and provide logistics services on the route through a subsidiary of KTZ Express. See "*Risk Factors—Operational Risks relating to the Group and its Business—The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions*".

Government Regulation and Tariffs

Government Regulation

As Kazakhstan's national railway company, the Issuer has a monopoly over providing services on the mainline railway network of Kazakhstan and, through its subsidiary KTZ-FT, is the dominant provider of freight transportation services and, as such, is regulated by the Natural Monopoly Committee under the Natural Monopoly Law and the Entrepreneurial Code of the Republic of Kazakhstan dated 29

October 2015 (the "**Entrepreneurial Code**"), which regulates, among other things, protection of competition. These laws, among other laws applicable to the Issuer, regulate all the Group's freight transportation tariffs, except for transit tariffs, which are subject to controls under the CIS Tariff Policy (as defined below), and are calculated based on the Unified Transit Tariff (as defined below) and the International Railway Transit Tariff (as defined below).

KTZ-FT, one of the Guarantors, is a member of the market of public importance in the sphere of freight transportation by rail and, as such, it is subject to Government oversight. The Natural Monopoly Committee approves the locomotive haulage tariff and the freight and commercial services tariff, as well as any increases thereof. The Natural Monopoly Committee may disallow proposed changes to such tariffs.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The position of the Issuer as a monopoly and the dominant entity, as well as the position of KTZ-FT as a member of the market of public importance, may result in adverse interference in the Group's operations".

Tariff Regulation and Pricing of Rail Transportation Services

The cost of transporting goods by rail is calculated as the aggregate of the following components: tariffs for mainline railway network ("**MRN**") services, locomotive traction ("**LT**") services, freight and commercial work ("**FCW**"), and charges for the use of freight wagons and containers. Tariffs are differentiated by type of traffic and are classified as regulated (intra-republican, export and import transportation) and non-regulated (transit transportation).

Regulation of MRN Services

Pursuant to the Law of the Republic of Kazakhstan "*On Natural Monopolies*", tariffs for MRN services are subject to state regulation and are approved by the Natural Monopoly Committee. MRN tariffs are approved for a five-year tariff regulation period and may be amended no more than once per year prior to the expiry of the applicable period, based on applications submitted by the Issuer.

Tariff formation and notification procedures are governed by the Rules for Tariff Formation approved by Order of the Minister of National Economy of the Republic of Kazakhstan dated 19 November 2019 No. 90 ("**Rules No. 90**"), pursuant to which:

- prior to approval of tariffs for a five-year period, the authorised body conducts public hearings, and the Issuer must notify consumers of the approved tariffs no later than 30 calendar days before their entry into force (paragraphs 24 and 31 of Rules No. 90);
- where an approved tariff is amended before the expiry of its validity period, the Issuer must notify consumers no later than five calendar days before the amended tariff becomes effective by publishing information on the reasons for the change and the approved tariff estimate on its website (clause 609 of Rules No. 90);
- decisions to change the tariff level must be published on the company's website within five calendar days from the date of such decision (clause 659 of Rules No. 90).

Information on MRN tariffs and changes is published on the official website of the Issuer.

Regulation of Locomotive Traction Services

Under the Entrepreneurial Code of the Republic of Kazakhstan, LT services are classified as services provided in socially significant markets. Tariffs for LT services are initially calculated by KTZ-FT, and maximum tariffs are set by the Natural Monopoly Committee. There are no statutory limits on the frequency of tariff changes; in practice, tariff revisions occur no more than once per year.

When changing the price level of regulated LT services, the authorised body conducts public hearings. In accordance with Article 94 of the Law of the Republic of Kazakhstan "On Railway Transport" dated 8 December 2001 No. 266-II, the carrier, represented by KTZ-FT, publishes information on tariff changes on its internet resource no later than ten days prior to their introduction.

Information on LT tariffs and changes is published on the website of KTZ-FT.

Wagon and Container Rental Services

Services relating to the rental of freight wagons and containers are not classified as natural monopolies or services of socially significant markets and are therefore not subject to state tariff regulation. Pricing is determined by market mechanisms in a competitive environment. Shippers may engage rolling stock from any operator, with more than 200 companies active in this market in the Republic of Kazakhstan.

Transit Tariffs

Rail transit transportation through the territory of the Republic of Kazakhstan is not subject to state price regulation and is conducted in accordance with the Tariff Policy of the Railways of CIS Member States ("TP CIS"), adopted annually at the Tariff Conference of the CIS states participating in the tariff agreement.

The TP CIS for the freight year is based on the International Transit Tariff and the Unified Transit Tariff, within the framework of the OSJD, of which the railway of the Republic of Kazakhstan is a participant. Transit tariffs are denominated in Swiss Francs, with quarterly conversion to U.S. Dollars.

Each CIS railway administration is entitled to reduce transit tariff levels by granting discounts or establishing special through rates. The Issuer may revise transit tariffs by granting discounts or increasing tariff levels up to twice annually.

The agreed tariff policy is intended to maintain a unified railway tariff space and to support the competitiveness of rail transport relative to other modes of transportation.

EAEU Tariff Framework

In order to implement the Treaty on the Eurasian Economic Union ("EAEU"), the Issuer applies unified tariffs for domestic, export and import transportation, as approved by the Natural Monopoly Committee, for rail transportation in transit through Kazakhstan:

- between EAEU member states in transit through the territory of another EAEU member state; and
- from the territory of an EAEU member state in transit through the territory of another EAEU member state to third countries via seaports of EAEU member states.

Regulated Tariff Increases

During the period from 2022 to 2024, the Government and the Administration of the President of the Republic of Kazakhstan approved tariff measures providing for a phased increase in regulated freight

tariffs by 24% over the three-year period 2024–2026, with additional revenues to be directed toward infrastructure projects for maintenance and capacity expansion of the railway network.

Pursuant to the order of the State Commission for Modernisation of the Economy of the Republic of Kazakhstan dated 18 November 2024, the Issuer is implementing measures to increase regulated MRN and LT tariffs by 24% per year for freight transportation during 2024–2026.

In 2024, regulated tariffs increased by 24%, including:

- MRN tariffs increased by 21%, comprising:
 - 4% from 1 January 2024;
 - 8.8% from 4 June 2024;
 - 7.8% from 6 December 2024;
- LT tariffs increased by 29.3%, comprising:
 - 13.3% from 20 September 2024;
 - 16% from 12 December 2024.

In 2025, regulated tariffs increased by 28%, including:

- MRN tariffs increased by 38%, comprising:
 - 2.6% from 1 January 2025;
 - 35% from 1 May 2025;
- LT tariffs increased by 14.2% from 1 June 2025.

As of the date of this Base Offering Memorandum, the Natural Monopoly Commission is considering an application submitted by the Issuer to increase MRN tariffs. The projected overall average increase in regulated tariffs for 2026 is estimated at 24%.

See "Risk Factors—Factors that may affect the Group's and/or the Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The position of the Issuer as a monopoly, as well as the position of KTZ-FT as a participant in a market of public importance, may result in adverse interference in the Group's operations".

Customers and Suppliers

Freight Customers

The Group had approximately 2,000 customers for freight transportation during 2025. The largest freight shippers are suppliers of coal, oil and oil products, metals, ores, chemicals, fertilisers and agricultural products. No single customer accounted for more than 1% of the Group's revenue from freight transportation for the years ended 31 December 2025, 2024 and 2023.

The following table identifies the Group's top ten customers (collectively comprising more than 53% of the Group's services) by volume of freight loaded, in tonnes and as a percentage of total volume of freight loaded:

		For the year ended 31 December		
		2025	2024	2023
Customer	Product	<i>(millions of tonnes)</i>		
Bogatyr Komir LLP	Coal	43.7	42.2	41.9
Kazakhmys Group of Companies	Coal, nonferrous metal ores, chemicals and sodium carbonate, nonferrous metals, ferrous metals, iron ore	17.5	17.6	18.1
SSGPO JSC	Iron ore	10.5	10.4	11.2
EEC JSC	Coal	18.8	18.5	18.2
Shubarkol Komir JSC	Coal	15.2	13.6	12.9
ArcelorMittal Temirtau JSC	Coal and ferrous metals	8.4	7.2	6.8
Aluminium of Kazakhstan JSC	Nonferrous metals and limestone for fluxing	7.8	7.9	7.4
Karazhyra (Vostokugolprom) JSC	Coal	6.1	7.1	7.1
TNK Kazchrome JSC	Ferrous ore, ferrous metals	5.8	5.7	5.2
"BATYS TRANS GROUP" LLP	Oil products	4.6	4.8	4.6
Total for top ten customers		138.4	134.9	133.3
Other customers		118.4	112.5	113.9
Total		256.8	247.4	247.2

Transit freight transportation payments are made in advance upon entrance of the freight to the territory of Kazakhstan. The payment for intercity, inter-regional and international export transportation is made in advance, while payment for international import is made upon arrival of the freight. Payments can be made in cash at the freight pay offices of railway stations or by electronic funds transfers. The waybill is executed with a consignor for each freight transportation, which, under Kazakhstan law, is regarded as a transportation contract.

The Group contracts with freight forwarding companies for one year with advance payment conditions.

The Group is responsible for damage or loss of freight during its transportation, unless it can prove that such damage or loss was not the fault of the Group. Any shipping customer wishing to make a claim for damages or loss must do so in accordance with the procedural requirements set forth under the Agreement on International Goods Transport by Rail, Instruction on Acts and Claims Activity at Railways of the CIS and Balkan States and Order of the Issuer No. 107-143 dated 9 June 2006. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group faces numerous operating risks that may result in loss and additional expenditures, which may not be fully covered by insurance*". The Group is required to provide security services for transportation of certain goods, such as food products, alcoholic and non-alcoholic beverages, tobacco and industrial tobacco substitutes, pharmaceuticals, fuels, fertilisers, various chemicals, wood, paper and paper products, cotton and glass.

Suppliers

As the Issuer is a wholly owned subsidiary of Samruk-Kazyna, the Group procures goods, works and services in accordance with the Procedure for Procurement by Joint Stock Company National Welfare Fund Samruk-Kazyna and Legal Entities Fifty or More Percent of the Voting Shares (Participatory Interests) of Which Are Directly or Indirectly Owned or Held by Samruk-Kazyna JSC (the

"**Procurement Procedure**"), approved by the decision of the Board of Directors of Samruk-Kazyna JSC No. 193 dated 3 March 2022.

The Procurement Procedure entered into force on 1 April 2022 and applies to Samruk-Kazyna companies in which Samruk-Kazyna directly or indirectly holds a controlling interest or exercises trust management. It establishes the principles and procedures governing procurement activities.

The Procurement Procedure has been amended from time to time. Recent amendments have focused on reducing the use of single-source procurement, limiting intra-group procurement, and increasing the use of digital procurement tools. Financial control mechanisms have been automated, including the transition from paper-based to electronic bank guarantees and the introduction of bid security payments through an electronic wallet system.

To support domestic producers, the procurement threshold for purchases through the electronic store has been increased from 4,000 to 20,000 monthly calculation indices. An offtake contract mechanism providing for long-term purchase commitments from Kazakhstani manufacturers has also been introduced. The Procurement Procedure includes mechanisms for monitoring domestic value in procurement, with the objective of increasing the share of domestic content in purchased goods, works and services. These changes have affected the Group's procurement practices.

The Procurement Procedure provides for the following supplier selection methods:

- open tenders;
- requests for quotations;
- procurement through an online store; and
- single-source procurement.

Supplier contracts are generally concluded on an annual basis at the prices offered by the winning bidder. Under the Procurement Procedure, prices under contracts concluded with manufacturers may be adjusted if, between the date of the contract (or the previous price adjustment) and the delivery date of the goods specified in the contract, the total cost of raw materials and/or components required for production increases by more than 10% and/or tariffs affecting the pricing of the relevant goods increase. Such price adjustments may be made no more than once per quarter and no more than twice per year.

As a general rule, supplier contracts do not require advance payments. An exception applies to organisations representing people with disabilities and manufacturers included in the register of Kazakhstani manufacturers maintained by the authorised state body for industrial development, which are entitled to receive an advance payment of up to 30%.

Suppliers are usually required to provide performance security for their contractual obligations in an amount not exceeding 5% of the contract value. If a supplier fails to perform its contractual obligations, the Group may apply the security to compensate for resulting losses.

Competitive procurement methods, including open tenders, requests for quotations and online procurement, are used for a range of purchases, including railway track repair and reconstruction works and major and depot repairs of freight wagons.

Non-competitive procurement methods include single-source procurement, including intra-group procurement, where suppliers are selected from within the Group. Significant purchases made using

this method include rail freight transportation services, locomotive traction services and security services.

Diesel fuel and electricity are procured under a special procurement procedure. Other types of fuels and lubricants are primarily acquired through intra-group procurement, with the remaining volumes purchased through open tenders.

The Group's main procurement items include fuel and lubricants, locomotives, freight wagons and track superstructure materials. Key suppliers include Firma Bent LLC, Kazshpal JSC, RWS Wheelset LLC, PROMMASH.KZ LLC, Kentau Transformer Plant JSC, Prommashkomplekt LLC, Tribo LLC, and other suppliers.

International Joint Ventures and Projects

The Issuer has entered into a number of joint ventures and cooperation arrangements in connection with its transport and logistics activities.

- KPMC Ltd. is a joint venture established in 2023 with PSA Eagle Pte. Ltd. (Singapore). The company is engaged in logistics-related activities connected with the TITR, including the development of digital logistics solutions and cargo handling services.
- Middle Corridor Multimodal Ltd. was established in 2023 jointly with the railway administrations of Azerbaijan and Georgia, with CRCT (PRC) joining as a participant in 2025. The company is involved in the organisation of multimodal transportation services along the Trans-Caspian Route, including tariff coordination and operational arrangements.
- Gulflink Ltd. is a joint venture established in December 2023 with entities affiliated with AD Ports Group (UAE). The company provides freight forwarding and logistics-related services, including in connection with North–South transit routes.
- China–Kazakhstan Trade and Logistics Company LLC (Xi'an) was established in 2023 jointly with Xi'an Free Trade Port (PRC). The company operates a logistics terminal (dry port) in Xi'an, providing warehousing and cargo handling services.
- Aktau International Container Hub (AICH) was registered in November 2024 as a joint venture with Lianyungang Port Group (PRC). The project relates to the construction and operation of a container terminal at the port of Aktau.
- Kazakh–Chinese Trade and Logistics Company (Almaty) Ltd. is a joint venture with Xi'an Free Trade Port (PRC). The company operates the Zhetysu logistics hub in Almaty, which commenced technical operations in June 2025.
- UTLC ERA JSC is a joint venture established on a parity basis with Russian Railways and Belarusian Railways and is engaged in organising transit container transportation on the China–Europe–China route.

The Issuer also cooperates with a number of international suppliers and technology providers in connection with rolling stock, infrastructure and information systems, including Stadler, Wabtec, Alstom, CRRC, Huawei, PSA (Global DTC) and Deutsche Bahn, primarily under supply, maintenance, technology implementation and advisory arrangements.

International Co-operation

Kazakhstan, and the Issuer, as the case may be, are members of various international transportation organisations, such as the Economic Cooperation Organisation (the "ECO"), the International Union

of Railways (the "UIC"), the OSJD, the Board for Railway Transportation of CIS Country Members (the "BRT CIS"), the EEU, the EBRD and the WTO.

The ECO

In 1992, Kazakhstan became a member of the ECO. The ECO was founded in 1985 as a successor to the Organisation of Regional Cooperation for Development and is aimed at securing cooperation for assistance in social, economic, technical, scientific and cultural spheres. Kazakhstan's priorities within the ECO include the development of transportation and communications, trade, energy and the fight against drugs. The Issuer is actively involved in developing an international passenger and container transportation line through Almaty, Tashkent, Tehran and Istanbul using the Trans-Asian Railroad, as well as constructing a railway line through Kazakhstan, Turkmenistan and Iran.

On 26 November 2021, Kazakhstan, Iran and Turkmenistan signed a trilateral memorandum of understanding to expand their railroad cooperation in order to boost container transit volume between the three states, which are linked by the 917.5 kilometres Kazakhstan-Turkmenistan-Iran railway. According to the new memorandum, a joint working group will be formed aimed at increasing the container transit volume passing through this route.

The UIC

The Issuer has been a member of the UIC since 2003. The UIC is a Paris-based organisation uniting railway operators from more than 90 countries and five continents. The UIC's principal purpose is to promote the improvement of technical means and operation of the railways. The Issuer is an active member of the UIC's Executive Council and its Asian Regional Assembly. The President of the Issuer is a Deputy Chairman of the Asian Regional Assembly.

The OSJD

The OSJD was established in 1956 and unites transportation ministries and central state agencies administering railway transportation in countries across Europe and Asia. The OSJD is dedicated to developing and improving international rail transportation between Europe and Asia. The OSJD also encourages co-operation on issues related to economic, informational, scientific, technological and environmental aspects of rail transportation.

The BRT CIS

The BRT CIS is a co-operative organisation between railway administrations in the CIS and Baltic states. The BRT CIS was created in 1992 with the purpose of coordinated performance of railway operations on an international level. The BRT CIS retains and develops common information, provides unified tariff policy and implements legal bases, which support interstate railway communication.

The Customs Union and Eurasian Economic Union

A Customs Union between Kazakhstan, Russia and Belarus was established on 1 January 2010, which marked an important milestone in regional integration. The Customs Union envisaged a unified customs territory within which customs tariffs and economical limitations are not applicable to mutual trade between entities of member states, except for certain protective, antidumping and compensational measures.

The Customs Union's Customs Code of July 2010 incorporated a common external tariff structure (with a number of temporary exemptions) based largely on established Russian tariffs. The objective of the Customs Union was to harmonise and simplify standards, while reducing the costs of trade through the elimination of border controls within the Customs Union.

Within the framework of the Customs Union, and following the removal of border customs between the member states in July 2011, Kazakhstan, Russia and Belarus established the SES.

In 2014, Kazakhstan, Russia and Belarus entered into the treaty establishing the EEU, which came into force in January 2015. This treaty incorporated the SES into the EEU's legal framework. The EEU provides for the free movement of goods, services, capital and labour and pursues co-ordinated, harmonised and single policy in specified sectors of the economy, including the transport, technology and customs regulation sectors. The main objectives of the EEU are to enhance the competitiveness of the member states' economies, increase co-operation among member states and promote stable development in order to raise standards of living in all member states. In 2015, the EEU was enlarged to include Armenia and the Kyrgyz Republic.

In the context of implementation of the treaty establishing the EEU, a coordinated transport policy for member states was agreed, which sets out the general principles for the functioning of the transport industry in the context of integration, which aim to ensure the effective use of member states' transit potential and to develop Eurasian transport corridors.

In 2017, the member states of the EEU approved a new Customs Code, which entered into force in January 2018. The new Customs Code provides for the full transition to electronic customs declarations, a reduction in the time required for customs clearance of transit goods from one working day to four hours and a 50% reduction in the time permitted for customs authority inspections from 10 days to five days. The Issuer expects the new Customs Code to enhance Kazakhstan's export potential, shorten customs administration periods and to accelerate the Group's delivery times for transit goods.

See "*Government Regulation and Tariffs—Freight Tariff Regulation and Pricing—Transit Freight Tariffs*".

The EBRD

Several of the Group's projects are financed by loans obtained from the EBRD. See "*Operating and Financial Review of the Group—Liquidity and Capital Resources—Borrowings*".

Competition

Competition with Private Operators

The Group is a natural monopoly in the provision of mainline rail network services and holds a dominant position in freight and passenger rail transportation, as well as in wagon handling, terminal, transshipment and freight forwarding services.

Approximately 300 private wagon owners operate in the Republic of Kazakhstan in the wagon and container handling and wagon leasing market, with a total fleet of approximately 147,000 wagons. The wagon loading market share of the subsidiary of the National Railway Company is 42%. The largest wagon owners are major freight companies that initially developed their wagon fleets to meet their own transportation needs. Major private wagon operators include Transkom LLC, Istkomtrans LLC, Bogatyr Trans LLC, Petroleum LLC and others.

The main private competitors from neighbouring countries are JSC Federal Freight Company and OJSC First Freight Company, both Russian wagon companies. Their share of the volume of cargo loaded in Kazakhstan is relatively small compared to the volume of cargo transported in the Group's freight cars.

The Group's freight turnover (including the mileage of empty wagons, privately owned and leased by the Group) amounted to 88% of total freight turnover in Kazakhstan across all modes of transport

(excluding pipelines) for the year ended 31 December 2025, compared to 89.7% for the year ended 31 December 2024.

From 2018 to 2022, a pilot project to provide access to rail infrastructure for two private freight carriers was conducted in Kazakhstan under the supervision of the authorised body. Based on the results of the pilot project, work is ongoing to improve tariff policy for freight transportation and international railway services. The two private freight carriers that participated in the pilot project currently operate alongside the National Freight Carrier on limited routes within the Republic of Kazakhstan. As of the end of 2025, the combined share of private freight carriers in total freight turnover was 5%.

In addition to the national passenger carrier, Passenger Transportation, private carriers also provide passenger transportation services in Kazakhstan. In 2025, there were 13 private passenger carriers, with a combined passenger turnover share of 29%. The national passenger carrier provides international and domestic passenger rail transportation services, while private passenger carriers provide domestic passenger transportation services.

Approximately 78% of passenger routes in Kazakhstan are operated by the Group. As at 31 December 2025, the Group operates on 101 international and inter-regional routes and 60 inter-regional and intercity and suburban routes. Because the Group's passenger transportation operations are not profitable, it receives grants in respect of its passenger transportation services from the Ministry of Industry and Infrastructure Development and local authorities. See "*—Transportation Services—Passenger Transportation*".

See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—Each of the Group and the railway industry in Kazakhstan has undergone and is continuing to undergo restructuring, which will require the Group to adapt and will likely result in a more competitive environment.*"

Competition with Other Modes of Transportation

Rail transportation competes favourably with other modes of transportation in terms of regularity of service, safety, speed and cost. The Kazakhstan railway system has a high carrying capacity at a relatively low cost for freight and passenger transportation and generally operates despite adverse weather conditions. For the year ended 31 December 2025, revenue from Government grants was KZT 43,275 million, as compared to KZT 41,124 million for 2024 and KZT 38,912 million for 2023. The railway system ranks third behind that of air and road transportation with respect to the speed of freight delivery. The railway transportation system also ranks third behind water (river) and pipeline transportation in terms of freight transportation costs.

The following table sets forth certain information published by the National Statistics Bureau regarding freight turnover in Kazakhstan by transportation type for the year ended 31 December 2025:

Type of Transportation	For the year ended 31 December 2025	
	Million tonne-kilometres	Percentage (%)
Railway ⁽¹⁾	361,265.2	61.8
Pipeline	173,599.2	29.7
Road	47,441.8	8.1
Water	72.7	0.0
Marine	1,860	0.3
Air	73.2	0.0
Total	584,312.3	100

Note:

(1) Freight turnover data provided by the Issuer.

The following table sets forth certain information published by the National Statistics Bureau regarding passenger turnover in Kazakhstan by transportation type for the year ended 31 December 2025:

Type of Transportation	For the year ended 31 December 2025	
	Million passenger-kilometres	Percentage (%)
Railway ⁽¹⁾	15,792.9	17.8
Motor vehicles and Urban electric transport	43,158.9	48.5
Air	29,960.3	33.7
Water (river)	4.7	0.0
Marine	0.1	0.0
Total	88,916.9	100

Note:

(1) Passenger turnover data provided by the Issuer.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—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".

Transportation by Pipeline

The substantial majority of oil produced in the Caspian Basin is transported via the pipeline network, and, in recent years, the volumes of crude oil transported by the Group has become immaterial, with almost all crude oil transported through oil pipelines. However, this pipeline competition only applies to crude oil, which is not currently a significant portion of the Group's total freight volumes. The transportation of oil products, which comprises the vast majority of the Group's liquid cargoes volumes cannot be transported by pipeline.

Transportation by Air

Air transportation is a high-speed service that provides short delivery times for freight and passenger transportation. Kazakhstan is serviced by 21 airports, of which the airports of Almaty, Shymkent and Astana bear most of the freight and passenger transportation load. According to data published by the National Statistics Bureau, the level of freight and passenger transportation in Kazakhstan has increased in recent years. In 2025, 31.8 million passengers travelled through Kazakhstan airports, as

compared to 29.7 million in 2024. The volume of freight transportation handled by Kazakhstan airports has also increased from approximately 173.3 thousand tonnes in 2025 and 170.9 thousand tonnes in 2024. Air transportation, however, is generally more expensive than other modes of transportation and is subject to weather conditions. In addition, air transportation is more limited by the weight and dimension of the freight being carried than other modes of transportation.

Transportation by Road

According to data published by the National Statistics Bureau, Kazakhstan had approximately 95,767.8 kilometres of roads as at 31 December 2025. Much of the road network in Kazakhstan was constructed during the Soviet era and has significantly deteriorated since that time due to inadequate maintenance. Further, Kazakhstan has a poor road safety record with the number of accidents and fatalities increasing in recent years, as reported by the World Bank. The Government have implemented a number of initiatives, including the Infrastructure Development Programme, to improve the conditions of Kazakhstan's road network and, thereby, enhance the development of international and regional trade, as well as the access of rural communities to essential public services and work opportunities.

Despite the poor condition of the Kazakhstani roadway system, freight delivery by way of roads is often faster than by rail due to the more extensive road network and the ability to provide door-to-door service without the need to use other transfer operations. In addition, trucking companies may efficiently deliver smaller freight quantities, compared to that of rail delivery. Further, road transportation operations require lower capital investments with respect to the development of small passenger and freight flows over small distances, as compared to capital investments required for rail transportation.

Transportation by Water

According to data published by the National Statistics Bureau, Kazakhstan had over 3,500 kilometres of internal navigable water routes as at 31 December 2025. Water transportation offers high transport capacity and low carrying costs, especially with respect to bulk freight. Despite such advantages, water transport is subject to differences in transport times and increased fuel costs that depend on whether freight is being transported with or against the current. Water transportation is generally slower than other modes of transportation and transportation by boat is subject to changes in weather conditions.

Environmental Protection, Health & Safety

Environmental Policies

The Issuer conducts its operations in accordance with Kazakhstan environmental legislation, the Environmental Code, the Law on Railway Transport and other laws, regulations and international conventions. The Issuer believes that it is in compliance with all applicable Kazakhstan environmental protection regulations. Since 2014, the Group has not been subject to any material fines, although the Group has been assessed and has paid nominal fines for minor emissions infractions.

The Issuer monitors its production processes and hazardous emissions through the use of industrial ecological control and management systems. These controls enable the Issuer to make environmental management decisions and to formulate environmental and ecological policies associated with protecting the environment, regulating the production process, minimising the effect of the production process on the environment and public health and increasing efficiency with respect to the use of energy and natural resources.

In line with applicable law and regulation, the Issuer undergoes a mandatory energy audit at least once every five years, following which measures are developed to save and improve energy efficiency and to contribute to the reduction of annual costs for fuel and energy resources. In 2023, as a result of an

energy audit, the Issuer adopted measures to be implemented between 2021 and 2024 with the potential of saving 4,973.8 tonnes of fuel equivalent, or 4.0% of the total consumption of fuel and energy resources, as compared to 2015 levels.

The Group annually reviews its environmental plans to minimise the impact that its business operations have on the environment and to take into account Government initiatives, including green economy initiatives. The Group's current environmental strategy includes, among other things: (i) equipping sources of emissions with cleaning equipment; (ii) reconstructing sewage treatment facilities; and (iii) developing regulatory and environmental policies and documentation.

Examples of measures being implemented by the Group to reduce the negative impact of rail transportation on the environment include:

- the introduction of "Evolution series" locomotives, which have reduced emissions of pollutants (by more than two times compared to old model diesel locomotives);
- the purchase of new passenger cars equipped with closed-type toilets (to eliminate bacterial contamination of railway tracks);
- the conversion of boiler houses from solid to gaseous fuel and the connection of the heating at industrial buildings to city centre heating supplies, which helps to reduce air pollution from stationary soils;
- installation of dust and gas cleaning stations in boil-houses (at Tobol station);
- the treatment of oil-contaminated soil with biological solutions (in Almaty);
- the transfer of certain railway stations to electric heating and the replacement of mercury lamps with LEDs.

On 6 November 2020, the Issuer's Management Board approved the Guidelines for the Environmental Management System in the Group. These guidelines define the basic principles of the Group's environmental protection activities. On 16 May 2023, the Management Board of the Issuer approved updated Guidelines for the Environmental Management System applicable to the Issuer and its subsidiaries (minutes No. 02/13), reflecting further development and enhancement of the Group's environmental management framework.

As a result of efforts undertaken by the Issuer, in 2025, emissions of pollutants were 4,543 tonnes, reflecting a decrease from 4,749 tonnes in 2024. The Group implemented an integrated information system for the management of emissions of pollutants into the atmosphere from stationary sources, which automates calculation of environmental emissions of pollutants permitting accurate calculations, reducing the risk of fines and reducing human error in calculations.

In 2025, the Issuer took the following steps to reduce emissions of pollutants: (i) renovation of rolling stock, including the purchase of passenger cars with combined heating systems and the phased withdrawal of outdated cars; and (ii) transition to electric heating at a number of facilities of KTZ-FT and at the branch of the Issuer – Directorate of the Backbone Network.

The Issuer has an integrated management system (the "IMS"), which is certified for compliance with the requirements of ISO 9001, ISO 14001, ISO 50001 and ISO 45001.

In 2025, independent contractors, Intercertifica-TÜV LLC together with TÜV Thüringen, confirmed that the Group's Environmental Management System complied with the requirements of ISO

14001:2015 "Environmental Management Systems" and that the Group's Energy Management System complied with ISO 50001:2018 "Energy Management Systems".

The Group allocates approximately KZT 900 million annually for environmental protection activities, including to enter into contracts with third party specialist organisations for waste disposal and measurement of environmental pollution, develop permit documentation, train relevant personnel, purchase environmental insurance and to conduct landscaping and infrastructure development.

Health and Safety

According to statistics prepared by the automated system "Traffic Safety Auditor", in 2025, out of a total of 657 traffic safety violations in the transportation sector, the Group was responsible for 121 violations (or 18%), as compared to 132 traffic safety violations in 2024 and 138 traffic safety violations in 2023.

The Group experiences minor derailments from time to time, often due to technical faults in the rolling stock (sometimes owned by other railway companies). These derailments occasionally result in damage to the rail track or cargo spillages, which, particularly in the case of oil spills, can cause environmental damage in the area proximate to the derailment. All such derailments are reported to the appropriate governmental authorities.

One of the Group's priority tasks is improving the safety of people working at railway facilities and reducing injuries. In 2025, there were 65 accidents (as compared to 88 in 2024), including five fatalities (as compared to nine in 2024), and 18 cases that resulted in a disability (as compared to 13 in 2024). The average rate of incidence of registered incidents with a loss of ability to work across the Group was four in 2025 (as compared to five in 2024) and related financial liabilities amount to KZT 481,480 million in 2025 (as compared to KZT 461,984 million in 2024).

The following table sets forth details of industrial injuries for the years indicated:

	For the year ended 31 December		
	2025	2024	2023
Fatal outcome.....	5	9	6
Hard outcome (i.e., permanent disability)	18	13	17
Mild severity outcomes	4	5	11
Total	27	27	34

The Committee on Safety and Environmental Protection of the Issuer's Board of Directors analyses accidents that occur during the Group's business activities and makes recommendations for improvements to the Group's processes and rules regarding safety. Since December 2020, the Issuer has implemented an automated and integrated safety management system, which allows for the digitalisation of occupational safety management.

The Group implemented a number of measures in 2020 aimed at reducing occupational injuries, including: (i) involvement of working groups in tackling the issue of safety when working with increased danger (i.e., at height, in a confined space etc.) and developing profile instructions and preventative memoranda for production personnel; (ii) approval of a comprehensive action plan to prevent rolling stock collisions with employees for 2020-2022 by the Committee on Safety and Environmental Protection; (iii) holding forums on industrial safety of the Group at which the practice of leading companies in Kazakhstan and foreign partners was studied and it was determined to set up a "Club of Business Partners" to allow the sharing of health and safety best practices among partners; (iv) amending the Group's labour remuneration rules for the Issuer's branches to encourage employees

to use proactive safety tools; and (v) updating the corporate standard "Incident Management with the Determination of their Root Causes", which facilitates the circumstances and conditions of occurrence of the immediate causes of an accident. Since 2022, the Group has continued to develop a systematic and proactive approach to occupational health and safety management. The Group operates a centralised health, safety and environment management system, which includes regular monitoring of key performance indicators, internal reporting and management oversight. Contractors engaged by the Group are subject to established industrial safety requirements, including inspections and audits to assess compliance with applicable standards.

The Group continues to take steps aimed at reducing occupational injuries. Since 1 January 2023, the Group has placed increased emphasis on preventive measures, including conducting regular occupational risk assessments, providing training and instruction to staff, and implementing behavioural safety practices (including behavioural safety dialogues) aimed at preventing incidents and analysing potentially dangerous situations (which include near misses).

The Issuer also implements initiatives designed to develop a safety culture, including the annual holding of health and safety forums and cognitive-behavioural therapy training, with the aim of increasing employee engagement and promoting a zero-tolerance approach to violations of occupational safety requirements. Each incident is subject to a detailed investigation, including an analysis of root causes and the development of corrective measures (including so-called "Lightning bolts" and bulletins).

In addition, the Group has implemented a digital platform for the automation of industrial safety processes. This platform includes a mobile application that enables employees to report instances of non-compliance with applicable health, safety and environmental regulations.

Significant Licences

The Issuer conducts its business operations under various licences authorising a full range of railway-related activities. In particular, the Issuer holds licences for the transportation of freight and hazardous materials; for certain expert works and engineering services, including planning, designing, surveying, building and installation; for project engineering of communication channels and telephony; for environmental permits and licences relating to the transfer and distribution of electric energy; for the manufacture and repair of weightlifting devices; for the use of radioactive equipment; for the acquisition and use of explosives; and for the use of equipment and installations that generate ionising radiation.

KTZ-FT holds required freight transportation licences. In May 2021, KTZ-FT renewed its five-year licence authorising the transportation of precursors. In addition, in 2022, KTZ-FT obtained a five-year licence, authorising the transportation of nuclear and radioactive materials and substances, including radioactive waste within Kazakhstan.

Except for licences for the transportation of precursors and transportation of nuclear and radioactive materials and substances, including radioactive waste, which are issued for five-year periods, the Group's licences are generally of perpetual duration and are almost all subject to annual or quarterly reporting requirements with respect to the activities performed under the respective licences. Passenger Transportation does not require a licence in respect of its passenger transportation services. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group's operations depend on obtaining and maintaining licences and permits necessary for the operation of its business*".

Insurance

The insurance market is still in the early stages of development in Kazakhstan. Similar to many other state-owned enterprises in Kazakhstan, the Group maintains limited insurance coverage. The Group holds the required statutory minimum insurance coverage with respect to automobile insurance, employer liability insurance, environmental insurance and passenger insurance for personal injury, death and loss or damage to passenger property. Insurance policies that are maintained by the Group are purchased from commercial insurance operators in Kazakhstan.

The Group maintains insurance coverage in accordance with rules of cooperation between the Issuer and its subsidiaries with respect to insurance coverage that are approved by the Issuer's Management Board from time-to-time (the "**Insurance Programme**"). The Insurance Programme was drawn up on the basis of the corporate standard for insurance protection adopted by Samruk-Kazyna and applied in respect of legal entities in which Samruk-Kazyna directly or indirectly holds more than a 50% participatory interest, as approved by the Management Board of Samruk-Kazyna on 8 November 2018. Except for certain types of voluntary insurance that exceed U.S.\$10.0 million (or the Tenge-equivalent as at the relevant date) per policy and are required to be included in a corporate reinsurance programme established by the Issuer and agreed with Samruk-Kazyna, subsidiaries of the Group are authorised to purchase mandatory and voluntary insurance at their own discretion within their budgets, provided they meet the requirements set forth under the Insurance Programme. In addition, the Group is included in Samruk-Kazyna's policy for voluntary liability insurance of officials, which covers sums up to KZT 4,200 billion, or U.S.\$10.0 million.

While subsidiaries of the Issuer insure their respective rolling stock, the tracks and rails owned by the Group are not insured and, in general, the Group's infrastructure assets are not insured, unless insurance is required pursuant to relevant financing agreements.

The Group carries the risk of loss in respect of the freight it transports, assuming the consignor has properly prepared the freight so that it can be transported safely and the consignee handles the freight properly upon delivery. The Group may also be responsible for the security of the freight it transports where it has been hired to provide security services in respect of the freight. The Group may also be exposed to potential liability to its customers if the freight it transports is not timely delivered. The Group intends to take out additional insurance policies in respect of such risks.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group faces numerous operating risks that may result in loss and additional expenditures, which may not be fully covered by insurance".

Information Technology

The Group relies on its information technology systems to, among other things, increase the efficiency of its railway operations. These systems include:

- an operational management system used to process data from the Issuer's trains and information relating to train, locomotive, wagon and container operations;
- a system of real-time mode automatic dispatcher control over energy demands by the traction rolling stock in comparison with the actual work performed, including with respect to the distances of the route, the weight of freight, the length of the train and the grading of track, which is linked to the traffic schedule;

- an integrated system of passenger transportation management that monitors ticket and cash operations;
- a complex processing system used to produce the transportation contract, one of the most important railway documents, which allows the Issuer to calculate the volume of rail turnover for any given route;
- an integrated processing system that produces locomotive haulage data and reports on crew performance and locomotive haulage, all of which can be monitored by the Issuer in real-time;
- an interactive information system of fieldwork controls that allows the Issuer to introduce, process and record the information into a single database, calculate daily balance availability of railcars and issue certificates for the Issuer;
- an internal book-keeping and accounting system for the Issuer;
- a corporate information portal containing information resources regarding the Issuer;
- an automated management system of track facilities, alarms and communications and power supply infrastructure;
- an integrated system of yard operations management, which automates commercial and technical survey processes, the reading of numbers and controls over yard wagon fleets, the planning and recording of fulfilment of yard assignments using systems of intelligent video monitoring and hybrid technologies, and transfers of technological documentation in electronic format;
- an integrated system regulating train movements using high speed digital radio standards of data transmission that minimises trackside assets and increases train effectiveness rates, which is in the process of being implemented); and
- an automated management system for contract and commercial work, through which all requests for freight transportation are collected electronically, thereby optimising the documentation process through the automatic compilation of freight transportation plans and reports, and international exchanges of information relating to exports, imports and transit transportation.

The information technology development strategy of the Issuer has been updated for the period from 2026 to 2030. Following an audit of the IT landscape and a cyber audit of the Group's IT systems conducted by BTS Digital LLP in the second half of 2025, a draft updated IT strategy has been prepared and is currently undergoing internal review and approval, including consideration by the Board of Directors.

The IT strategy forms an integral part of the overall business strategy and is intended to support the achievement of the Group's key corporate development objectives through 2029. The principal priorities of the IT strategy include improving operational efficiency, enhancing customer satisfaction, ensuring train safety, supporting sustainable development and developing human capital and organisational capabilities.

The primary objective of the IT strategy for the period from 2026 to 2030 is the creation of a holistic, scalable and secure IT architecture capable of supporting the implementation of digitalisation initiatives across key areas of the Group's activities, including traffic and safety management, asset and infrastructure management, freight and passenger transportation, capital construction and corporate functions.

The IT vision assumes that, by 2030, the IT function will support digital management of major business processes through the use of data, analytics and integrated systems. In this context, the IT function is expected to evolve from a fragmented and predominantly support-oriented model into a strategically managed function responsible for developing a modern digital architecture and ecosystem of technological solutions. This architecture is intended to integrate transportation, infrastructure, asset management, finance and customer services and to serve as the technological core of the Group's operating model, supporting process continuity, operational efficiency and safety.

The transition to a unified IT architecture, shared data environment and end-to-end processes is intended to transform IT from a collection of separate systems and services into an integrated technological environment providing the Group and its subsidiaries with modern, reliable and secure digital tools.

The IT strategy and the development of the target IT architecture are based on a set of interrelated principles aimed at ensuring strategic consistency, technological integrity and operational sustainability. These principles underpin the Group's approach to technology development, business process improvement and capability building and form the basis for the implementation of the IT strategy. They are directed toward achieving key digital development objectives, including increased efficiency, transparency and organisational maturity, through initiatives such as "End-to-End Planning", "Digital Transportation", "Digital Asset Management", "Digital Express", "Digital Capital Construction" and the digitalisation of corporate processes.

As at the date of this Base Offering Memorandum, the Group is implementing a number of digital projects aimed at automating operational processes and enhancing the transparency of management decision-making, including:

- National Passenger Transportation Management System, aimed at enabling independent management of passenger transportation activities, digitalising core business processes and reducing reliance on external service providers for system development and modernisation.
- Replacement of ASOUP, designed to support transportation management decision-making at all management levels through automation of core technological processes for train and wagon flow management across the network.
- Hardware and software complex "Alatau", intended to automate the development of variant and standard train schedules, including the digitalisation and structuring of regulatory and reference data, technical and administrative documentation, regulatory constraints and infrastructure and traction parameters.
- Automation of wagon distribution processes through a unified digital wagon fleet platform, aimed at automating the full wagon fleet management cycle, including accounting, certification, repair planning and optimisation of maintenance costs.
- Automation of planning processes through ASU DISP, designed to assess infrastructure capacity for planned cargo flows, monitor infrastructure assets and track the operational condition, workload and capacity of railway network facilities.
- Traffic Safety Assistant, aimed at digitalising the planning and monitoring of track repair works, facilitating interaction between employees and management and supporting compliance with safety requirements and technological standards.

- Hidden Transit, intended to identify violations related to payment for transportation services and to prevent circumvention schemes by comparing import and export transportation data based on cargo, participants, stations, dates and financial indicators.
- Smart Diagnostics with AI support, aimed at optimising the planning and control of track repairs through artificial intelligence technologies, reducing reporting timelines and improving the reliability and completeness of diagnostic data.

The Group had a total budgeted capital expenditure for all information technology projects of KZT 17,596.9 million for 2025, KZT 7,827.4 million in 2024 and KZT 2,423.6 million for 2023. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Group relies heavily on information technology systems to operate its business and any failure of these systems or cyber security breaches could harm its business*".

The Issuer's information technology management is undertaken by the Issuer's IT system operators. The Issuer's principal informational technologies are located in the main computer centre of the Issuer and include various technical measures to ensure that the Issuer is able to operate continuously. The Issuer provides electric power supply by two separate feeders from different electrical substations. Additionally, the Issuer's mainframes and servers operate from an uninterrupted power supply with back-up systems. Moreover, the Issuer has a diesel electric engine to generate electricity in the event of an external power failure. The Issuer's informational systems operate on IBM mainframes simultaneously on two machines that will use the resources of each other in the event of a technical failure.

Since 2012, the Issuer has been certified to be in compliance with ISO/IEC 27001:2013 international standards for information security management systems. The Issuer has also entered into a long-term contract with JSC Transtelecom for the provision of information security services.

Litigation

The Group is occasionally subject to legal proceedings and other investigations in the ordinary course of business, which proceedings and investigations have not had, and are not expected to have, either individually or in the aggregate, a material adverse effect on the Group's business, operations and financial condition.

THE GUARANTORS

Kaztemirtrans

General

Kaztemirtrans is a joint stock company organised under the laws of Kazakhstan. Kaztemirtrans owns the Group's freight railcar fleet, which is primarily used for the Group's transportation services, and provides freight railcars and other services, such as arranging for transportation from starting points to points of destination, preparing transportation documents, transporting freight between warehouses and railway stations and packing freight. Kaztemirtrans was initially registered with the Ministry of Justice of Kazakhstan on 21 October 2003 for an indefinite duration and was assigned business identification number 031040000572. As at 31 December 2025, Kaztemirtrans was the registered owner of the majority of the Group's freight rail cars. As at 31 December 2025, Kaztemirtrans had 123,000,000 issued shares, of which 64,669,774 were outstanding common shares, representing issued share capital of KZT 70,238.7 million.

As Kaztemirtrans' sole shareholder, the Issuer retains exclusive authority over the operations of Kaztemirtrans as set forth in the JSC Law, the laws and regulations of Kazakhstan and Kaztemirtrans' charter. Kaztemirtrans is managed by its Board of Directors, except for those limited matters expressly reserved to its sole shareholder. The General Director of Kaztemirtrans, who is also the Chairman of the Management Board, elected by the sole shareholder (subject to the approval of the Management Board of Samruk-Kazyna). The General Director of Kaztemirtrans is subject to the supervision of the Board of Directors and is responsible for the executive authority of the day-to-day management and affairs of Kaztemirtrans.

Sole Shareholder

The functions exclusive to the sole shareholder include, among other things: (i) amending and supplementing the Charter or approving it in a new edition; (ii) deciding on the voluntary reorganisation or liquidation of the Company; (iii) deciding on changes to the Company's authorised share capital and on certain matters relating to the issue, conversion, exchange and delisting of the Company's securities; (iv) determining the composition of the Board of Directors, electing its members and Chairman, terminating their powers and determining their remuneration; (v) appointing the Chairman of the Management Board (General Director), determining his or her term of office and terminating his or her powers early, and determining the composition and term of office of the Management Board; (vi) appointing the Company's external auditor; (vii) approving the annual financial statements and deciding on the distribution of net income and the payment or non-payment of dividends; (viii) deciding on the Company's participation in, or withdrawal from, other legal entities in certain cases; (ix) approving major transactions and interested-party transactions within its competence, including transactions involving assets equal to fifty per cent. or more of the Company's total book value of assets; (x) approving certain policies, methodologies, regulations and other internal documents of the Company; and (xi) considering such other matters as are assigned to the sole shareholder by law, the Charter and applicable internal documents.

Board of Directors of Kaztemirtrans

The Board of Directors is responsible for the overall management of Kaztemirtrans' activities, and directs Kaztemirtrans' strategy and policy, except those matters which are expressly reserved to the Issuer as sole shareholder.

Accordingly, the Board of Directors is generally responsible for, among other things: (i) determining the Company's priority areas of activity and approving its development strategy and development plan

(business plan), as well as monitoring their implementation; (ii) providing preliminary approval of matters to be submitted to the sole shareholder; (iii) approving the terms of issuance of the Company's bonds and derivative securities; (iv) approving major transactions and interested-party transactions within its competence; (v) approving certain transactions involving the acquisition, disposal or transfer into trust management of ten per cent. or more of shares (participatory interests) in other legal entities, as well as transactions resulting in an increase of the Company's obligations by ten per cent. or more of its equity; (vi) appointing members of the Management Board (other than the Chairman of the Management Board, where applicable), determining their remuneration and incentive arrangements, and evaluating their performance; (vii) approving the establishment and closure of branches and representative offices and certain matters relating to the Company's organisational structure; (viii) approving key internal policies and documents governing the Company's internal activities, including accounting, risk management, internal control and corporate governance matters; and (ix) considering such other matters as are provided by law, the Charter and the Company's internal documents and which do not fall within the exclusive competence of the sole shareholder.

Members of the Board of Directors are appointed by the Issuer, as sole shareholder, for a term of not more than three years, the duration of which is set by the sole shareholder. A person generally shall not serve as a member of the Board of Directors for an aggregate of more than nine years; however, in exceptional cases, an appointment for more than nine years is permitted if such person is re-appointed on an annual basis. The Board of Directors must not have less than three members and the General Director of Kaztemirtrans, if a member of the Board of Directors, is not permitted to serve as Chairman of the Board of Directors.

As at the date of 31 December 2025, Kaztemirtrans' Board of Directors consisted of seven members, with Mrs. Duzbayeva serving as the Chairman of the Board of Directors. The following table sets forth certain biographical information regarding the Board of Directors of Kaztemirtrans.

Name (current position)	Date of Birth	Age	Background and principal outside activities and duties
Meyramkul Duzbayeva (Chairwoman of the Board of Directors of Kaztemirtrans)	1 January 1966	60	Ms Duzbayeva has extensive experience in strategy, state asset management and the transport sector. She graduated from Kazakh Polytechnic Institute in 1987 and Kazakh National Technical University in 2004. She held various positions at the State Property Committee of the Republic of Kazakhstan, KazakhOil, NC KazMunayGas and JSC Samruk Holding. She subsequently served as Deputy General Director and General Director of Mercury Service Company, General Director of Kamkor Management and General Director of Silkway Transit. Since 2018, she has served as Managing Director for Strategy of the Issuer and, since 2022, as a member of its Management Board. She has also previously served as Deputy Chairman of the Management Board of NCE Atameken and as Chair of the Supervisory Board of KTZ-FT.
Bauyrzhan Urynbassarov	22 October 1970	55	Mr Urynbassarov has extensive experience in operational and senior management roles within the railway sector. He graduated from the Almaty Institute of Railway Engineers in 1993 with a degree in transportation process management. Since 1993, he has held a number of operational and senior management positions in the railway sector, including roles at West Kazakhstan Railway and RSE Kazakhstan Temir Zholy. He subsequently served as Chief Engineer, Adviser to the First Deputy General Director and Director of branches of the Issuer, as well as Managing Director – Chief Engineer and Vice President for Operations of the Issuer. From 2014 to 2021, he served as Acting Chairman of the Management Board of Kaztemirtrans and as Vice President of the Issuer. Since 2022, he has served as Managing Director for Production Processes of the Issuer. His other positions have included serving as Chair of the

Ilyas Yernazarov	26 September 43 1982	<p>Boards of Directors of Transtelecom JSC, Temirzholsu JSC and Kamkor Repair Corporation LLP, as well as Chair of the Supervisory Board of KTZ-FT.</p> <p>Mr Yernazarov has significant legal experience. He graduated with honours from Kazakh State Law University in 2003, studied at the Kazakh Academy of Labour and Social Relations in 2009, obtained an MBA with honours from Gubkin Russian State University of Oil and Gas in 2013 and a Master of Laws degree from Kainar Academy in 2019. He has worked at Kazpost, the Centre for Legal Research and Analysis and NC KazMunayGas, including as Director of the Legal Support Department. He subsequently served as Executive Director for Legal Affairs of the Mainline Network Directorate, a branch of the Issuer, as Executive Director for Legal Affairs and a member of the Management Board of KTZ-FT, and as Director of the Legal Support Department of the Issuer. Since 2022, he has served as Deputy Director of the Legal Support Department of the Issuer.</p>
Zerdeli Baytamayeva	11 February 50 1976	<p>Ms Baytamayeva has substantial experience in economic planning within the railway sector. She graduated from Zhambyl Hydromeliorative and Construction Institute in 1997 with a degree in economics and management. She worked as a Leading Engineer-Economist and subsequently as Head of the Planning and Economic Department of the Zhambyl Transportation Division of the Issuer. Since 2011, she has held management positions within the economics and planning function of the Issuer and currently serves as Chief Manager in its Department of Economics and Planning. She also serves on the Supervisory Board of KTZ-FT and on the Supervisory Board of Port Kuryk LLP.</p>
Svetlana Abelseitova	27 October 51 1974	<p>Ms Abelseitova has experience in certification, consulting and strategic planning. She graduated from Karaganda Polytechnic Institute in 1996 and obtained a Candidate of Technical Sciences degree in mining and petroleum geology in 2004. Since 2012, she has been an Academician of the Kazakhstan Academy of Quality Management. She has held executive and advisory positions in certification, consulting and strategic planning, including serving as Executive Director of Republican Training and Consulting Centre LLP since August 2018 and as General Director of Republican Certification Centre LLP from 2012 to 2018, as well as working as an analyst in the strategic planning group of NAK Rukhani Zhangyru and as Adviser to the General Director of Kazmedia Ortalygy LLP. She has also worked as a management systems auditor and consultant. Her other positions include serving as a member of the boards of directors of Temirzholsu JSC, Volkovgeology JSC and SP Zarechnoye JSC, as well as membership in a number of professional quality and independent directors' organisations.</p>
Marat Urazbekov	12 October 65 1960	<p>Mr Urazbekov has extensive experience in railway operations, public administration and transport asset management. He graduated from the Almaty Institute of Railway Engineers in 1986 as an electrical-mechanical engineer and from the Academy of Public Administration under the President of the Republic of Kazakhstan in 2000 with a degree in state and municipal administration. He began his career in locomotive depot operations and subsequently held senior positions at the Ministry of Transport of the Republic of Kazakhstan, including serving as Deputy Chairman of the Railway Transport Committee and Chairman of the Communications Routes Committee. He later served as Director for Management of Transport Assets at JSC Samruk-Kazyna Holding. From 2017 to 2022, he served as Deputy General Director of LRT Construction Directorate LLP. He has also served on the boards of directors of the Issuer, Air Astana JSC, Kedentransservice JSC and Passenger</p>

Viktor Khagai

18 May 1981 44

Transportation JSC, and has served as Chair of the boards of directors of Atyrau Airport JSC, Aktobe Airport JSC, Qazaq Air JSC and Transport Service Centre JSC.

Mr Khagai has experience in commercial and executive roles in the rail freight sector. He graduated from Moscow State University of Railway Engineering (MIIT) in 2004 with a degree in transport organisation and management and obtained an Executive MBA from Moscow School of Management SKOLKOVO in 2017. From 2006 to 2008, he worked at TransLes, where he held contractual and commercial roles and served as Assistant to the Director of its representative office. From 2009 to 2013, he served as Head of Sales at Rusagrotrans. Between 2013 and 2017, he served as Executive Director of LP Trans. From 2017 to 2022, he served as General Director of JSC Rusagrotrans.

The business address of each member of the Board of Directors of Kaztemirtrans is the legal address of Kaztemirtrans located at 10 Kunayeva Street, Astana 010000, Republic of Kazakhstan.

General Director of Kaztemirtrans

The General Director (who is also the Chairman of the Management Board) is appointed and relieved of his duties by a resolution of the Management Board of the Issuer, as sole shareholder, with subsequent approval of such decision by Samruk-Kazyna, as set forth in Kaztemirtrans' charter. As at the date of this Base Offering Memorandum, the acting General Director of Kaztemirtrans is Mr. Shirayev who was appointed by a resolution of the Issuer's Management Board dated 15 October 2025. The business address of the General Director is the legal address of Kaztemirtrans.

The General Director of Kaztemirtrans manages the day-to-day activities of Kaztemirtrans, including the implementation of the resolutions of the sole shareholder, the Board of Directors and the Management Board; entering into transactions for Kaztemirtrans; representing Kaztemirtrans in its relations with third parties; issuing powers of attorney to represent Kaztemirtrans; and performing other duties as set out in Kaztemirtrans' charter.

Employees of Kaztemirtrans

Kaztemirtrans employed an average of 958, 1,490 and 1,338 employees for the years ended 31 December 2025, 2024 and 2023, respectively. As at 31 December 2025, 700 of Kaztemirtrans' employees were members of the Public Association Trade Union.

As at the date of this Base Offering Memorandum, Kaztemirtrans has not experienced any material labour disputes or strikes.

Legal Address of Kaztemirtrans

The legal address of Kaztemirtrans is 10 Kunayeva Street, Astana 010000, Republic of Kazakhstan and its telephone numbers are + 7 (717) 2 930-300 and + 7 (771) 9300-300.

Kaztemirtrans' Executive Compensation

In accordance with Kaztemirtrans' charter, the remuneration of the General Director is set by the Board of Directors, while the remuneration of the members of the Board of Directors is determined by the Issuer, as sole shareholder. Other than its independent director, all members of the Board of Directors of Kaztemirtrans are employees of the Group and, accordingly, receive remuneration from other companies of the Group. As at 31 December 2025, the annual fixed fee paid to each independent director of Kaztemirtrans was KZT 308 million.

KTZ-FT

General

KTZ-FT (formerly JSC Lokomotiv) is a limited liability partnership organised under the laws of Kazakhstan. KTZ-FT's principal activity is railway freight transportation. KTZ-FT was registered as a joint stock company with the Ministry of Justice on 14 October 2003 under the name JSC Lokomotiv for an indefinite duration and was assigned business identification number 031040001799. At an extraordinary meeting of the Board of Directors of the Issuer, on 16 June 2016, JSC Lokomotiv was renamed KTZ-FT. On 29 September 2017, the Government adopted Resolution № 608 appointing KTZ-FT as the national carrier of goods and, accordingly, all necessary functions have been transferred to KTZ-FT to allow it to be referred to as the national carrier of goods. In August 2020, KTZ-FT was transformed from a joint stock company into a limited liability partnership as KZT-Freight Transportation LLP. As at 31 December 2025, KTZ-FT had a charter capital of KZT 78,064,127. The Issuer is the sole participant of KTZ-FT and holds 100% participation interest in the charter capital of KTZ-FT.

As KTZ-FT's sole participant, the Issuer retains exclusive authority over the operations of KTZ-FT as set forth in the Law On Limited and Additional Liability Partnerships and KTZ-FT's charter. KTZ-FT is managed by its Supervisory Board, except for those limited matters expressly reserved to the Issuer, as its sole participant. The General Director of KTZ-FT, who is also the Chairman of the Management Board, is elected by the sole shareholder (subject to approval of the Management Board of Samruk-Kazyna) The General Director of KTZ-FT is responsible for the executive authority of the day-to-day management and affairs of KTZ-FT.

Sole Participant

The functions of the sole participant include, among other things: (i) approving any amendments to the charter of KTZ-FT or approval of a new version of the charter; (ii) approving a reorganisation or liquidation of KTZ-FT; (iii) appointing the auditors of KTZ-FT; (iv) approving distribution of net income to the sole participant; (v) approving the annual financial statements of KTZ-FT; (vi) approving the number, the term of authority and the members of the Supervisory Board of KTZ-FT; (vii) appointing the Chairman of the Management Board (subject to approval of the Management Board of Samruk-Kazyna) and the Board of Directors of KTZ-FT; (viii) approving transactions involving the transfer by KTZ-FT of assets the value of which equals to or exceeds 51% of book value of KTZ-FT's assets.

Supervisory Board of KTZ-FT

The Supervisory Board of KTZ-FT is responsible for the overall management of KTZ-FT, including its financial and business activities, except those matters which are expressly reserved to the Issuer, as sole participant. It ensures the safe, effective and sustainable development of KTZ-FT and supervises the activities of the Management Board.

In accordance with the Charter of KTZ-FT, the Supervisory Board approves the development strategy of KTZ-FT, its mid-term business plan and budget, and monitors their implementation. It approves the internal procedures of KTZ-FT relating to risk management and internal control, and adopts internal documents within its competence. The Supervisory Board also determines the information constituting a commercial, official or other protected secret of KTZ-FT. In addition, it approves transactions or a series of related transactions involving the acquisition or disposal of assets with a value from ten per cent to fifty-one per cent of the total book value of the assets of KTZ-FT, except for transactions carried out in accordance with Samruk-Kazyna procurement procedures or those concluded with the Issuer and entities more than fifty per cent owned by the Issuer. Transactions exceeding fifty-one per cent of the asset value are also considered by the Supervisory Board but require the approval of the Issuer. The Supervisory Board further determines remuneration and performance indicators for the General

Director and members of the Management Board, appoints and dismisses the Compliance Officer, and approves key governance and operational policies.

Members of the Supervisory Board are appointed by the Issuer, as its sole participant, for a term determined by the Issuer, which cannot exceed three years.

As at the date of this Base Offering Memorandum, KTZ-FT's Supervisory Board consists of five members with Mr. Urynbassarov serving as the Chairperson of the Board. The following table sets forth certain biographical information regarding members of the Supervisory Board of KTZ-FT:

Name and position	Date of Birth	Age	Background and principal outside activities and duties
Vladimir Petrov Chairman of the Supervisory Board	2 January 1969	57	Mr Petrov has extensive experience within the Issuer and its subsidiaries. From 1991 to 2014, he held various positions at the Aktobe branch of the Issuer, ranging from Assistant Train Compiler to First Deputy Director. From 2014 to 2016, he served as Director of the Transportation Process Directorate, a branch of the Issuer. Between 2017 and 2018, he held several senior roles at KTZ-FT, including Chief Engineer, Vice President for Integrated Planning and Informatization, Executive Director for Integrated Planning and Executive Director for Operational Work. From 2018 to 2019, he worked as Branch Director and Chief Manager of the Marketing Department of the operator branch of JSC KTZ Express. Between 2019 and 2020, he served as Chief Manager of Kaztemirtrans. From 2020 to 2021, he held the position of Deputy General Director for Marketing and Planning at KTZ-FT. Between June 2022 and October 2025, he served as General Director (Chairman of the Management Board) of KTZ-FT. Since 16 October 2025, he has acted as Managing Director of the Issuer and Director of the Transportation Process Directorate branch of the Issuer.
Nurpeisova Aigul Kurmantayevna Member of the Supervisory Board	27 October 1974	51	Ms Nurpeisova has extensive experience in economics and finance within the Issuer and its subsidiaries. Between 1999 and 2015, she held various senior positions in economics and finance within subsidiaries of the Issuer, including Deputy General Director and Financial Director of Electric Locomotive Kurastyru Zauyty LLP, Deputy General Director for Finance of Kamkor Vagon LLP, Vice President for Economics and Finance of Almaty Car Repair Plant JSC, and Executive Director for Economics of JSC Passenger Transportation. From February 2015 to September 2015, she served as Director of the Strategic Development Department of TPEP LLP. Between 2015 and 2020, she worked at the Issuer, where she held positions as Chief Manager and Director of the Department of Economics and Planning. In November 2020, she briefly served as Deputy General Director for Economics and Finance of KTZ-FT. From 2020 to 2022, she served as Director of the Department of Economics and Planning of the Issuer. Between May 2022 and October 2022, she served as Business Development Director of Silkway Transit LLP. From 2022 to 2025, she served as Deputy General Director for Finance of JSC KTZ Express. Since October 2025, she has served as Deputy Director for Economics and Finance of the Transportation Process Directorate, a branch of the Issuer.

<p>Potlov Vladimirovich Member of the Supervisory Board</p>	<p>Dmitry</p>	<p>4 December 1970</p>	<p>55</p>	<p>Mr Potlov has extensive experience in technical, regulatory and operational roles within the railway sector. Between 2000 and 2002, he held the positions of Senior Inspector for Labour Safety at the Akmola Transportation Department and Senior Inspector of the Fuel and Heat Engineering Inspection at RSE "KTZ". From 2002 to 2007, he worked at the Issuer, where he held a number of positions including Leading Engineer, Chief Specialist and Head of the Energy and Power Supply Division. Between 2007 and 2013, he served as Deputy Head and Executive Director for Technical Issues of the Backbone Network Directorate, a branch of the Issuer. From 2013 to 2018, he held the positions of Acting Deputy Chairman and Deputy Chairman of the Transport Committee of the Ministry of Investment and Development of the Republic of Kazakhstan. Between 2018 and 2024, he worked at Dosjan Temir Joly JSC, where he held several senior roles including Chief Engineer, Chairman of the Management Board and Adviser to the Chairman of the Management Board. Since June 2024, he has served as Director of the Technical Policy Department of the Issuer.</p>
<p>Rakhmetova Mendigaliyevna Member of the Supervisory Board</p>	<p>Aliya</p>	<p>9 October 1988</p>	<p>37</p>	<p>Ms Rakhmetova has experience in public service and legal affairs. Between 2012 and 2018, she served as Chief Expert of the Department of International Cooperation of the Ministry of Emergency Situations of the Republic of Kazakhstan. From 2018 to 2021, she held the position of Chief Expert of the Department for the Protection of Property Rights of the State at the Ministry of Justice of the Republic of Kazakhstan. Between 2021 and 2022, she served as Head of the Department for Interaction in the Field of Human Rights within the Department of International Law and Cooperation of the Ministry of Justice of the Republic of Kazakhstan. In May 2022, she joined the Issuer, where she served as Head of the International Projects Group of the Legal Support Department until February 2023. Since February 2023, she has served as Deputy Director of the Legal Support Department of the Issuer.</p>
<p>Zharlygasov Sailaubekuly Member of the Supervisory Board</p>	<p>Shahnaz</p>	<p>10 August 1994</p>	<p>31</p>	<p>Mr Zharlygasov has experience in legal advisory and corporate governance roles. Between 2017 and 2019, he served as a Consultant in the Tax and Legal Services Department of PricewaterhouseCoopers Tax and Advisory LLP. From 2019 to 2020, he held the position of Chief Lawyer at Adelya Gold LLP. Between February and July 2021, he worked as General Legal Adviser at BI Group (BI Support LLP), followed by a tenure as Senior Legal Adviser at ArcelorMittal Temirtau JSC from July to October 2021. Since October 2021, he has served as Chief Manager of the Office of the Corporate Secretary of the Issuer and as Secretary of the Strategy and Finance Committee of the Board of Directors of the Issuer.</p>

The business address of each member of the Supervisory Board is the legal address of KTZ-FT, located in the office building of the Issuer, 7th Floor, 6 Konaev Street, Astana 010000, the Republic of Kazakhstan.

General Director of KTZ-FT

The General Director of KTZ-FT, who is also the Chairman of the Management Board, is appointed by the Issuer, as sole shareholder (subject to the approval of the Management Board of Samruk-Kazyna), in accordance with KTZ-FT's charter. As at the date of this Base Offering Memorandum, the General Director of KTZ-FT is Asan Umbetov who was appointed by a resolution of the Issuer dated 15 October 2025.

The business address of the General Director of KTZ-FT is the legal address of KTZ-FT.

The General Director manages the day-to-day activities of KTZ-FT, including the implementation of the resolutions of the sole shareholder, the Board of Directors and the Management Board; entering into transactions on behalf of KTZ-FT; representing KTZ-FT in its relations with third parties; issuing powers of attorney to represent KTZ-FT; and performing other duties as set out in KTZ-FT's charter.

Employees of KTZ-FT

KTZ-FT employed an average number of 40,765, 44,810 and 43,315 employees for the years ended 31 December 2025, 2024 and 2023, respectively. KTZ-FT's employees are members of the Trade Union.

As at the date of this Base Offering Memorandum, KTZ-FT has not experienced any material labour disputes or strikes.

Legal Address of KTZ-FT

The legal address of KTZ-FT is located in the office building of the Issuer, 7th Floor, 6 Konaev Street, Astana 010000, the Republic of Kazakhstan and its telephone number is +7 (7172) 60-30-52.

KTZ-FT Executive Compensation

In accordance with KTZ-FT's charter, the remuneration of the General Director of KTZ-FT is set by the Supervisory Board, while the remuneration of the members of the Supervisory Board of Directors is determined by the sole participant. Under the governance practice of the Group, independent members of the Supervisory Board receive remuneration for their service, while members who are employees of the Group generally receive remuneration from their respective employing entities rather than from KTZ-FT. In 2025 and 2024, remuneration paid to senior employees amounted to KZT 346 million and KZT 225 million, respectively, based on performance for the relevant year. In 2024 and 2023 no payments were made in compensation for the General Director of KTZ-FT and the independent directors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following review is intended to assist in the understanding and assessment of the trends and significant changes in, as well as the factors affecting, the Group's results of operations and financial condition. Historical results may not be indicative of future performance. This discussion is based on the Financial Statements and should be read in conjunction with the Financial Statements, including the notes thereto, and other information appearing elsewhere in this Base Offering Memorandum. This discussion includes forward-looking statements that, by their nature involve risk and uncertainties. The Group's actual results could differ materially from those discussed in such forward-looking statements. Certain factors that may cause such a difference are described under "Risk Factors" and "Forward Looking Statements".

Introduction

The Group is the national transportation and logistics operator for Kazakhstan and is responsible for rail and sea transportation, as well as the provision of transport and logistics centres, including seaports and railroad infrastructure. The Group owns and manages railway infrastructure, is the largest owner of locomotives, freight and passenger cars, the main consumer of products from domestic manufacturers in the field of railway transport, and one of the largest employers. The Issuer was established by a decree of the Government, which, through its wholly-owned management company, Samruk-Kazyna, owns all of the outstanding shares of the Issuer. As Kazakhstan's national railway company, the Issuer has a natural monopoly over the provision of services on Kazakhstan's mainline railway network and, through its subsidiary, KTZ-FT, is the dominant provider of railway freight transportation and, through its subsidiary, Passenger Transportation, is the dominant provider of passenger transportation. The Group is one of the largest employers and taxpayers in Kazakhstan and is also a significant contributor to the development of the infrastructure necessary to transport raw materials and finished goods, both into and out of Kazakhstan. Due to Kazakhstan's limited access to navigable water routes, underdeveloped road infrastructure and its dependence on the export of raw materials (predominantly commodities) and import of finished goods, the railway system is a crucial component of Kazakhstan's economic growth.

The Group is responsible for the maintenance, operation and modernisation of Kazakhstan's mainline railway network and provides railway transportation, infrastructure and support services, which include maintaining all railway infrastructure, machinery and equipment in Kazakhstan; ensuring the safety of railway operations; developing material and technical systems for the railway network; and establishing international railway transit corridors as agreed with the Ministry of Transport.

For the year ended 31 December 2025, the Group had overall freight turnover of 288.8 billion tonne-kilometres, reflecting a 10.4% increase from 261.7 billion tonne-kilometres for 2024. The Group's freight turnover (including the mileage of empty privately-owned wagons leased by the Group), accounted for 87.81% of the total freight turnover in Kazakhstan by all modes of transport (excluding pipelines) for the year ended 31 December 2025, as compared to 89.7% for the year ended 31 December 2024. For the year ended 31 December 2025, the Group's revenue from freight transportation increased by 31.3% to KZT 2,463,197 million, as compared to KZT 1,875,558 million for 2024, accounting for 89.3% of total consolidated revenue and other income in 2025 and 86.7% of total consolidated revenue and other income in 2024.

For the year ended 31 December 2025, revenue from export freight transportation accounted for 19.9% of total revenue from freight transportation, as compared to 27.9% from domestic freight transportation, 33.6% from transit freight transportation, 11.2% from import freight transportation and 7.4% from other freight transportation (as compared to 17.2%, 27.1%, 37.3%, 10.4% and 8.1%,

respectively, for 2024). See "*Business of the Group—Transportation Services—Freight Transportation*".

For the year ended 31 December 2025, the Group had a passenger turnover of 11.4 billion passenger-kilometres, reflecting a decrease of 2.6% from 11.7 billion passenger-kilometres for 2024. For the year ended 31 December 2025, the Group's revenue from passenger transportation increased by 16.9% to KZT 129,250 million, as compared to KZT 110,523 million for 2024, accounting for 4.7% and 5.1%, respectively, of total consolidated revenue and other income. See "*Business of the Group—Transportation Services—Passenger Transportation*".

Factors and Trends Affecting Financial Condition and Results of Operations

The main factors that have affected the Group's results of operations since 1 January 2023, and that can be expected to affect the Group's results of operations in the future, are: (i) the state of the Kazakhstan economy; (ii) changes in exchange rates; (iii) demand for the transportation of commodities; (iv) tariffs and Government grants; (v) cost of fuel; (vi) Group acquisitions, restructurings and privatisations; (vii) international trade volumes from countries that border Kazakhstan; (viii) developments and reforms in CIS railway network systems generally and in the Kazakhstan railway industry in particular, including deregulation; and (ix) cost-saving measures. These factors should be taken into account in reviewing the Group's results of operations and financial position for the periods and as at the dates discussed.

The Kazakhstan Economy

Kazakhstan's economy and finances have continued to experience moderate levels of growth following the 2020 contraction of 2.5 per cent. According to Government statistics, real GDP growth was 3.2 per cent in 2022, 5.1 per cent in 2023 and 4.8 per cent in 2024. According to the International Monetary Fund, Kazakhstan's economy grew 5.0 per cent in 2025, boosted by rising oil output and robust activity in non-oil sectors. The International Monetary Fund projects the growth to moderate to around 3.5 per cent.

Inflation, which peaked at about 20% in early 2022 following global supply disruptions and the spillover effects of sanctions on Russia, began to moderate through 2023-2024. By late 2024, consumer price growth had fallen into single digits, and the National Bank of Kazakhstan gradually eased monetary policy. The IMF expects inflation to decline gradually to its 5.0 per cent. target by 2031, although risks remain due to exchange-rate pressures and dependence on import prices.

Unemployment has remained low by regional standards, staying below 5.0% in 2023, 2024 and 2025, with further minor decreases expected in 2026-2030 according to IMF projections.

Kazakhstan remains sensitive to global economic and geopolitical conditions. The national economy continues to rely heavily on commodity exports - particularly oil, gas and uranium - which leaves growth vulnerable to changes in global demand, energy prices, and OPEC+ production agreements. Brent crude has remained volatile since 2022 due to geopolitical tensions, shifts in global energy markets and supply restrictions, and that volatility has recently increased due to conflict in the Middle East. Kazakhstan has continued to experience spillovers from geopolitical tensions in the region and globally. The ongoing conflict in Ukraine, sanctions imposed on Russia, and adjustments in regional logistics routes have affected trade flows, currency stability and cross-border payment systems. While Kazakhstan has benefited from some redirected transit and export flows, uncertainty surrounding future sanctions and regional political relations remains a material risk. See "*Risk Factors—Operational Risks relating to the Group and its Business—The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions*" and "*—Impact of the ongoing armed conflict between Russia and Ukraine*".

Beginning in 2026, the escalation of military confrontation involving the United States, Israel and Iran led to renewed volatility in global energy markets. Iran's role as a significant crude oil producer and its strategic position near key maritime shipping corridors, including the Strait of Hormuz, heightened concerns regarding potential supply disruptions. Following the onset of hostilities, international oil prices experienced sharp increases, reflecting market uncertainty and a rise in geopolitical risk premia. Natural gas markets in Europe and Asia also saw elevated forward prices due to concerns about security of supply and potential interruptions to LNG trade flows. Fluctuations in commodity prices affect government revenues and can influence public spending levels, which in turn impacts domestic investment activity and freight volumes.

The Tenge has experienced periods of volatility during 2023-2025, mainly in response to changes in global oil prices, monetary tightening in major economies, and developments relating to Russia. Since 2022, the Tenge has generally weakened against the U.S. Dollar, moving from KZT 460.93 per U.S. Dollar in 2022 to KZT 456.21 in 2023 and further to KZT 469.31 in 2024. Exchange-rate movements affect imported inflation and can influence the cost base of state-owned enterprises, including those with foreign currency exposures.

Government policy continues to focus on economic diversification, infrastructure development, and transport connectivity. Major investment programmes - including those relating to the TITR for cargo flows from China and Central Asian countries and Europe without requiring transit through Russia - remain important drivers of medium-term growth. At the same time, state-owned enterprises can be required to support government social and economic objectives. Past examples include mandated wage indexation and requirements to maintain socially important services, which have increased operating costs.

Rail freight turnover is correlated with both Kazakhstan's growth in GDP and industrial production due to the volumes of commodities transported by the Group. See "*Demand for Transportation of Commodities*".

In 2025, the total volume of freight transported by the Group was 320.0 million tonnes, and total freight turnover was 288.8 billion tonne-kilometres, as compared to 303.2 million tonnes and 261.7 billion tonne-kilometres, respectively, in 2024.

The Group's freight turnover (including the mileage of empty privately-owned wagons leased by the Group), accounted for 70.3% of the total freight turnover in Kazakhstan by all modes of transport (excluding pipelines) for the year ended 31 December 2025, as compared to 71.6% for the year ended 31 December 2024.

While the Group is unable to estimate reliably the effects on its consolidated financial position and its results of operations of any deterioration in the financial markets or of any continuing or increased volatility in the currency, commodities and equity markets for any periods subsequent to 31 December 2025, the Group expects that its revenue will continue to be correlated with GDP growth and industrial production in Kazakhstan and, accordingly, its business activities may again be impacted by the economic conditions resulting from global financial conditions, including fluctuations in exchange rates, regional stability and any renewed or further changes in prices of, and demand for, crude oil and other commodities transported by the Group and the ongoing conflict in Iran and Ukraine and related sanctions imposed on Russia, Belarus and various state-owned entities in those countries on Kazakhstan and the region.

In addition, through its ultimate control of the Group, the Government is in a position to directly and indirectly influence the Group's activities, including the imposition of certain social and other obligations on the Group, which may have an adverse effect on the Group's financial position and

results of operations. For example, following the devaluation of the Tenge against the U.S Dollar in February 2014, President Nazarbayev ordered all state-owned companies, including the Issuer, to perform an indexation exercise in respect of employee salaries to avoid a negative effect to workers as a result of the devaluation. This exercise increased the Group's payroll and other employee expenses. Government-mandated repeats of this indexation exercise were also completed in 2018, 2019 and, most recently, in January 2022, when the minimum monthly wage of an unskilled labourer was set at KZT 60,000. Moreover, the Group's operating expenses are affected by changes in employee compensation. In January 2023, employee wages were indexed by 5%, followed by an additional increase of 15% from 1 March 2023. In 2024, salaries were increased by 7%. In 2025, salaries were increased by 8.5% for employees in grades 1 to 5 and by 7% for other categories of personnel. In addition, one-time payments ranging from KZT 100,000 to KZT 300,000 were made to employees, depending on length of service in the industry. The labour participation rate bonuses for production personnel were also increased, from 10% to 20% on a monthly basis and from 30% to 60% on a quarterly basis of the applicable tariff rate or official salary. From 1 January 2026, salaries of employees of the Group's linear enterprises were increased by 6%.

Impact of the ongoing armed conflict commenced by Russia against Ukraine

On 24 February 2022, Russian forces commenced an armed conflict against Ukraine, which, in conjunction with sanctions imposed by governments in response, has led to significant volatility and disruption in the global credit markets and the global economy. The degree to which the conflict between Ukraine and Russia may affect the Group is uncertain. See "*Risk Factors—Operational Risks relating to the Group and its Business—The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions*".

Kazakhstan has significant economic and political relations with Russia and Belarus (which is also the target of significant international sanctions), and the Kazakhstan-Russia border is the longest continuous land border in the world (at 7,599 km), with the majority of trade conducted between the countries being carried out by rail. Accordingly, the Group is directly exposed to Russia and Russian entities and Belarus and Belarussian entities in the following ways:

- *The Group has business relationships with Russian Railways and Belarussian Railways:* For the Group's core railway network to fully function, the Group's operators are required to perform operations on Russian territory, including at the Iletsk Railway Junction and the Eastern Railway Junction. The railway infrastructure across Russia, Belarus and Kazakhstan is interconnected, and the Group's locomotives, freight cars and passenger cars travel from, to and through Russia and Belarus. Accordingly, the Group interacts with Russian Railways and Belarussian Railways in connection with payments related to extra-territorial passenger and freight transportation.

The Group has also entered into agreements with Russian Railways for the provision of certain services, including information system maintenance and technical support services.

Russian Railways is subject to asset freeze sanctions by the United Kingdom and more limited financing-related sanctions by the United States and European Union. The Group believes that its activities with Russian Railways and Belarussian Railways are not in violation of any applicable sanctions.

The Group is involved in projects with Russian-controlled entities, including a joint venture, UTLC ERA, with Russian Railways and Belarussian Railways. UTLC ERA is a joint stock company owned by the Issuer, Russian Railways and Belarussian Railways, formed with the aim of increasing the attractiveness of the Eurasian transit corridors in China, South Asia and

Europe. As a result of this reorganisation, the three national railway companies each hold a 33.3% equity interest in UTLC ERA. Erlan Koishibayev, a member of the Issuer's Management Board, and Ilya Meshcheryakov, a representative of the Issuer's interests (Managing Director for New Projects), currently serve as members of the board of directors of UTLC ERA. The Issuer receives dividends from its interest in UTLC ERA.

- See "*Business of the Group—Multimodal Transportation and Logistics Services—UTLC Eurasian Railway Alliance JSC*" and "*Business of the Group—International Joint Ventures and Projects*"). The Group's activities in respect of UTLC ERA do not violate any applicable sanctions laws. UTLC ERA is currently operating normally and its assets are not frozen.

The Group is also indirectly exposed to Russia and Belarus. Due to the uniform width of the railway gauge of 1,520 mm of the railway systems in Kazakhstan, Russia and Belarus, the three railways companies cooperate closely with each other due to the interconnection of the railway infrastructure. In particular, the SES established by Belarus, Kazakhstan and Russia in July 2011, provides for the unification of tariffs by route, covering freight tariffs for domestic, export and import routes within each country and permitting rail transportation operators, at their discretion, based on certain economic factors, to amend the tariffs. The Group has completed unification of its domestic, export and import transportation tariffs and currently charges a unified tariff for freight transportation by rail, which does not take into account whether the cargo is transported within Kazakhstan or across its borders. Following the introduction of the SES tariff framework, integration continued to deepen through the formation of the Eurasian Economic Union ("EAEU") in 2015, further aligning tariff policy, transit regulation and operational practices. This period also saw the rapid expansion of China-Europe transit traffic across Kazakhstan, Russia and Belarus, growth in coordinated tariff discount programmes, the introduction of electronic documentation and tracking systems, and the development of joint logistics products and infrastructure enhancements, all of which strengthened cooperation among the three railway systems.

Currently, due to ongoing geopolitical uncertainty around Russia and Ukraine, in particular, regarding how long the ongoing conflict will last or the future actions that may be taken by various governments going forward, the Group is unable to fully quantify the expected impact of the ongoing conflict on the Group's business, prospects, financial condition, cash flows or results of operations. However, the Group estimates that:

- approximately 47% of the Group's total revenue from freight transportation in 2025 related to export, import and transit freight directly or indirectly related to Russia and Belarus;
- the proportion of the Group's total passenger transportation revenue related to Russia was 4.1% in 2025, as compared to 3.6% in 2024 and 4.0% in 2023;
- the Group received KZT 100.5 billion, KZT 110.2 billion and KZT 71.9 billion in 2025, 2024 and 2023, respectively, in income related to the transportation of goods by UTLC ERA.

At present, the Group is not aware of restrictions on the transportation of goods, including the transit of goods through Russia to the EU and other countries, and Russian ports on the Black Sea continue to operate. The Group also continues to expect demand from the EU for timely receipt of goods from China, supporting the continuation of transportation of goods along the Group's transit routes. The volumes of freight transported by the Group could, however, be impacted by, inter alia, the introduction of bans or prohibitions on transportation (entirely or of certain goods) through Russia,

Ukraine and neighbouring countries, restrictions on the operation of Russian ports, further devaluations of the Tenge against foreign currencies and the strengthening of any sanctions against Russia, Belarus and Russian and Belarussian entities and individuals. The Issuer has implemented measures intended to manage and mitigate sanctions-related risks. Even though the Russian Government imposed a ban on the transportation of all goods and empty wagons through Russia and Belarus to, or by transit through, Ukraine, in March 2022, the Group's freight transportation volumes and related revenues increased, as the reduction was more than offset by higher volumes transported to and from Russia and China.

In particular, Kaztemirtrans has five wagons located in Ukraine, two of which are leased from a third-party organisation. These wagons are currently located in areas subject to ongoing hostilities, and there is a risk that they may be damaged or destroyed, which could result in a loss to Kaztemirtrans of approximately KZT 9 million, representing their book value. If restrictions are placed on the transportation of goods through Russia, the Group's freight transportation volumes could also be negatively affected. The Group is currently engaged in discussions to assess the viability of re-orienting the transportation of certain goods through Turkmenistan, Georgia, Azerbaijan and Türkiye, as well as considering increasing turnover on the Trans-Caspian International Transport Route and developing a new route to India via the North-South corridor. There can be no assurance, however, that such routes will be viable or that the Group will be able to agree terms for transportation through such routes that would be commercially viable for its customers.

Changes in Exchange Rates

The Group is exposed to currency risk related to changes in exchange rates of the Euro, the Swiss Franc, U.S. Dollar, the Russian Rouble and the Chinese yuan. Exchange-rate movements affect imported inflation and can influence the cost base of state-owned enterprises, including those with foreign currency exposures. The devaluation has had an adverse impact on the Group, which is required to repay borrowings in foreign currencies (for example, in 2025, the Group repaid CHF150,000,000 under the loan with Citibank), as well as increased the cost of services and goods priced in foreign currencies. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage*".

The Tenge/Euro exchange and Tenge/Swiss Franc rates have the greatest impact on the Group's results of operations as a majority of the Group's borrowings and debt securities are denominated in Euro and Swiss Franc. As at 31 December 2025, 12.9% and 35.4%, respectively, of the Group's borrowings and debt securities were denominated in Euro and Swiss Franc. Accordingly, any devaluation of the Tenge against the Euro and/or Swiss Franc results in increased foreign exchange losses and a higher cost of funds or debt service in Tenge terms for the Group.

By way of example, for the year ended 31 December 2025, the Group recorded a foreign exchange loss of KZT 19,990 million, as compared to KZT 69,620 million for 2024, which was primarily due to exchange rate differences on liabilities mainly represented by loans and bonds.

The Group generates Swiss Franc-denominated revenue from its freight transit based on the CIS Tariff Agreement (as defined below), representing an important mitigating factor against the negative impact of the devaluations of the Tenge described above.

The following table sets forth the period average and period end KZT/EUR and KZT/CHF exchange rates reported by the NBK (after rounding adjustment) for the periods indicated:

Period ended	Period Average ⁽¹⁾ <i>(KZT per EUR1.00)</i>	Period-end	Period Average ⁽¹⁾ <i>(KZT per CHF1.00)</i>	Period-end
Year ended 31 December 2025	590.15	591.68	630.43	637.78
Year ended 31 December 2024	507.86	546.47	533.96	580.49
Year ended 31 December 2023	493.33	502.24	508.16	541.08

Note:

(1) The weighted average of the rate reported by the NBK for each month during the relevant period.

As at 17 April 2026, the official KZT/EUR and KZT/CHF exchange rates reported by the NBK were KZT 555.38 per EUR1.00 and 601.51 per CHF1.00. Fluctuations in the Tenge/EUR and Tenge/CHF exchange rates have significantly affected, and are likely to continue to affect, the Group's consolidated results of operations. The Group maintains a portion of its cash in foreign currencies in order to partially offset foreign currency gain or loss on its borrowings denominated in foreign currencies; however, in the past these reserves have been, and in the future these reserves may continue to be, insufficient to offset foreign currency losses. See "*Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk*" and "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group is subject to commodity price risk and foreign currency exchange rate risk, each of which the Group has a limited ability to manage*".

Demand for the Transportation of Commodities

In light of the need for the delivery, both domestically and for export, of commodities by rail, certain commodities, in particular oil and oil products (which include crude oil and oil products, such as diesel fuel, kerosene, residual fuel oil and other light oil products) and coal, account for a significant amount of the freight revenue that the Group generates. In the years ended 31 December 2025, 2024 and 2023, oil and oil products accounted for 19.2%, 17.4% and 17.9%, respectively, of the Group's total revenue from freight transportation.

The Group faces its greatest competition in the transportation of oil and oil products from the development of pipelines in Kazakhstan and countries that border Kazakhstan, as pipeline transportation is more cost efficient than rail transportation in transporting crude oil. Rail transportation accounted for 61.8% of freight transportation in 2025, while pipeline transportation represented 29.7% of freight transportation in the same year. Pipelines have become the predominant mode of transportation for exports of crude oil. In certain locations where oil producers do not have direct access to pipelines or oil loading seaports, transportation by rail acts as a complementary mode of transportation, facilitating delivery of crude oil from the fields to pipeline hubs and the Aktau seaport. Although the railways currently have wider geographical coverage than pipelines in Kazakhstan, demand for shipments by rail is not consistent, due to seasonal differences in the demand for crude oil, such as in winter when demand for crude oil can decrease as a result of seasonal closures of operating facilities that use crude oil and transportation by railway becomes more difficult due to harsh weather conditions, as well as periods of refinery closures for repairs and other things. With the development and extension of Kazakhstan's pipeline network connecting oil fields, refineries and oil purchasers' storage facilities, demand for transportation by rail is expected to remain constant in the short term, although it may increase slightly in the medium-term, in particular, if oil production continues to increase and as volumes of oil to be transported exceed the capacity of the pipeline system.

While the Group faces significant competition from pipelines in the transport of crude oil, there is less competition in the transportation of refined oil products. Unlike crude oil, due to their nature, oil products can be transported only by certain dedicated pipelines, which are limited in number, and the capacity for the shipment of oil products by pipeline is not expected to increase significantly in the foreseeable future. In addition, the destinations to which oil products are shipped may vary based on market needs and railways are more readily able to accommodate shifts in demand. Transportation of oil products accounted for 94.1% of the Group's total volume of transported oil and oil products for the year ended 31 December 2025, as compared to 92.6% and 93.6% in 2024 and 2023, respectively.

The following table sets forth certain information regarding the Group's freight revenue derived from the transportation of specific oil and oil products as a percentage of total freight revenue derived from the transportation of oil and oil products for the periods indicated:

	For the year ended		
	31 December		
	2025	2024	2023
	<i>(As a % of total freight revenue derived from the transportation of oil and oil products)</i>		
Crude oil.....	5.6	6.0	6.8
Diesel fuel.....	24.3	6.9	27.4
Kerosene.....	7.0	6.0	4.0
Petroleum.....	26.6	23.9	21.7
Residual fuel oil.....	5.7	10.6	12.9
Other light oil products.....	21.7	18.1	15.9
Other oil products.....	9.2	8.5	11.3

Domestic transportation of coal, which accounted for 3% of the Group's total freight revenue generated from the transportation of coal in each of the years ended 31 December 2025, 2024 and 2023, is directed to the industrial sector and to public utility companies for purposes of generating heating and electric energy.

The needs of the industrial sector for coal are generally stable, being dependent on the overall industrial growth of the country, while requests of public utility companies for coal are mostly driven by seasonal demand. The Issuer believes that increasing needs for heating and electric energy will entail further growth of coal transportation with a possible adjustment for the development of gas supply. The majority of export shipments of coal transported by the Group, which accounted for 4%, 3% and 3% of the Group's total freight revenue generated from the transportation of coal for the years ended 31 December 2025, 2024 and 2023, respectively, are targeted at Ural and Siberian consumers in Russia, leaving only a small portion of export coal going to third countries that are not members of the Organisation for Railways Cooperation (the "OSJD"). Kazakhstan coal producers are from time-to-time subject to Russian competition, which can lead to fluctuations in the amount of coal that the Group transports for export.]

Tariffs and Government Grants

A significant majority of the Group's revenue is derived from freight and passenger transportation, which is subject to regulated tariffs. Except with respect to transit tariffs for freight that passes through Kazakhstan to destinations outside of Kazakhstan, the tariffs that are applicable to the Group's operations are based on detailed price lists approved by the Natural Monopoly Committee, which specify prices for freight and passenger transportation based on weight, freight class or class of travel, direction, distance and destination and which are subject to an annual adjustment based on the

reasonable needs of the Issuer and approval by the Natural Monopoly Committee's supplemental indexation process.

Tariffs for transit freight, which accounted for 33.6%, 37.3% and 39.0% of the Group's total revenue from freight transportation for the years ended 31 December 2025, 2024 and 2023, respectively, are typically set by the Issuer on the basis of the Tariff Policy of Railways of CIS Countries for International Cargo Transportation, which establishes the framework for tariffs that the CIS members states have agreed to follow. See "*Business of the Group—Government Regulation and Tariffs*".

Since freight tariffs differ according to the distance and class of freight, among other things, changes in average transportation distances and changes in the mix of freight transported may lead to higher or lower revenue, operating profits and margins for the Group. Further, the Government, through the Natural Monopoly Committee or otherwise, may consider wider economic and political factors in setting tariffs. Similarly, the provision of passenger rail services in Kazakhstan is considered a social responsibility of the rail operator and, accordingly, tariffs are kept artificially low to ensure affordable passenger rail services for all members of the public. As a result, the Group's revenue, profit for the period and margins are sensitive to annual changes in transportation tariffs (particularly freight tariffs).

As part of the SES established by Belarus, Kazakhstan and Russia in July 2011, the unification of tariffs, by route, was envisaged by 1 January 2013, covering freight tariffs for domestic, export and import routes within each of these countries and permitting rail transportation operators, at their discretion, based on certain economic factors, to amend the tariffs. The Group completed unification of its domestic, export and import transportation tariffs and currently charges a unified tariff for freight transportation by rail, which does not take into account whether the cargo is transported within, imported into or exported from Kazakhstan.

The unified freight tariff comprises (i) the mainline railway tariff (approximately 55% of total freight tariff), (ii) the locomotive haulage tariff (approximately 43% of total freight tariff), and (iii) the freight and commercial services tariff (approximately 2% of total freight tariff). There are optional additional tariffs for the use of the Group's freight cars and containers (approximately 18% of total freight tariff). The tariffs for the use of the Group's freight cars and containers are not subject to Government oversight and, accordingly, are determined by the Group based on market rates and operating costs. If a customer uses freight cars or containers other than those owned by the Group, the Group does not charge the optional additional tariff. The unified freight tariff for domestic, export and import transportation varies, depending on the type of freight being transported, the length of the delivery, the type of delivery and level of loading of the rolling stock used. As at 31 December 2021, the unified freight tariff (excluding VAT) ranged from approximately KZT 3,974 per tonne per 1,000 km (for coal) to KZT 19,387 per tonne per 1,000 km (for crude oil).

In November 2025, the Natural Monopoly Committee approved tariffs for mainline railway services for 2026-2030. As a result, the mainline railway tariff is expected to increase by 24% in 2026. See "*Risk Factors—Factors that may affect the Group's and/or the Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The position of the Issuer as a monopoly and the dominant entity, as well as the position of KTZ-FT as a member of the market of public importance, may result in adverse interference in the Group's operations*".

As at 31 December 2025, the unified freight tariff (excluding VAT) ranged from approximately KZT 2,690 per tonne per 1,000 km (for coal) to KZT 25,514 per tonne per 1,000 km (for crude oil).

The Group's profit is also affected by the level of grants it receives from the Government. The Group receives grants from the Government as compensation for certain passenger transportation tariffs being set at low or unprofitable levels. These are shown in the Group's consolidated statement of profit or loss and other comprehensive income under the line item "Government grants". The level of grants received by the Group changes periodically. For the year ended 31 December 2025, revenue from Government grants was KZT 43,275 million, as compared to KZT 41,124 million for 2024 and KZT 38,912 million for 2023. In real terms, the level of government support remained broadly comparable to prior periods after taking inflation into account.

Cost of Fuel

Fuel and lubricants accounted for and 13.8%, 12.1% and 14.7%, respectively, of the Group's total cost of sales in the years ended 31 December 2025, 2024 and 2023, respectively. In particular, the Group purchases diesel fuel, the price of which can be subject to significant fluctuations, for its locomotives and other types of fuel and lubricants, primarily through open tenders held in accordance with the procurement procedures established by Samruk-Kazyna. To manage the pricing risks, the Group usually holds procurement tenders at the beginning of a calendar year on fixed price terms with the flexibility to decrease the initially fixed price it must pay if the market prices for the subject commodity or service decrease. See "*Quantitative and Qualitative Disclosures about Market Risk*", "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group is subject to commodity price risk and foreign currency exchange rate risk, each of which the Group has a limited ability to manage*" and "*Business of the Group—Customers and Suppliers—Suppliers*".

Investment Liabilities

As at 31 December 2025, the Group had investment liabilities primarily relating to its ongoing infrastructure development and rolling stock renewal programme. These investment liabilities include the modernisation of the Dostyk-Mointy railway transport corridor and the Altynkol-Zhetygen railway section; the construction of the Darbaza-Maktaaral, Moynty-Kyzylzhar and Bakhty-Ayagoz railway lines; the construction of a second track on the Dostyk-Alashankou railway section; and the construction of a bypass railway line bypassing the Almaty station. The Group's investment liabilities also include the construction of automatic train control systems, liabilities under lease agreements with Industrial Development Fund JSC, overhaul of railway tracks, and the acquisition of equipment, long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives and passenger carriages. The aggregate amount of such investment liabilities as at 31 December 2025 was KZT 4,681,921 million, compared to KZT 2,427,217 million as at 31 December 2024.

A number of these projects are treated as priority infrastructure initiatives in Kazakhstan, including capacity expansion on the Dostyk-Mointy section, a railway bypass around the Almaty hub and certain new lines intended to expand network capacity. In addition, publicly available materials indicate that international financial institutions have supported financing for certain elements of the programme, including the Almaty Railway Bypass.

The investment programme and associated investment liabilities require substantial funding. The Group has historically financed major investment projects using a combination of (i) operating cash flows, (ii) funding from the Government of Kazakhstan and/or state-related entities and (iii) borrowings. The timing of cash outflows associated with investment liabilities depends on project schedules, contractual payment terms and the extent to which obligations are settled through lease financing. To the extent that investment liabilities translate into accelerated cash outflows, the Group's liquidity position may be adversely affected, particularly where current liabilities exceed current assets or where significant maturities fall due within a short period.

The Group's access to external financing and refinancing is an important factor in managing liquidity. The Group has disclosed that it maintains available credit lines with certain banks and that management engages with investors regarding refinancing of borrowings due within twelve months after the reporting date; it has also disclosed that shareholder support is expected to remain available, consistent with historical practice.

The investment programme and investment liabilities may affect the Group's results of operations and financial condition in several ways. Progress payments and settlement of investment liabilities may reduce free cash flow in the periods incurred and may increase working capital requirements depending on the timing of payments and receipts. To the extent the Group funds the investment programme through additional borrowings and/or lease financing, the Group's finance costs may increase and may materially affect net profit. As new infrastructure and rolling stock are commissioned, depreciation may increase and additional operating and maintenance costs may be incurred. Although modernisation and renewal may, over time, support operating efficiency and reliability, the timing and magnitude of any such benefits may vary and are subject to execution risks.

In parallel with its investment programme, the Group has historically undertaken portfolio optimisation and corporate restructuring measures, including the disposal of certain non-core assets, selective acquisitions and internal reorganisations. These transactions and restructurings may affect the Group's financial condition and results of operations through (i) one-off gains or losses on disposal and changes in the scope of consolidation, (ii) changes in revenue mix and cost structure from the disposal of non-core or loss-making activities, and (iii) changes in the presentation of results where interests are accounted for as investments in associates or joint ventures.

The Government's privatisation initiatives, as reflected in the 2021 Complex Privatisation Plan and updated by Government Resolution No. 894, identify the Issuer as a candidate for privatisation through an initial public offering scheduled for 2026, which is expected to involve no more than 25% of the Issuer's shares. There can be no assurance as to whether, when or on what terms any such offering may occur or its potential impact on the Group's corporate structure, governance, financial condition, results of operations or access to capital.

The Group's ability to execute the investment programme and manage the related investment liabilities is subject to a number of factors, including the availability and cost of financing (including refinancing), regulatory approvals, contractor performance, supply chain constraints for equipment and materials, inflationary pressures and broader macroeconomic and geopolitical conditions. As a result, actual capital expenditures, timing of payments, financing needs and the impact on the Group's financial condition and results of operations may differ from current plans and expectations.

International Trade Volumes from Countries that Border Kazakhstan

According to the National Statistics Bureau, Kazakhstan's gross foreign trade turnover in 2025 was \$143.9 billion, representing an increase of 2.9% compared to 2023. From 2023 to 2025, Kazakhstan's exports increased by \$366.7 million, or 0.5%, while imports increased by \$3.7 billion, or 6%. Kazakhstan's top ten trading partners by trade turnover are China (\$34.1 billion, or 23.7%), Russia (\$27.4 billion, or 19.0%), Italy (\$16.9 billion, or 11.8%), the Netherlands (\$6.3 billion, or 4.4%), Turkey (\$5.4 billion, or 3.8%), France (\$4.9 billion, or 3.4%), Uzbekistan (\$4.8 billion, or 3.3%), Germany (\$4.4 billion, or 3.0%), the United States (\$3.2 billion, or 2.2%) and South Korea (\$3.2 billion, or 2.2%). The Issuer believes that Kazakhstan's geographic location relative to China facilitates both the import of raw materials and the export of finished goods to European countries and may benefit from China's economic growth. See "*Business of the Group—Key Strengths*".

Developments and reforms in CIS national railway systems and the Kazakhstan railway industry

Kazakhstan and Russia, both members of the Commonwealth of Independent States (the "CIS"), are at different stages of reform of their respective national railway systems. In Russia, losses arising from passenger transportation have historically been fully subsidised by the state, whereas in Kazakhstan such losses are partially subsidised by the Government, with passenger transportation tariffs also indirectly supported through revenue generated from freight transportation activities.

Both Kazakhstan and Russia have indicated their intention to upgrade and modernise locomotives, rolling stock and other fixed assets, including through the attraction of public and/or private investment and the divestment of certain non-core assets. In Russia, reform initiatives have included the development of conceptual models providing for the separation of mainline railway infrastructure from transportation activities, while retaining state regulation and control over the mainline railway network and introducing competitive elements in freight and passenger transportation. Kazakhstan is in the process of implementing broadly similar measures, although such reforms remain at an earlier stage of development.

In Kazakhstan, the Government has taken steps aimed at developing competition in the railway sector. Access to the mainline railway network is open, and the Issuer provides non-discriminatory access to the network to private carriers. In addition to the national passenger carrier, a number of private operators are engaged in passenger transportation activities.

In 2017, Kazakhstan introduced a revised model for subsidising passenger transportation, which provides for long-term subsidy contracts with minimum requirements applicable to participating carriers, including requirements relating to investment, rolling stock renewal and service quality. This model replaced the prior framework under which subsidies were generally limited to covering losses incurred by the relevant carrier. Since December 2016, the Group has entered into several long-term subsidy agreements with the Ministry of Transport, regulating operational parameters and tariff adjustment mechanisms, and which extend into the mid-to-late 2030s.

Cost-saving measures

Since 2019, the Group has implemented, and continues to implement, initiatives aimed at improving operating efficiency and cost management, including the optimisation of business processes, increased digitalisation of operations, energy-efficiency initiatives and more disciplined capital expenditure management.

Consolidated Results of Operations for the Year Ended 31 December 2025, as compared to the Year Ended 31 December 2024

Revenue and other income

For the year ended 31 December 2025, total revenue and other income was KZT 2,757,083 million, as compared to KZT 2,163,942 million in 2024, reflecting an increase of KZT 593,141 million, or 27.4%. This increase was primarily due to a KZT 587,639 million, or 31.3%, increase in revenue from freight transportation and a KZT 18,727 million, or 16.9%, increase in revenue from passenger transportation.

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

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	(%)
	<i>(KZT millions)</i>		
Revenue from freight transportation ⁽¹⁾	2,463,197	1,875,558	31.3
Revenue from passenger transportation	129,250	110,523	16.9
Government grants	43,275	41,124	5.2
Other revenue	121,361	136,737	(11.2)
Total revenue and other income	2,757,083	2,163,942	27.4

Note:

- (1) Revenue from freight transportation has been reclassified to reflect the reclassification of revenue from freight transportation in international (transit) routes attributable to previous hedging instruments from other comprehensive loss to revenue from freight transportation. See Notes 13 and 21 to the 2025 Financial Statements, Notes 13 and 21 to the 2024 Financial Statements and "*Presentation of Financial and Other Information—Financial Statements*".

Freight Transportation

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of transportation activity, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	(%)
	<i>(KZT millions)</i>		
International (transit) routes ⁽¹⁾	827,178	698,797	18.4
Domestic routes	687,325	507,501	35.4
International (export) routes	489,375	322,631	51.7
International (import) routes	276,243	194,279	42.2
Additional charges related to the transportation process	65,194	67,769	(3.8)
Other revenue from freight transportation ⁽²⁾	117,882	84,581	39.4
Total	2,463,197	1,875,558	31.3

Notes:

- (1) Revenue from freight transportation has been reclassified to reflect the reclassification of revenue from freight transportation in international (transit) routes attributable to previous hedging instruments from other comprehensive loss to revenue from freight transportation. See Notes 13 and 21 to the 2025 Financial Statements, Notes 13 and 21 to the 2024 Financial Statements and "*Presentation of Financial and Other Information—Financial Statements*".
- (2) Includes revenue for use of freight cars by third parties and revenue for locomotive haulage and additional charges, including support services such as loading, cleaning, storage, shunting and other services, which do not form part of the freight tariff.

For the year ended 31 December 2025, revenue from freight transportation was KZT 2,463,197 million, as compared to KZT 1,875,558 million in 2024, reflecting an increase of KZT 587,639 million, or 31.3%. This increase was primarily attributable to higher revenues driven by increased transportation volumes (freight turnover) and changes in average tariff levels.

International transit freight transportation revenue was KZT 827,178 million for the year ended 31 December 2025, as compared to KZT 698,797 million for the year ended 31 December 2024 reflecting an increase of KZT 179,824 million, or 18.5%. This increase was primarily attributable to higher income arising from exchange rate movements of the Swiss franc in the calculation of transit transportation revenues, together with increased transportation volumes (freight turnover).

Domestic freight transportation revenue was KZT 687,325 million for the year ended 31 December 2025, as compared to KZT 507,501 million for the year ended 31 December 2024 reflecting an increase of KZT 179,824 million, or 35.5%. This increase was primarily attributable to growth in revenues driven by changes in average tariff levels and higher transportation volumes (freight turnover).

International export freight transportation revenue was KZT 489,325 million for the year ended 31 December 2025, as compared to KZT 322,631 million for the year ended 31 December 2024 reflecting an increase of KZT 166,744 million, or 51.7%. This increase was primarily attributable to growth in revenues driven by changes in average tariff levels and higher transportation volumes (freight turnover).

International import freight transportation revenue was KZT 276,243 million for the year ended 31 December 2025, as compared to KZT 194,279 million for the year ended 31 December 2024 reflecting an increase of KZT 81,964 million, or 42.2%. This increase was primarily attributable to growth in revenues driven by changes in average tariff levels and higher transportation volumes (freight turnover).

Additional charges related to the freight transportation process were KZT 65,194 million for the year ended 31 December 2025, as compared to KZT 67,769 million for the year ended 31 December 2024, reflecting a decrease of KZT 2,575 million, or 3.8%. This decrease was primarily due to improved service speed, which resulted in lower charges and penalties for additional services.

Other freight transportation revenue was KZT 117,882 million for the year ended 31 December 2025, as compared to KZT 84,581 million for the year ended 31 December 2024, reflecting an increase of KZT 33,301 million, or 39.4%. This increase was primarily due to higher volumes of freight forwarding and handling services provided in 2025 compared to 2024.

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of freight, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024 (%)
	2025	2024	
	(KZT millions)		
Coal.....	180,173	119,961	50.2
Ore	74,767	48,018	55.7
Oil	26,627	19,648	35.5
Oil products.....	447,529	307,092	45.7
Construction materials	78,214	53,191	47.0
Grain and grain products	90,623	56,288	61.0
Ferrous scrap.....	6,097	5,016	21.5
Chemicals and sodium carbonate	118,928	81,371	46.2
Chemical and mineral fertilisers.....	58,440	44,481	31.4
Coloured ore.....	58,650	42,690	37.4
Nonferrous metals	23,846	18,278	30.5
Ferrous metals	187,317	121,878	53.7
Other ⁽¹⁾	1,111,986	957,645	16.1
Total	2,463,197	1,875,558	31.3

Note:

(1) Includes revenue for use of freight cars by third parties, revenue for locomotive haulage services rendered to third parties in freight traffic and additional charges, which include charges for ancillary services rendered by the Issuer, such as loading, cleaning, storage, shunting and other services, that are not part of the freight tariff.

The increase in revenue from freight transportation for the year ended 31 December 2025, in terms of type of freight transported, was primarily due to increases in revenue from the transportation of oil products, other products, ferrous metals and coal.

Passenger Transportation

The following table sets forth certain information regarding Passenger Transportation's revenue from passenger transportation, by type, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	<i>(KZT millions)</i>		<i>(%)</i>
Passenger transportation.....	110,746	94,003	17.8
Other revenue from passenger transportation ⁽¹⁾	18,504	16,520	12.0
Total	129,250	110,523	16.9

Note:

(1) Includes revenue for baggage transportation, passenger service and other services.

For the year ended 31 December 2025, revenue from passenger transportation was KZT 129,250 million, as compared to KZT 110,523 million for 2024, reflecting an increase of KZT 16,743 million, or 17.8%. This increase was primarily attributable to regulated passenger tariff increases of 7.0% effective from 1 March 2025 and 19.9% effective from 1 October 2024.

Government Grants

For the year ended 31 December 2025, revenue from Government grants was KZT 43,275 million, as compared to KZT 41,124 million for 2024, reflecting an increase of KZT 2,151 million, or 5.2%. In real terms, the level of government support remained broadly comparable to prior periods after taking inflation into account.

Other Revenue

The Group generates other revenue from the sale of goods and provision of other services, which mainly consists of revenue from loading and unloading services, vehicle servicing, repair and maintenance of railway assets and the sale of materials and scrap metal. Other revenue also includes revenue from the lease of carriages and other property, plant and equipment, fines charged to customers, which primarily related to non-fulfillment of requests under the cargo transportation plan and for a breach of contracts. and revenue from the lease of other property, plant and equipment under operating lease agreements.

For the year ended 31 December 2025, other revenue was KZT 121,361 million, as compared to KZT 136,737 million for 2024, reflecting a decrease of KZT 15,376 million, or 11.2%. This decrease was primarily attributable to lower prevailing market rates and a reduction in the volume of freight car rentals to third-party organisations.

Cost of Sales

The following table sets forth certain information regarding the Group's cost of sales for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	(KZT millions)		(%)
Staff costs, including taxes, contributions and provisions for unused vacations	835,907	702,500	19.0
Fuel and lubricants	265,916	195,945	35.7
Repairs and maintenance.....	242,842	234,961	3.4
Depreciation and amortisation.....	192,897	165,925	16.3
Electrical power	139,014	90,967	52.8
Materials and supplies.....	78,083	62,300	25.3
Work and services of a production nature.....	76,540	71,246	7.4
Property tax and other taxes, excluding social tax and social contributions.....	31,979	29,816	7.3
Utilities and building maintenance.....	9,423	7,730	21.9
Communication services	3,127	3,125	0.1
Employee post-employment benefit expenses and other long-term employee benefits	3,069	14,150	(78.3)
Other expenses	45,254	41,352	9.4
Total	1,924,051	1,620,017	18.8

For the year ended 31 December 2025, cost of sales was KZT 1,924,051 million, as compared to KZT 1,620,017 million for 2024, reflecting an increase of KZT 304,034 million, or 18.8%. This increase was primarily due to increases in the inflation index, minimum wage and other macroeconomic indicators, as well as higher labour, fuel and electricity costs, which was partially offset by decreases in employee benefit expenses and other long-term employee benefits.

Staff costs, including taxes, contributions and provisions for unused vacations were KZT 835,907 million for the year ended 31 December 2025, as compared to KZT 702,500 million for 2024, reflecting an increase of KZT 133,407 million, or 19.0%. This increase was primarily due to wage increases of 8.5% for low-paid workers and 7% for other categories of personnel, the introduction of one-time payments of KZT 100,000, KZT 200,000 and KZT 300,000 depending on length of service in the industry, and an increase in labour participation rate bonuses for production personnel from 10% to 20% on a monthly basis and from 30% to 60% on a quarterly basis of the applicable tariff rate or official salary. See "*Management and Employees of the Issuer—Employees*".

Fuel and lubricant costs were KZT 265,916 million for the year ended 31 December 2025, as compared to KZT 195,945 million for 2024, reflecting an increase of KZT 69,971 million, or 35.7%. This increase was primarily due to a 7.3% increase in the volume of transport work and a 31.7% increase in the actual weighted average price.

Repairs and maintenance costs were KZT 242,842 million for the year ended 31 December 2025, as compared to KZT 234,961 million for 2024, reflecting an increase of KZT 7,881 million, or 3.4%. This increase was primarily due to an increase in the indexation of prices for servicing rolling stock (locomotives and carriages).

Depreciation and amortisation was KZT 192,897 million for the year ended 31 December 2025, as compared to KZT 165,925 million for 2024, reflecting an increase of KZT 26,972 million, or 16.3%. This increase was primarily due to the commissioning of new fixed assets.

Electricity was KZT 139,014 million for the year ended 31 December 2025, as compared to KZT 90,967 million for 2024, reflecting an increase of KZT 48,047 million, or 52.8%. This increase was primarily due to a 6.3% increase in the volume of transportation work and a 50.1% increase in the weighted average price.

Materials and supplies was KZT 78,083 million for the year ended 31 December 2025, as compared to KZT 62,300 million for 2024, reflecting an increase of KZT 15,783 million, or 25.3%. This increase was primarily due to additional purchases of spare parts for the repair of rolling stock.

Gross Profit

As a result of the foregoing, for the year ended 31 December 2025, the Group's gross profit was KZT 833,032 million, as compared to KZT 543,925 million in 2024, reflecting an increase of KZT 289,107 million, or 53.2%.

General and Administrative Expenses

The following table sets forth certain information regarding the Group's general and administrative expenses for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	<i>(KZT millions)</i>		<i>(%)</i>
Staff costs, including taxes, contributions and provisions for unused vacations	94,523	78,473	20.5
Property tax and other taxes, excluding social tax and social contributions	15,458	17,942	(13.8)
Other third-party services.....	5,649	3,809	48.3
Consulting, audit and legal services	5,626	2,873	95.8
Expenses for holding festive and cultural events	4,712	3,273	44.0
Depreciation and amortisation.....	3,189	4,446	(28.3)
Business trips	2,502	2,590	(3.4)
Membership fees.....	1,641	1,299	26.3
Utilities and building maintenance.....	1,587	1,170	35.6
Short-term lease expenses	1,548	1,133	36.6
Insurance	745	636	17.1
Communication services	698	653	6.9
Expenses to maintain social sphere facilities.....	539	431	25.1
Banking services	453	442	2.5
Repairs and maintenance.....	431	1,216	(64.6)
Employee post-employment benefit expenses and other long-term employee benefits.....	212	512	(58.6)
Charity	—	2,000	NM
Other expenses	6,324	5,492	15.2
Total	145,837	128,390	13.6

For the year ended 31 December 2025, general and administrative expenses were KZT 145,837 million, as compared to KZT 128,390 million for 2024, reflecting an increase of KZT 17,447 million or 13.6%. This increase was primarily due to increases in staff costs, including taxes, contributions and provisions for unused vacation, various third-party services, consulting, audit and legal services, and expenses to hold celebrations and cultural and mass events which were partially offset by decreases in property tax and other taxes, excluding social tax and social contributions, as well as depreciation and amortisation. Staff costs, including taxes, contributions and provisions for unused vacations, amounted to KZT 94,523 million for the year ended 31 December 2025, compared to KZT 78,473 million for 2024, representing an increase of KZT 16,050 million, or 20.5%. This increase was primarily due to a 7% increase in wages for employees, the introduction in 2025 of one-time payments of KZT 100,000, KZT 200,000 and KZT 300,000 (depending on length of service in the industry), and an increase in labour participation rate bonuses paid to AMP line staff from 10% to 20% on a monthly basis and from 30% to 60% on a quarterly basis of the applicable tariff rate or official salary.

Various third-party services, which primarily relate to services provided by the management company for the maintenance of the Issuer's and certain subsidiaries' administrative buildings were KZT 5,649 million for the year ended 31 December 2025, as compared to KZT 3,809 million for 2024, reflecting an increase of KZT 1,840 million, or 48.3%. The increase in 2025 was primarily due to an increase in utility and other operating costs in an inflationary environment.

Consulting, audit and legal services were KZT 5,626 million for the year ended 31 December 2025, as compared to KZT 2,873 million for 2024, reflecting an increase of KZT 2,753 million, or 95.8%. This increase was primarily due to growth in consulting services related to IPO preparation.

Property tax and other taxes than social tax and social contributions were KZT 15,458 million for the year ended 31 December 2025, as compared to KZT 17,942 million for 2024, reflecting a decrease of KZT 2,484 million, or 13.84%. This decrease was primarily due to a reduction in the volume of VAT-exempt work at the Kuryk port. In 2024, the majority of dredging work, which generated a significant volume of VAT-exempt turnover, was completed, whereas in 2025 only residual work of this nature was carried out. As a result, the volume of VAT-exempt turnover decreased in 2025, leading to a corresponding decrease in the amount of non-deductible VAT.

Expenses to hold celebrations and cultural events were KZT 4,712 million for the year ended 31 December 2025, as compared to KZT 3,273 million for 2024, reflecting an increase of KZT 1,439 million, or 44.0%. This increase was primarily due to a higher number of employee-related cultural and commemorative events held across the Group and higher associated costs, including venue, logistics and services, in an inflationary environment.

Finance Income

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

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	<i>(KZT millions)</i>		<i>(%)</i>
Effect of the modification of debt liabilities that does not result in derecognition.....	43,226	—	NM
Interest income on cash and cash equivalents	21,770	11,517	89.0
Interest income on derivative financial instruments recognised at fair value through profit or loss	10,745	10,010	7.3
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	7,196	—	NM
Income from guarantees issued	2,850	1,322	115.6
Income from subsidising the interest rate on financial liabilities.....	—	28,019	NM
Other finance income	2,831	2,087	35.6
Total	88,618	52,955	67.3

For the year ended 31 December 2025, finance income was KZT 88,618 million, as compared to KZT 52,955 million for 2024, reflecting an increase of KZT 35,663 million, or 67.3%. This increase was due to the effect of modification of financial liabilities that does not result in derecognition, the change in fair value of derivative financial instruments through profit or loss and an increase in interest income on cash and cash equivalents and guarantees issued.

Finance Costs

The following table sets forth certain information regarding the Group's finance costs for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2025 and 2024
	2025	2024	
	<i>(KZT millions)</i>		<i>(%)</i>
Interest costs and unwinding of discount on loans	153,443	152,777	0.4
Lease interest expenses	36,307	19,502	86.2
Interest expense on employee benefits obligations.....	6,039	—	NM
Change in fair value of derivative financial instruments recognised at fair value through profit or loss	—	6,363	NM
Other finance costs.....	5,198	2,733	90.2
Sub-total	200,987	181,375	10.8
Loss from the ineffective part of hedging instruments.....	44,857	3,609	1,142.9
Total	245,844	184,984	32.9

For the year ended 31 December 2025, finance costs were KZT 245,844 million, as compared to KZT 184,984 million for 2024, reflecting an increase of KZT 60,860 million, or 32.9%. This increase was primarily due to higher losses arising from the ineffective portion of hedging instruments in 2025 compared to 2024.

Lease interest expenses were KZT 36,307 million for the year ended 31 December 2025, as compared to KZT 19,502 million for 2024, reflecting an increase of KZT 16,805 million, or 86.2%, primarily due to higher obligations under lease agreements with JSC Industrial Development Fund.

Other finance costs were KZT 5,198 million for the year ended 31 December 2025, as compared to KZT 2,733 million for 2024, reflecting an increase of KZT 2,465 million, or 90.2%. This increase was primarily due to higher expenses relating to corporate income tax on non-residents' income paid from the Group's own funds without withholding.

Foreign Exchange Loss

For the year ended 31 December 2025, the Group recorded a foreign exchange loss of KZT 19,990 million, as compared to KZT 69,620 million for 2024, which was primarily due to exchange rate differences on liabilities mainly represented by loans and bonds and the impact of hedging operations.

Share of the Profit of Associates and Joint Ventures

For the year ended 31 December 2025, the Group recorded a share of profit of associates and joint ventures of KZT 1,634 million, as compared to KZT 10,772 million for 2024, reflecting a decrease of KZT 9,138 million, or 84.8%. This decrease was primarily due to exchange rate differences on liabilities, mainly loans and bonds, and the impact of hedging operations.

Profit before Tax

As a result of the foregoing, for the year ended 31 December 2025, profit before tax was KZT 499,021 million, as compared to KZT 223,529 million for 2024.

Income Tax Expenses

For the year ended 31 December 2025, income tax expenses were KZT 155,375 million, as compared to KZT 62,724 million for 2024, reflecting an increase of KZT 92,651 million, or 147.7%. This increase was primarily due to increases in current income tax expenses and deferred income tax expense. The increase in deferred income tax expense in 2025 was primarily due to an increase in profit before tax.

Profit for the Year

As a result of all of the foregoing, for the year ended 31 December 2025, profit for the year was KZT 343,646 million, as compared to a profit of KZT 160,805 million in 2024.

Consolidated Results of Operations for the Year Ended 31 December 2024, as compared to the Year Ended 31 December 2023

Revenue and other income

For the year ended 31 December 2024, total revenue was KZT 2,163,942 million, as compared to KZT 1,934,095 million for the year ended 31 December 2023, reflecting an increase of KZT 229,847 million, or 11.9%. This increase was primarily due to a KZT 193,008 million, or 11.5%, increase in revenue from freight transportation.

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

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024 ⁽¹⁾	2023	
	<i>(KZT millions)</i>		<i>(%)</i>
Revenue from freight transportation	1,875,558	1,682,550	11.5
Revenue from passenger transportation	110,523	101,682	8.7
Government grants	41,124	38,912	5.7
Other revenue	136,737	110,951	23.2
Total revenue and other income	2,163,942	1,934,095	11.9

Note:

- (1) Revenue from freight transportation has been reclassified to reflect the reclassification of revenue from freight transportation in international (transit) routes attributable to previous hedging instruments from other comprehensive loss to revenue from freight transportation. See Notes 13 and 21 to the 2024 Financial Statements.

Freight Transportation

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of transportation activity, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024 ⁽¹⁾	2023	
	<i>(KZT millions)</i>		<i>(%)</i>
International (transit) routes	698,797	655,888	6.5
Domestic routes	507,501	439,857	15.4
International (export) routes	322,631	274,069	17.7
International (import) routes	194,279	185,758	4.6
Additional charges related to the transportation process	67,769	60,675	11.7
Other ⁽²⁾	84,581	66,303	27.6
Total	1,875,558	1,682,550	11.5

Notes:

- (1) Revenue from freight transportation has been reclassified to reflect the reclassification of revenue from freight transportation in international (transit) routes attributable to previous hedging instruments from other comprehensive loss to revenue from freight transportation. See Notes 13 and 21 to the 2024 Financial Statements.
- (2) Includes revenue for use of freight cars by third parties and revenue for locomotive haulage and additional charges, including support services such as loading, cleaning, storage, shunting and other services, which do not form part of the freight tariff.

For the year ended 31 December 2024, revenue from freight transportation was KZT 1,875,558 million, as compared to KZT 1,682,550 million in 2023, reflecting an increase of KZT 193,008 million, or 11.5%. This increase was primarily due to higher income resulting from exchange rate movements of the Swiss franc in the calculation of transit transportation revenues and from changes in average tariff levels.

International transit freight transportation revenue was KZT 698,797 million for the year ended 31 December 2024, as compared to KZT 655,888 million for the year ended 31 December 2023, reflecting an increase of KZT 42,909 million, or 6.5%. This increase was primarily due to a 4.3% increase in traffic volumes and exchange rate movements of the Swiss franc affecting transit revenue calculations.

Domestic freight transportation revenue was KZT 507,501 million for the year ended 31 December 2024, as compared to KZT 439,857 million for the year ended 31 December 2023, reflecting an increase of KZT 67,644 million, or 15.4%. This increase was primarily due to a 1.9% increase in traffic volumes and higher revenues resulting from changes in average tariff levels.

International export freight transportation revenue was KZT 322,631 million for the year ended 31 December 2024, as compared to KZT 274,069 million for the year ended 31 December 2023, reflecting an increase of KZT 48,562 million, or 17.7%. This increase was primarily due to changes in the average tariff levels.

International import freight transportation revenue was KZT 194,279 million for the year ended 31 December 2024, as compared to KZT 185,758 million for the year ended 31 December 2023, reflecting an increase of KZT 8,521 million, or 4.6%. This increase was primarily due to changes in the average tariff levels.

Additional charges related to the transportation process were KZT 67,769 million for the year ended 31 December 2024, as compared to KZT 60,675 million for the year ended 31 December 2023, reflecting an increase of KZT 7,094 million, or 11.7%. This increase was primarily due to higher transportation volumes and related increases in idle-time charges and penalties.

Other revenue from freight transportation was KZT 84,581 million for the year ended 31 December 2024, as compared to KZT 66,303 million for the year ended 31 December 2023, reflecting an increase of KZT 18,278 million, or 27.6%. This increase was primarily attributable to higher revenues from cargo transshipment services.

The following table sets forth certain information regarding the Group's revenue from freight transportation, by type of freight, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024 ⁽¹⁾	2023	
	(KZT millions)		(%)
Coal.....	119,961	107,695	11.4
Ore	48,018	48,518	(1.0)
Oil	19,648	20,477	(4.1)
Oil products.....	307,092	280,069	9.7
Construction materials	53,191	45,195	17.7
Grain and grain products	56,288	52,662	6.9
Ferrous scrap	5,016	5,543	(9.5)
Chemicals and sodium carbonate	81,371	66,436	22.5
Chemical and mineral fertilisers.....	44,481	33,533	32.7
Coloured ore.....	42,690	35,543	20.1
Nonferrous metals	18,278	19,054	4.1
Ferrous metals	121,878	110,091	10.7
Other ⁽²⁾	957,645	857,735	11.7
Total	1,875,558	1,682,550	11.5

Notes:

- (1) Revenue from freight transportation has been reclassified to reflect the reclassification of revenue from freight transportation in international (transit) routes attributable to previous hedging instruments from other comprehensive loss to revenue from freight transportation. See Notes 13 and 21 to the 2024 Financial Statements and "Presentation of Financial and Other Information—Financial Statements".
- (2) Includes revenue for use of freight cars by third parties, revenue for locomotive haulage services rendered to third parties in freight traffic and additional charges, which include charges for ancillary services rendered by the Issuer, such as loading, cleaning, storage, shunting and other services, that are not part of the freight tariff.

The increase in revenue from freight transportation for the year ended 31 December 2024, in terms of type of freight transported, was primarily due to increases in revenue from the transportation of construction materials, coal, coloured ore, ferrous metals, chemicals and sodium carbonate, and mineral fertilisers. These increases were partially offset by decreases in revenues from the transportation of ferrous scrap, nonferrous metals, oil, and ore.

Passenger Transportation

The following table sets forth certain information regarding Passenger Transportation's revenue from passenger transportation, by type of transportation activity, for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024	2023	(%)
	<i>(KZT millions)</i>		
Passenger transportation.....	94,003	89,866	4.6
Other revenue ⁽¹⁾	16,520	11,816	39.8
Total	110,523	101,682	8.7

Note:

(1) Includes revenue for baggage transportation, passenger service and other services.

Passenger transportation revenue was KZT 94,003 million for the year ended 31 December 2024, as compared to KZT 89,866 million for 2023, reflecting an increase of KZT 4,137 million, or 4.6%. This increase was primarily attributable to regulated passenger tariff increases of 7.0% effective from 1 January 2024 and 19.9% effective from 1 October 2024.

Other revenue from passenger transportation was KZT 16,520 million for the year ended 31 December 2024, as compared to KZT 11,816 million for 2023, reflecting an increase of KZT 4,704 million, or 39.8%. This increase was primarily attributable to higher revenues from the organisation of transit services for third-party baggage wagons and an increase in passenger volumes.

Government Grants

For the year ended 31 December 2024, revenue from Government grants was KZT 41,124 million, as compared to KZT 38,912 million for 2023, reflecting an increase of KZT 2,212 million, or 5.7%. This increase was primarily attributable to changes in the level and allocation of government support provided during 2024.

Other Revenue

For the year ended 31 December 2024, other revenue was KZT 136,737 million, as compared to KZT 110,951 million for 2023, reflecting an increase of KZT 25,786 million, or 23.2%. This increase was primarily due to increases in revenue the lease of carriages and revenue from the sale of goods and provisions of other services, partially offset by a decrease in revenue from fines.

Cost of Sales

The following table sets forth certain information regarding the Group's cost of sales for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024	2023	
	<i>(KZT millions)</i>		<i>(%)</i>
Staff costs, including taxes, contributions and provisions for unused vacations	702,500	616,248	14.0
Repairs and maintenance.....	234,961	229,398	2.4
Fuel and lubricants.....	195,945	219,739	(10.8)
Depreciation and amortisation.....	165,925	151,593	9.5
Electricity.....	90,967	64,980	40.0
Work and services of a production nature.....	71,246	77,113	(7.6)
Materials and supplies.....	62,300	58,190	7.1
Property tax and other taxes, excluding social tax and social contributions.....	29,816	27,655	7.8
Employee benefit expenses and other long-term employee benefits	14,150	6,611	114.0
Utilities and building maintenance.....	7,730	5,891	31.2
Telecommunication services	3,125	2,631	18.8
Other costs	41,352	38,534	7.3
Total	1,620,017	1,498,583	8.1

For the year ended 31 December 2024, cost of sales was KZT 1,620,017 million, as compared to KZT 1,498,583 million for 2023, reflecting an increase of KZT 121,434 million, or 8.1%. This increase was primarily due to higher costs for wages, electricity and depreciation of fixed assets.

Staff costs, including taxes, contributions and provisions for unused vacations were KZT 702,500 million for the year ended 31 December 2024, as compared to KZT 616,248 million for 2023, reflecting an increase of KZT 86,252 million, or 14.0%. This increase was primarily due to a 7% increase in wages and a 10% increase in labour force participation bonuses. See "*Management and Employees of the Issuer—Employees*".

Repairs and maintenance costs were KZT 234,961 million for the year ended 31 December 2024, as compared to KZT 229,398 million for 2023, reflecting an increase of KZT 5,563 million, or 2.4%. This increase was primarily due to the indexation of prices for servicing rolling stock (locomotives and carriages).

Fuel and lubricant costs were KZT 195,945 million for the year ended 31 December 2024, as compared to KZT 219,739 million for 2023, reflecting a decrease of KZT 23,794 million, or 10.8%. This decrease was primarily due to a 14.9% price reduction.

Depreciation and amortisation was KZT 165,925 million for the year ended 31 December 2024, as compared to KZT 151,593 million for 2023, reflecting an increase of KZT 14,332 million, or 9.5%. This increase was primarily due to the commissioning of fixed assets during 2024.

Employee benefit expenses and other long-term employee benefits were KZT 14,150 million for the year ended 31 December 2024, as compared to KZT 6,611 million for 2023, reflecting an increase of KZT 7,539 million, or 114.0%. This increase was primarily due to the introduction of a special social payment and changes to the rules governing the payment of industry-specific old-age benefits.

Gross Profit

As a result of the foregoing, for the year ended 31 December 2024, the Group's gross profit was KZT 543,925 million, as compared to KZT 435,512 million in 2023, reflecting an increase of KZT 108,413 million, or 24.9%.

General and Administrative Expenses

The following table sets forth certain information regarding the Group's general and administrative expenses for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024	2023	
	(KZT millions)		(%)
Staff costs, including taxes, contributions and provisions for unused vacations	78,473	67,433	16.4
Property tax and other taxes, excluding social tax and social contributions	17,942	7,853	128.5
Depreciation and amortisation.....	4,446	4,698	(5.4)
Various third party services.....	3,809	4,299	(11.4)
Expenses to hold celebrations and cultural and mass events	3,273	2,717	20.5
Consulting, audit and legal services	2,873	1,561	84.0
Business trip expenses.....	2,590	1,945	33.2
Charity	2,000	—	NM
Membership fee.....	1,299	855	51.9
Repairs and maintenance.....	1,216	1,310	(7.2)
Utilities and building maintenance.....	1,170	752	55.6
Lease expenses.....	1,133	936	21.0
Telecommunication services	653	659	(0.9)
Insurance.....	636	583	9.1
Employee benefit expenses and other long-term employee benefits	512	328	56.1
Banking services	442	431	2.6
Expenses to maintain social sphere facilities.....	431	405	6.4
Other expenses	5,492	9,729	(43.6)
Total	128,390	106,494	20.6

For the year ended 31 December 2024, general and administrative expenses were KZT 128,390 million, as compared to KZT 106,494 million for 2023, reflecting an increase of KZT 21,896 million, or 20.6%. This increase was primarily due to higher costs for wages, electricity and fuel.

Staff costs, including taxes, contributions and provisions for unused vacation were KZT 78,473 million for the year ended 31 December 2024, as compared to KZT 67,433 million for 2023, reflecting an increase of KZT 11,040 million, or 16.4%. This increase was primarily due to a 7% increase in wages, as well as a 10% increase in labour participation rate bonuses. See "*Management and Employees of the Issuer—Employees*".

Property tax and other taxes, excluding social tax and social contributions were KZT 17,942 million for the year ended 31 December 2024, as compared to KZT 7,853 million for 2023, reflecting an increase of KZT 10,089 million, or 128.5%. This increase was primarily due to the write-off of corporate income tax after ten years from the date of its formation, the accrual of income tax on loan

interest, and an adjustment to value-added tax relating to the transfer of assets to the authorised capital of Kuryk Port. In addition, the increase in 2024 reflected a higher volume of dredging-related work at Kuryk Port, the majority of which was completed during that period, resulting in a significant volume of VAT-exempt turnover and, consequently, an increase in the amount of value-added tax not subject to offset.

Consulting, audit and legal services were KZT 2,873 million for the year ended 31 December 2024, as compared to KZT 1,561 million for 2023, reflecting an increase of KZT 1,312 million, or 84.0%. This increase was primarily due to the provision of consulting services in the field of passenger transportation management for JSC Passenger Transportation in the amount of KZT 1,637 million.

Other expenses were KZT 5,492 million for the year ended 31 December 2024, as compared to KZT 9,729 million for 2023, reflecting a decrease of KZT 4,237 million, or 43.6%. This decrease was primarily due to the recognition in 2023 of costs relating to the downtime of the second-tier subsidiary Kazakhstan Carriage Building Company LLC, as well as a reduction in costs associated with the certification of buildings, registration of land plots and related matters.

Finance Income

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

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024	2023	
	<i>(KZT millions)</i>		<i>(%)</i>
Interest rate state subsidies on financial liabilities	28,019	2,220	1,162.1
Interest on cash and cash equivalents	11,517	12,209	(5.7)
Interest income on derivative financial instruments recognised at fair value through profit or loss	10,010	10,491	(4.6)
Guarantees issued	1,322	1,427	(7.4)
Other finance income	2,087	5,874	(64.5)
Total	52,955	32,221	64.3

For the year ended 31 December 2024, finance income was KZT 52,955 million, as compared to KZT 32,221 million for 2023, reflecting an increase of KZT 20,734 million, or 64.3%. This increase was primarily due to a significant increase in income from interest rate state subsidies on financial liabilities, which increased by KZT 25,799 million compared to 2023, partially offset by small decreases across all other finance income line items, other than other finance income, which decreased by KZT 3,787 million, or 64.5%, primarily due to a change in the amortisation of the discount on the loan.

Finance Costs

The following table sets forth certain information regarding the Group's finance costs for the years indicated:

	For the year ended 31 December		% change between the years ended 31 December 2024 and 2023
	2024	2023	(%)
	<i>(KZT millions)</i>		
Interest costs and loan discount amortisation	152,777	161,945	(5.7)
Lease interest expenses	19,502	8,995	116.8
Change in fair value of derivative instruments recognised at fair value through profit or loss	6,363	35,182	(81.9)
Loss from the ineffective part of hedging instruments	3,609	—	NM
Other finance costs	2,733	2,243	21.8
Total	184,984	208,365	(11.2)

For the year ended 31 December 2024, finance costs were KZT 184,984 million, as compared to KZT 208,365 million for 2023, reflecting a decrease of KZT 23,381 million, or 11.2%. This decrease was primarily due to lower interest costs and loan discount amortisation, as well as changes in the fair value of derivative instruments.

Interest costs and loan discount amortisation were KZT 152,777 million for the year ended 31 December 2024, as compared to KZT 161,945 million for 2023, reflecting a decrease of KZT 9,168 million, or 5.7%. This decrease was primarily due to a reduction in base rates on floating-rate loans and bonds.

Lease interest expenses were KZT 19,502 million for the year ended 31 December 2024, as compared to KZT 8,995 million for 2023, reflecting an increase of KZT 10,507 million, or 116.8%. This increase was primarily due to an increase in obligations under lease agreements with JSC Industrial Development Fund.

Change in fair value of derivative financial instruments recognised at fair value through profit or loss amounted to KZT 6,363 million for the year ended 31 December 2024, as compared to KZT 35,182 million for 2023, reflecting a decrease of KZT 28,819 million, or 81.9%. This decrease was primarily due to changes in forward rates.

Loss from the ineffective part of hedging instruments (Note 13) was KZT 3,609 million for the year ended 31 December 2024, as compared to nil for 2023, reflecting an increase of KZT 3,609 million. This increase was primarily due to the implementation of a hedging strategy for hedging instruments.

Foreign Exchange Loss

For the year ended 31 December 2024, the Group recorded a foreign exchange loss of KZT 69,620 million, as compared to a foreign exchange loss of KZT 14,124 million, for 2023, representing an increase of 392.9%, which was primarily due to exchange rate differences on liabilities mainly represented by loans and bonds.

Share of Profit of Associates and Joint Ventures

For the year ended 31 December 2024, the Group recorded a share of profit of associates and joint ventures of KZT 10,772 million, as compared to KZT 8,144 million for 2023, reflecting an increase of KZT 2,628 million, or 32.3%. This increase was primarily due to an increase in the profit of the associated organisation, JSC Transtelecom, in 2024.

(Impairment)/impairment reversal of non-financial assets

For the year ended 31 December 2024, (impairment)/impairment reversal of non-financial assets amounted to a loss of KZT 7,336 million, as compared to an impairment reversal of KZT 1,149 million for 2023, reflecting a negative change of KZT 8,485 million, or 738.5%. This deterioration was primarily due to the accrual of an impairment on prepaid other taxes in 2024 amounting to KZT 4,229 million, compared to the recovery of an impairment of investments in the associated organisation, China-Kazakhstan International Logistics Company of Lianyungang, in 2023 amounting to KZT 4,697 million.

Profit before Tax

As a result of all of the foregoing, for the year ended 31 December 2024, profit before tax was KZT 223,529 million, as compared to profit before tax of KZT 161,383 million for 2023, representing an increase of 38.5%.

Corporate Income Tax Expenses

For the year ended 31 December 2024, corporate income tax expenses were KZT 62,724 million, as compared to KZT 24,599 million for 2023, reflecting an increase of KZT 38,125 million, or 155.0%. This increase was primarily due to a KZT 20,361 million, or 116.7%, increase in deferred income tax expense, a KZT 8,956 million, or 148.9%, increase in current income tax expenses and a KZT 8,798 million, or 645.5%, increase in change in unrecognised deferred tax assets, incl. tax losses carried forward.

Profit for the Year

As a result of the foregoing, for the year ended 31 December 2024, profit for the year was KZT 160,805 million, as compared to a profit of KZT 136,784 million in 2023.

Operating Segments

Overview

For financial reporting purposes, the activities of the Group are divided into two reportable segments, namely freight transportation and passenger transportation. All other operating segments, which primarily include utilities, loading and unloading services and vessel servicing, which in aggregate do not exceed quantitative thresholds for disaggregation, are not separately reported (and are combined into "other"). The Group does not have a specified pricing policy for inter-segmental sales, although, in general, inter-segmental transactions are charged at prevailing market prices. See Note 5 to the 2025 Financial Statements.

Management tracks a number of segment profitability metrics, such as profit before income tax, profit for the year and gross profit. However, profit for the year is the primary measure used by management to allocate resources and assess segment performance.

The following table sets forth certain information regarding the revenue, profit before tax and profit for the period of the operating segments of the Group for the periods indicated:

Segment	For the year ended 31 December					
	2025	2024	2023	2025	2024	2023
	Total revenue and other income			Profit/(Loss) before taxes		
	<i>(KZT millions)</i>					
Freight transportation.....	2,598,988	2,030,281	1,806,963	528,695	256,936	181,395
Passenger transportation.....	287,504	248,591	213,896	(28,979)	(28,205)	(19,217)
Total reporting segments	2,886,492	2,278,872	2,020,859	499,716	228,731	162,178
Others.....	35,215	30,845	28,289	1,820	(651)	3,753
Eliminations.....	(164,624)	(145,775)	(115,053)	(2,515)	(4,551)	(4,548)
Total	2,757,083	2,163,942	1,934,095	499,021	223,529	161,383

Freight Transportation

Total revenue and other income attributable to this segment increased by 27.8% to KZT 2,598,988 million for the year ended 31 December 2025, as compared to KZT 2,030,281 million for the year ended 31 December 2024. This increase was primarily due to an increase in the volume of freight transportation and an increase in average tariffs in 2025. Profit before tax attributable to this segment was KZT 528,695 million for the year ended 31 December 2025, as compared to KZT 256,936 million for the year ended 31 December 2024. This increase was primarily due to revenue growth of KZT 568,707 million, or 28.0%.

Total revenue attributable to this segment increased by 12.4% to KZT 2,030,281 million for the year ended 31 December 2024, as compared to KZT 1,806,963 million for the year ended 31 December 2023. This increase was primarily due to an increase in the volume of freight transportation and an increase in average tariffs in 2024. Profit before income tax attributable to this segment was KZT 256,936 million for the year ended 31 December 2024, as compared to profit before income tax of KZT 181,395 million for the year ended 31 December 2023. This change was primarily due to increased revenues and finance income in 2024, as compared to 2023.

Passenger Transportation

Total revenue and other income attributable to the passenger transportation segment was KZT 287,504 million for the year ended 31 December 2025, as compared to KZT 248,591 million for the year ended 31 December 2024, reflecting an increase of KZT 38,913 million, or 15.7%. This increase was primarily attributable to regulated passenger tariff increases of 19.9% effective from 1 October 2024 and 7.0% effective from 1 March 2025.

Loss before tax attributable to this segment was KZT 28,979 million for the year ended 31 December 2025, as compared to a loss of KZT 28,205 million for the year ended 31 December 2024, reflecting an increase in the loss of KZT 774 million, or 2.7%. This change was primarily due to higher financing costs.

Total revenue and other income attributable to the passenger transportation segment was KZT 248,591 million for the year ended 31 December 2024, as compared to KZT 213,896 million for the year ended 31 December 2023, reflecting an increase of KZT 34,695 million, or 16.2%. This increase was primarily attributable to regulated passenger tariff increases of 7.0% effective from 1 January 2024 and 19.9% effective from 1 October 2024, as well as increased activity related to the organisation of transit services for third-party baggage wagons and changes in the allocation of the financing plan.

Loss before tax attributable to this segment was KZT 28,205 million for the year ended 31 December 2024, as compared to a loss of KZT 19,217 million for the year ended 31 December 2023, reflecting an increase in the loss of KZT 8,988 million, or 46.8%. This change was primarily due to higher finance costs.

Other

Total revenue and other income attributable to other activities was KZT 35,215 million for the year ended 31 December 2025, as compared to KZT 30,845 million for the year ended 31 December 2024, reflecting an increase of KZT 4,370 million, or 14.4%. This increase was primarily due to an increase in other income from third parties from KZT 17,205 to KZT 20,423.

Profit before tax attributable to other activities was KZT 1,820 million for the year ended 31 December 2025, as compared to a loss before tax of KZT 651 million for the year ended 31 December 2024, reflecting a positive change of KZT 2,471 million. This change was primarily due to a decrease in general and administrative expenses.

Total revenue and other income attributable to other activities was KZT 30,845 million for the year ended 31 December 2024, as compared to KZT 28,289 million for the year ended 31 December 2023, reflecting an increase of KZT 2,556 million, or 9.0%. This increase was primarily due to an increase in other income from intersegment transactions from KZT 9,679 million to KZT 13,640 million.

Loss before tax attributable to other activities was KZT 651 million for the year ended 31 December 2024, as compared to profit before tax of KZT 3,753 million for the year ended 31 December 2023, reflecting a negative change of KZT 4,404 million. This change was primarily due to higher cost of sales and increased general and administrative expenses.

Liquidity and Capital Resources

The Group's operations, including maintenance and repair of Kazakhstan's railways and related infrastructure, as well as maintenance and repair of the locomotives and rolling stock and other types of property, plant and equipment, are capital intensive activities. The Group requires funds primarily for working capital purposes to meet its short-term financial obligations as they fall due, as well as for upgrading Kazakhstan's railways and related infrastructure and expanding and maintaining its rolling stock and locomotive fleet.

The Group's cash flow from operations, Government grants, borrowings under credit agreements, loans and capital contributions from Samruk-Kazyna and the issuance of bonds have served as the historical sources of capital and liquidity for the Group's business and are expected to serve as the Group's sources of capital and liquidity for the near term.

The Group has experienced instances in the past when the Group had insufficient liquidity to fully fund its planned capital expenditures and has the ability to manage its liquidity through exercising control over capital expenditures. By way of an example, following the devaluation of the Tenge in 2015, the Group substantially reduced its capital expenditures, which could no longer be fully funded from operating cash flows or other sources, and implemented cost reduction measures.

The Group also receives significant support from the Government in the form of capital contributions and concessional rate loans.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—Maintenance, modernisation and upgrades of the Group's railway and logistics infrastructure requires continuing funding" and "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—The Group has historically experienced liquidity problems".

As at 31 December 2025, the Group's current assets were KZT 491,322 million (as compared to KZT 452,181 million as at 31 December 2024 and KZT 385,596 million as at 31 December 2023), while its

current liabilities were KZT 1,454,337 million (as compared to KZT 1,381,619 million as at 31 December 2024 and KZT 808,382 million as at 31 December 2023). Accordingly, the Group's current liabilities exceeded its current assets by KZT 963,015 million as at 31 December 2025, KZT 929,438 million as at 31 December 2024 and KZT 422,786 million as at 31 December 2023. As at 31 December 2025, the Group's current liabilities included borrowings of KZT 389,543 million payable within 12 months. The increase in the current liabilities deficit in 2024 as compared to 2023 was primarily attributable to a significant increase in short-term liabilities, driven by the utilisation of short-term credit facilities to fund working capital requirements. In addition, the composition of current liabilities was affected by the approaching contractual maturity of bonds in the aggregate principal amount of \$883 million held by Samruk-Kazyna, which were originally scheduled to mature on 10 October 2025. During 2025, an agreement was reached to extend the maturity of these bonds to 2028.

Cash Flows

The following tables set forth certain information regarding the principal items of the consolidated statement of cash flows for the periods indicated:

	For the year ended 31 December			% change between the years ended 31 December	
	2025	2024	2023	2025 and 2024	2024 and 2023
	<i>(KZT millions)</i>			<i>(%)</i>	
Net cash from operating activities..	746,797	336,597	306,318	121.9	9.9
Net cash used in investing activities	(932,267)	(734,061)	(802,702)	27.0	(8.6)
Net cash flows from financing activities	228,039	393,367	434,271	(42.0)	(9.4)

Net Cash from Operating Activities

For the year ended 31 December 2025, net cash from operating activities was KZT 746,797 million, as compared to KZT 336,597 million for the year ended 31 December 2024, reflecting an increase of KZT 410,200 million, or 121.9%. This increase was primarily attributable to higher profit before tax, improved working capital movements, and higher non-cash adjustments, including depreciation and amortisation.

For the year ended 31 December 2024, net cash from operating activities was KZT 336,597 million, as compared to KZT 306,318 million for the year ended 31 December 2023, reflecting an increase of KZT 30,279 million, or 9.9%. This increase was primarily attributable to higher profit before tax in 2024, primarily attributable to higher tariffs.

Net Cash Used in Investing Activities

Net cash used in investing activities principally reflect purchases of property, plant and equipment, capital expenditure on infrastructure projects, investments in associates and joint ventures, capital contributions, and dividends received.

For the year ended 31 December 2025, net cash used in investing activities was KZT 932,267 million, as compared to KZT 734,061 million for 2024, reflecting an increase in cash outflows of KZT 198,206 million, or 27.0%. This increase was primarily due to higher capital expenditure on railway infrastructure and rolling stock, as well as increased investments in associates and joint ventures, partially offset by dividends received from associates.

For the year ended 31 December 2024, net cash used in investing activities was KZT 734,061 million, as compared to KZT 802,702 million for 2023, reflecting a decrease in cash outflows of KZT 68,641

million, or 8.6%. This decrease in cash outflows was primarily due to lower purchases of property, plant and equipment in 2024 compared to 2023, partially offset by no net proceeds from disposal of subsidiaries.

Net Cash Flows From Financing Activities

For the year ended 31 December 2025, net cash flows generated from financing activities were KZT 228,039 million, as compared to KZT 393,367 million for 2024, reflecting a decrease of KZT 165,328 million, or 42.0%. This decrease was primarily due to lower net proceeds from borrowings, reflecting changes in the timing and structure of debt financing, partially offset by continued access to funding for the Group's investment programme.

For the year ended 31 December 2024, net cash flows generated from financing activities were KZT 393,367 million, as compared to KZT 434,271 million for 2023, reflecting a decrease of KZT 40,904 million, or 9.4%. This decrease was primarily due to a lower net contribution from financing flows in 2024, reflecting the combined effect of borrowings raised and repaid, as well as lease liability payments and other financing items recorded during the year.

Capital Expenditure

The following table sets forth certain information regarding the Group's total capital expenditures, by segment, including acquisitions through business combinations, for the periods indicated.

	For the year ended		
	31 December		
	2025	2024	2023
	<i>(KZT millions)</i>		
Freight transportation	1,239,973	1,006,018	628,238
Passenger transportation.....	37,323	110,003	76,151
Other	2,355	54,217	540
Total capital expenditures	1,279,651	1,170,238	704,929

The Group's principal capital expenditures relate to the construction of new railway lines, capital repairs of railways, construction of plants and acquisition and capital repairs of locomotives, freight wagons and passenger cars. The Group's investment programme prioritises infrastructure development to enable the further alignment of the Group's railway network with international standards and requirements.

For the year ended 31 December 2025, the Group's most significant capital expenditures included: the modernisation of the Dostyk-Mointy railway transport corridor, Altynkol-Zhetygen railway section, the construction of the railway lines Darbaza-Maktaaral, Mointy-Kyzylzhar, Bakhty-Ayagoz, construction of second line on the Dostyk-Alashankou railway section, the construction of a bypass railway line bypassing the Almaty station, construction of automatic train control systems, liabilities under lease agreements with Industrial Development Fund JSC, overhaul of railway tracks, acquisition of equipment, long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives, passenger carriages.

For the year ended 31 December 2024, the Group's most significant capital expenditures included the modernisation of the Dostyk-Mointy railway transport corridor, the construction of the Darbaza-Maktaaral railway line, the construction of a bypass railway line around the Almaty station, major

repairs of railway tracks, and the purchase of equipment, including long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives, and passenger wagons.

For the year ended 31 December 2023, the Group's most significant capital expenditures included the modernisation of the Dostyk-Mointy railway transport corridor, major repairs of railway tracks and wagons, the purchase of equipment, including freight and passenger electric locomotives, freight and passenger diesel locomotives, and passenger wagons.

The following table sets forth certain information regarding the Group's budgeted expenditures for the years indicated:

	For the year ended 31 December				
	2026 ⁽¹⁾	2027 ⁽¹⁾	2028 ⁽¹⁾	2029 ⁽¹⁾	2030 ⁽¹⁾
	(KZT millions)				
Freight transportation	599,849	516,378	341,849	327,514	279,970
Passenger transportation.....	215,380	125,389	130,610	133,909	135,850
Mainline railway network	1,405,756	1,046,721	280,925	309,188	278,917
Other	3,113	995	1,453	323	0
Total capital expenditures	2,224,098	1,689,484	754,837	770,934	694,738

Note:

(1) Estimated. See "Forward-looking Statements".

For the year ended 31 December 2025, the Group's planned capital expenditures for 2026 amount to KZT 2,224 billion, of which KZT 126.8 billion had been spent as at 1 March 2026. The Group's most significant capital expenditures planned for 2026 include:

- modernisation of the Dostyk-Aktogay-Mointy transit railway corridor, of which KZT 0.09 billion had been spent as at 1 March 2026;
- construction of the Mointy-Kyzylzhar railway line, of which KZT 9.8 billion had been spent as at 1 March 2026;
- major repairs of railway tracks, of which KZT 16.5 billion had been spent as at 1 March 2026;
- purchase of 22 units of freight and passenger electric locomotives and freight and passenger diesel locomotives, of which KZT 52.7 billion had been spent as at 1 March 2026; and
- purchase of 41 units of passenger cars, of which KZT 36.9 billion had been spent as at 1 March 2026.

The Group plans to spend a total of over KZT 2 trillion in 2026, with these expenditures being directed primarily towards the following projects:

- completion of the construction of the railway line bypassing Almaty station; in 2025, operational traffic was launched on the section between Zhetigen station and Kazybek Bek station; the project is aimed at developing Kazakhstan's transit potential by reducing freight delivery time to 24 hours and reducing congestion at the Almaty hub;
- completion of the Darbaza-Uzbekistan State Border railway line; the project aims to connect Kazakhstan with Uzbekistan via the Maktaaral-Syrdarya checkpoint, reducing the transit distance to Afghanistan, Pakistan and Turkmenistan and contributing to the socio-economic development of Maktaaral;

- completion of the modernisation of the Altynkol-Zhetygen railway section; the project includes the construction of second tracks and sidings on the Altynkol-Zhetygen section and the development of Altynkol station to improve the competitiveness of Kazakhstan's transport and transit sector;
- completion of the Mointy-Kyzylzhar railway line; the project includes the construction of a new line to strengthen transit potential and improve the competitiveness of Kazakhstan's transport sector, as well as increasing the capacity of this section;
- completion of the Bakhty-Ayagoz railway lines; the project aims to increase export, import and transit volumes of goods from Russia and Kazakhstan to China through the construction of a railway line and the opening of a third railway border crossing with China;
- completion of the construction of automatic block systems on railway sections; the project aims to ensure the safety of train traffic and the reliable operation of equipment, increase throughput capacity, increase section speeds and reduce cargo delivery times;
- upgrading of the Group's rolling stock and locomotive fleet (including the acquisition of 256 locomotives and 1,373 freight cars, as well as the repair of seven locomotives and 7,554 freight cars); and
- modernisation of the Group's railway infrastructure.

For further information see "*Financial and Contingent Liabilities*" below.

Indebtedness

The Group's main sources of indebtedness are bank loans from Kazakhstan and foreign banks and debt securities. The following table sets forth certain information regarding the Group's long-term indebtedness as at 31 December 2025. No short-term indebtedness was outstanding as at 31 December 2025:

	Currency	Maturity	Interest Rate	Current Portion	Non-Current Portion
			(%)	(KZT millions)	
Long-term borrowings					
<i>Fixed Rate</i>					
Samruk-Kazyna:					
Loan 1 ⁽¹⁾	Tenge	2053	0.05		162,600
Loan 2 ⁽¹⁾	Tenge	2055	0.05		65,480
Loan 3 ⁽¹⁾	Tenge	2038	0.75	1,175	14,099
Loan 4 ⁽¹⁾	Tenge	2062	0.10		118,346
Loan 5 ⁽¹⁾	Tenge	2042	2.0		60,755
Loan 6 ⁽¹⁾	Tenge	2062	0.10		51,298
Loan 7 ⁽¹⁾	Tenge	2062	0.10		8,166
Loan 8 ⁽¹⁾	Tenge	2046	0.075		5,500
JSC Development Bank of Kazakhstan:					
Loan 1	Tenge	2035	1.75		4,762
Loan 2	Tenge	2036	1.75		9,432
Loan 3	Tenge	2037	1.75		14,880
Loan 4	Tenge	2039	1.75		10,970
Loan 5	Tenge	2039	1.55		10,508
Loan 6	Tenge	2039	1.56		17,492
Loan 7	Tenge	2040	1.50		20,000
Loan 8	Tenge	2040	1.50		20,000
Loan 9	Tenge	2041	1.50		14,700
Loan 10	Tenge	2042	1.50		5,300
Loan 11 ⁽²⁾	Tenge	2038	3.15		73,000
Loan 12 ⁽²⁾	Tenge	2039	3.75		115,500
Loan 13 ⁽²⁾	Tenge	2039	4.50		12,900
Loan 14 ⁽²⁾	Tenge	2040	6.0		72,362
Loan 15 ⁽²⁾	Tenge	2032	5.0	822	2,467
Loan 16 ⁽²⁾	Tenge	2035	5.0	5	53,053
Loan 17 ⁽⁴⁾	Tenge	2039	6.75		64,696
Loan 18 ⁽⁵⁾	Tenge	2040	8.0		53,814
Loan 14 ⁽²⁾	Tenge	2032	5.0	932	2,795
Loan 15 ⁽²⁾	Tenge	2035	5.0	2,910	14,592
Loan 16 ⁽³⁾	Tenge	2035	7.15	7,592	83,515
HSBC France	Euro	2030	3.04/4.8/2.08	10,202	25,557
HSBC France	Euro	2031	3.04/4.8/2.08	3,972	7,273
EDB	Rub	2034	7.8	10,003	81,364
<i>Debt Securities</i>					
	U.S.				
U.S.\$883 million Eurobonds due 2028	Dollars	2028	3		446,372
KZT 162.9 billion Bonds due 2042	Tenge	2042	7.37		162,859
KZT 40.0 billion Bonds due 2034	Tenge	2034	2.0		40,000
KZT 40.0 billion Bonds due 2034	Tenge	2034	11.5		40,000
KZT 300.0 billion Bonds due 2034	Tenge	2034	11.5		300,000
KZT 173.7 billion Bonds due 2043	Tenge	2043	8.74		173,709
KZT 164.0 billion Bonds due 2044	Tenge	2044	9.25		163,969
KZT 44.2 billion Bonds due 2044	Tenge	2044	1.8		44,200
KZT 30.0 billion Bonds due 2026	Tenge	2026	16.0	30,000	
KZT 42.3 billion Bonds due 2045	Tenge	2045	19.5		42,326
KZT 25.0 billion Bonds due 2027	Tenge	2027	11.0		25,000
<i>Variable Rate</i>					
			Average inflation		
KZT 50.0 billion Bonds due 2026	Tenge	2026	rate+2.52b.p	50,000	
			SARON6m +		
			Funding spread		
EBRD	CHF	2029	0.2+1,8%		89,226
			Compounded		
Citibank, Santander (MIGA)	CHF	2033	SARON 6m +	33,838	249,892
			0.95%		
ADCB, DB	CHF	2028	6m+1,6%		308,901
Citibank NA, Citibank Europe Pls	CHF	2026	Saron + 2%	119,818	
			Euribor 6m+		
Societe Generale, Natixis	EUR	2035	1.15%	5,634	263,433
			Euribor 6m+		
Societe Generale, Natixis	EUR	2039	0.8%	19,479	146,949
			Saron		
Citibank N.A., Santander, EXIM Bank US	CHF	2034	3m+0.75%	35,475	258,056

DB., Santander, EXIM Bank US	CHF	2035	Saron ON+0.48%	10,414	82,793
CDB, EXIM Bank of China.....	CNY	2040	LPR 5Y-0.55%		41,352
Loan 1	Tenge	2026	NBRK base rate +1.50%	20,000	
Loan 2	Tenge	2026	NBRK base rate +1.50%	10,000	
Loan 3	Tenge	2026	NBRK base rate +1.50%	20,000	
Loan 4	Tenge	2026	NBRK base rate +1.50%	20,000	
Total long-term borrowings				412,271	4,156,213
Total borrowings				412,271	4,156,213

Notes:

- (1) Loan granted by Samruk-Kazyna to the Group at concessional rates.
- (2) The subsidised part of 10% of the interest rate by the Government is eliminated.
- (3) The interest rate is 13.15% of which 6% are subsidised by the Government.
- (4) The interest rate is 13.75% of which 7% are subsidised by the Government.
- (5) The interest rate is 16.0% of which 8% are subsidised by the Government

The following table sets forth certain information regarding the estimated scheduled maturities of the Issuer's debt as at 31 December 2025, assuming that all credit lines available to the Issuer had been fully drawn down as at such date:

Year Due	Amount Due
	<i>(KZT billions)</i>
During the year.....	389,543
1-2 years	164,515
2-3 years	470,345
3-4 years	152,879
4-5 years	138,166
Over 5 years	594,337
Total	1,909,785

Certain Provisions and Terms of Borrowings and Covenant Waivers

The loan and guarantee agreements related to the Group's borrowings, as well as existing debt securities issued by entities within the Group and the related guarantees, require that the Issuer, the Guarantors and other Group subsidiaries comply with certain affirmative and negative covenants in the operation of their respective businesses. While the specific provisions of each of the loan and guarantee agreements vary, these generally require that the Group members subject to the agreements take or refrain from taking certain actions specified in the loan or guarantee agreements. These provisions require the Group members subject to the agreements to obtain the prior written consent of the relevant lender prior to implementing any material change to the scope or nature of their respective businesses. In addition, lender consent generally is required prior to any merger, consolidation or reorganisation of the affected members of the Group, prior to encumbering assets and prior to certain sales, transfers and dispositions of properties in excess of a specified value or which are essential to the conduct of the relevant Group entity's business, although certain agreements contain exceptions for reorganisations or transfers of assets pursuant to the Development Strategy. Any disposition of the core railway network, freight carriages or locomotives would generally require the consent of certain lenders. Other transactions that are limited by one or more of the agreements or guarantees include incurring capital expenditures greater than amounts specified in the relevant loan agreement or guarantee and incurring additional indebtedness or guaranteeing the indebtedness of third parties without the prior approval of the lender. The majority of the Group's loan and guarantee arrangements also include cross default clauses.

In addition to imposing affirmative and negative obligations regarding the conduct of the business of members of the Group, existing loan and guarantee agreements require that the Group company subject to the agreements maintain or periodically satisfy as at particular dates certain financial tests. One of the most restrictive of these financial ratio tests requires the maintenance of an interest coverage ratio of 3.5 or more and a ratio of debt to equity of 1.4 or less, with compliance computed using the definitions contained in the relevant loan and guarantee agreements. As a result, the Group's operations may be restricted.

The Notes will, also contain covenants that place certain limitations on the Group, including, *inter alia*, limitations on changes in business, the disposal of property and limitations on mergers and consolidations with other legal entities, as well as a cross-default provision.

Separately, the Debt and Financial Stability Management Policy issued by Samruk-Kazyna sets the following key financial stability ratios: (i) debt to EBITDA (as defined in the Debt and Financial Stability Management Policy) of less than or equal to 4.0; (ii) EBITDA (as defined in the Debt and Financial Stability Management Policy) to interest expense of greater than or equal to 3.50; and (iii) debt to equity of less than or equal to 1.4.

In each of 2019, 2020 and 2021, the Issuer agreed consecutive one-time amendments or waivers with certain of its creditors in respect of projected non-compliances with the financial covenants set out in its loan and guarantee agreements. Certain of the amendments or waivers cover the testing of financial covenants as at 31 December 2021 and will have to be extended or renewed thereafter in respect of any future non-compliances. The Group is proactively working to achieve compliance with the ratios set out in its loan and guarantee arrangements, as well as those specified in the Samruk-Kazyna Debt and Financial Stability Management Policy, and, in 2018, agreed changes to its covenant package with certain lenders. As at 31 December 2017, the Group negotiated with EBRD to reset financial covenant thresholds as to avoid a breach of obligations to creditors.

As at 31 December 2021, 2020 and 2019, the Group received waivers related to the non-application of financial covenants under the financial guarantee contracts with JSC Development Bank of Kazakhstan and a loan agreement with EBRD. In 2019, the Group entered into new agreements with HSBC France regarding financial and non-financial covenants to apply with effect from 1 January 2020. In addition, the Group's credit agreement with Sberbank SB JSC stipulates certain financial covenants calculated quarterly based on data from Kedentransservice and its finance lease agreements with Industrial Development Fund JSC includes certain non-financial covenants. The Group was in compliance with these covenants as at 31 December 2021. On 30 December 2021, the Group received a waiver from VTB Bank PJSC related to the non-application of certain financial covenants. In connection with the ongoing conflict in Ukraine and the related sanctions imposed on Russia and certain Russian entities, in March 2022, management made the decision to prepay the principal debt of loans from VTB Bank PJSC and Sberbank SB JSC in the amount of RUB 19,400,000,000 and KZT 5,064 million, respectively. The Group's corresponding accounts with VTB Bank PJSC and Sberbank SB JSC have been closed. The full amounts under each of these loans were prepaid in March 2022. The Group has no outstanding loan obligations to, or any other relationships with, these sanctioned banks.

In addition, on 19 October 2018, the Issuer announced that each of Passenger Transportation, Vagonservice and Suburban Transportation (which, together with Vagonservice have since been merged into Passenger Transportation) would be added as additional guarantors under its outstanding Eurobonds in order to be in compliance with the guarantor threshold tests set out therein. The addition of the guarantors became effective 30 days from the release of the announcement.

There can be no assurance, however, that the Group will be able to comply with the covenants and restrictions set out in its loan and guarantee agreements and, if not, that it will be able to extend or obtain new amendments or waivers for projected non-compliances that may be required from time-to-time or on a repeated basis in the future. If the Group fails to extend or obtain any required amendment or waiver, the relevant Group borrower would be in breach of the applicable loan or guarantee agreement. Moreover, any such breach would likely trigger cross default provisions in the Group's financing agreements (including the Notes offered hereby) and any such default would permit the Group's lenders and other creditors to accelerate some or all of the Group's debt, which could, in turn, require the Group to restructure or refinance its outstanding indebtedness. There can also be no assurance that the Group would be able to complete any such required restructuring or refinancing. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Separately, the Group requested and was granted consents from certain of its lenders to the issuance of the Notes offered hereby under covenants limiting the incurrence of new indebtedness.

See "Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Financial Risks Relating to the Group and its Business—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".

Group Financial Policy

The Group is exploring ways to reduce its hard currency position through the refinancing of certain existing indebtedness and incurrence of certain new indebtedness in soft currency, with the aim of gradually moving towards a neutral foreign currency position.

In line with such aims, the Group: (i) monitors changes in interest rates with the aim of balancing its debt portfolio, in particular, the composition of its fixed and floating rate debt; (ii) targets the accumulation of foreign currencies ahead of debt redemptions in such currencies; and (iii) targets early refinancing of certain debt.

Going forward, the Group intends to attract longer-term financing for its investment projects from international financial markets. These markets have traditionally offered lower interest rates, compared to domestic financial markets. The Group also expects to continue co-operation with international financial institutions, such as the EBRD and export-import agencies. The sanctions imposed on Russia, Belarus and certain state-owned entities, as a result of the conflict in Ukraine, have caused the Russian Rouble to depreciate and instability and high interest rates in the capital markets. As a result, the Group is not currently considering accessing finance from the Russian market. *See "Risk Factors—Operational Risks relating to the Group and its Business—The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine and related sanctions".*

Samruk-Kazyna, as the Issuer's sole shareholder, plays an active role in monitoring the capital structure and financial position of the Group. In January 2017, Samruk-Kazyna approved a new Debt and Financial Stability Management Policy which applies to entities within the Samruk-Kazyna group. The policy adopts measures to be undertaken to monitor, limit and manage financing risks and sets forth unified principles and mechanisms to manage debt and financial solvency. The policy covers the following key areas:

- *Management of new debt issuances:* Any new debt issuance should be analysed in terms of the issuer's current debt repayment schedule, capacity to meet new obligations, sources available to repay the debt, target capital structure and interest rate and currency risks.

- *Financial stability management:* The policy prescribes target financial solvency ratios and constant monitoring of financial solvency and stress-testing the breaching of prescribed limits. The policy also provides for the adaptation of risk areas and respective special measures based on the Issuer's financial solvency.
- *Financial covenants monitoring:* The policy provides for the constant monitoring of compliance with financial covenants and their forecasted values and sets forth measures to be taken in the event of a covenant breach.

In December 2021, the Issuer's Board of Directors approved the Issuer's Financial Strategy 2030. The objective of the Financial Strategy is to ensure achievement of the strategic goal of financial sustainability of the Issuer through:

- the introduction of principles to decision-making on investment financing and financial activities, repayment of borrowed funds and payment of dividends to shareholders.
- the development and introduction of tools to improve financial and economic activities.
- the implementation of initiatives that increase efficiency of the Issuer.

The Financial Strategy was prepared in consideration of the strategic key performance indicators: net profit, return on average capital employed and net asset value. The Financial Strategy covers the following aspects of the financial and economic activities of the Issuer: (i) income from operating activities; (ii) dividends from subsidiaries; (iii) the structure of the debt portfolio and schedule for the planned repayment of obligations; (iv) investment projects; (v) payment of dividends to the Issuer's shareholders and other distributions on behalf of the Government; (vi) current expenses of the Issuer; and (vii) free cash flows available for repayment of loans and/or distribution of dividends to shareholders.

In accordance with the Financial Strategy, the Issuer is working to reduce costs and increase efficiency, increase freight traffic in its most profitable segment, transit traffic, and increase transportation tariffs. The Issuer is also working to reduce debt, including the existing refinancing liabilities in foreign currency by attracting borrowings in Tenge.

Pursuant to the Financial Strategy, the Issuer is permitted to consider the payment of dividends to shareholders on the basis that: (i) the Issuer is not in the red zone of credit risk, and (ii) there are sufficient funds available to finance additional investment costs for infrastructure and rolling stock (in the event such costs are not to be financed by the Government Budget). A key condition for the implementation of the Financial Strategy is that the Issuer continues to be provided with an exclusive right to carry out transit transportation without the access of private carriers to the market.

Financial and Contingent Liabilities

See Note 27 to the 2025 Financial Statements and Note 27 to the 2024 Financial Statements.

Investment liabilities

As at 31 December 2025, the Group had investment liabilities, including the modernisation of the Dostyk-Mointy railway transport corridor, Altynkol-Zhetygen railway section, the construction of the railway lines Darbaza-Maktaaral, Mointy-Kyzylzhar, Bakhty-Ayagoz, construction of second line on the Dostyk-Alashankou railway section, the construction of a bypass railway line bypassing the Almaty station, construction of automatic train control systems, liabilities under lease agreements with Industrial Development Fund JSC, overhaul of railway tracks, acquisition of equipment, long rails, freight and passenger electric locomotives, freight and passenger diesel locomotives, passenger

carriages for a total amount of KZT 4,681,921 million (as at 31 December 2024: KZT 2,427,217 million).

Litigation

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

Contingent liabilities related to the Kazakhstan tax system

Due to the uncertainties inherent in the Kazakhstan tax system, the ultimate amount of taxes, fines and late payment interest may exceed the amount expensed as at 31 December 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 Group's management believes that its interpretation of the Kazakhstan relevant legislation is appropriate and the Group's tax positions will be sustained. However, tax authorities may take a different position on the interpretation of the effective Kazakhstan tax legislation, which may have a significant impact on the Group's consolidated financial statements.

Insurance

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

Guarantees

In July 2013, the Group entered into a guarantee in favour of JSC Development Bank of Kazakhstan in respect of the performance by Aktobe Rail and Section Mill Plant LLP, an associate of the Group, of its obligations under a financing arrangement for the construction of rails and a section of a mill plant in Aktobe. The guarantee is scheduled to mature in 2033. As at 31 December 2025, the guarantee amount was KZT 14,498 million.

In March 2018, the Group entered into a guarantee in favour of JSC Development Bank of Kazakhstan in respect of the performance by Nursultan Nazarbayev International Airport JSC (formerly, Astana International Airport JSC), which was under trust management by the Group, of its obligations under a financing arrangement for the modernisation of the Nursultan Nazarbayev International Airport. The guarantee is scheduled to mature in 2033. As at 31 December 2025, the guarantee amount was KZT 20,252 million.

As at 31 December 2025 and 2024, the financial guarantees had not been used.

Quantitative and Qualitative Disclosures about Market Risk

The Group's principal financial instruments consist of loans, debt securities issued (bonds), lease liabilities, derivative financial instruments, cash and cash equivalents as well as trade receivables and trade accounts payable and other financial assets and liabilities. The main risks arising from the

Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group further monitors the market risk and liquidity risk arising from all financial instruments.

See Note 30 to the 2025 Financial Statements.

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximizing the return to Samruk-Kazyna by optimising debt and equity balance. The Group's overall strategy remains unchanged from 2020.

There are no mandatory minimum capital requirements for the Group.

The Group's equity structure includes adjusted net debt (loans, debt securities and lease liabilities less cash and cash equivalents) and Group equity (which comprises share capital, foreign currency translation and cash flow hedge reserves, retained earnings and non-controlling interests).

Financial Risk Management objectives

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

Market risk

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

Interest Rate Risk

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

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

As at 31 December 2025, 50.7% of the Group's total borrowings and debt securities issued were borrowings and debt securities issued with floating interest rates, as compared to 36.6% and 33.2% as at 31 December 2024 and 2023, respectively.

Currency Risk

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

A significant portion of the Group's short-term and long-term foreign currency debt is denominated in US\$, Swiss Francs, Euros, Chinese yuan and Russian Roubles. A change in the Tenge value against the US\$, or any other foreign currency in which debt is denominated will result in a foreign exchange gain or loss.

During 2025, the Group incurred a foreign exchange loss of KZT 19,990 million, of which a major portion is attributable to borrowings (see Note 14 to the 2025 Financial Statements).

In October-November 2022, the Group entered into agreements Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) to document cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars. Borrowings represent interest and principal payments on USD denominated bonds in the amount of US\$882,978,000 with a coupon rate of 2% per annum and maturity in October 2025 and the holder is the Shareholder. In August 2025, the Group signed a memorandum extending the maturity of bonds from 2025 to 2028 and changing the coupon rate from 2% to 3% (see Note 14 to the 2025 Financial Statements). In October 2025, the Group extended the terms of its cross-currency swap transactions by one year.

The Group pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. The payment of these fixed amounts in Swiss Francs is a manage of the foreign exchange risk of borrowings, as the Group has a share of revenue denominated in Swiss Francs. These derivative financial instruments are designated into hedging relationships from October 2024 to August 2025 in the consolidated financial statements (see Note 13 to the 2025 Financial Statements).

During 2025, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of US\$17,565,607 (KZT 9,220 million) and CHF4,512,532 (KZT 2,926 million).

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 US\$180,989,291 (KZT 91,496 million) was recognized within current liabilities.

See "*Factors and Trends Affecting Financial Condition and Results of Operations—Changes in Exchange Rates*".

Credit Risk

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

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

As at 31 December 2025, carrying value of cash held by the Group of KZT 24,570 million (10.55% of cash and cash equivalents) in current accounts and short-term deposits in Kazpost JSC and of KZT 22,882 million (9.82% of cash and cash equivalents) on digital accounts in National Bank of Kazakhstan, which is other related party of the Group (see Note 29 to the 2025 Financial Statements). In addition, cash and cash equivalents are mainly held in Halyk Bank of Kazakhstan JSC with a credit rating of BBB- (48.74% of cash and cash equivalents) and in ForteBank JSC with a credit rating of BB (22.74% of cash and cash equivalents).

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

In addition, the Group is exposed to credit risk on financial guarantees provided to banks. The maximum risk of the Group in this regard is equal to the maximum amount that the Group will be obliged to pay in the event of claims for guarantees (see Note 27 to the 2025 Financial Statements).

Liquidity Risk

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

As at 31 December 2025, the Group has credit lines available in Halyk Bank of Kazakhstan JSC, ForteBank JSC, Citibank, Citibank Kazakhstan JSC and Freedom Bank Kazakhstan JSC with undrawn balances totalling KZT 259,680 million. As at 31 December 2024, the Group has credit lines available in Halyk Bank of Kazakhstan JSC, ForteBank JSC and Citibank for the total amount of KZT 128,068 million.

The Group controls and monitors compliance with the covenants set by Samruk-Kazyna and credit/guarantee agreements on a regular basis. See "*Operating and Financial Review of the Group—Liquidity and Capital Resources—Borrowings*".

Critical Accounting Judgments and Key sources of Estimation Uncertainty

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

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

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

Control Assessments

Subsidiaries are those entities controlled by the Group. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Issuer obtains control over the subsidiary and ceases when the Issuer loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Losses are attributed to non-controlling interests in full, even if this results in a debit balance ("**deficit**") (Note 28).

Under the trust management agreement with the Shareholder, the Issuer recognised Aktau Sea Commercial Port National Company JSC as a subsidiary because of the extensive authority given to the Issuer by the Shareholder. The trust management agreement of 100% shares gives it the practical

ability to manage the relevant activities of the entity unilaterally. The Issuer is also entitled to receive residual returns in the entity.

Loans at a Rate below the Market Interest Rate

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

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

Cash-Generating Units Identification

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

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

Assessment of Impairment Indicators of Property, Plant and Equipment

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

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

As at 31 December 2025, the Group performed the analysis of the above external and internal impairment indicators of property, plant and equipment, in particular changes in interest rates, an analysis of the achievement of actual indicators versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of the Tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

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

The management of the Group did not identify any events that occurred in 2025 that could be considered as an indicator of the impairment of the property, plant and equipment as at 31 December 2025.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

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

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

Industrial Development Fund JSC financed the construction of the carriages, but was limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognised the obligation that arose to Industrial Development Fund JSC before the loss of control over the Railway Passenger Coach Construction Plant LLP as a financial liability (borrowing) according to IFRS Accounting Standards 9 Financial Instruments and recognises passenger carriages and work-in-progress as property, plant and equipment items and construction in progress in accordance with IFRS Accounting Standards 16.103 Leases. See Note 3 of the 2025 Financial Statements.

Key sources of estimation uncertainty

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

Impairment of Property, Plant and Equipment, Intangible Assets and Goodwill

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

If 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.

Management assesses the recoverability of goodwill annually as of December 31 or whenever indicators of impairment arise.

To assess goodwill impairment, the Group's management performed an impairment test as at 31 December 2025.

The cash flow assessment incorporates numerous subjective factors, including operational and financial ones, using the best available evidence.

The Group's management concluded that the recoverable amount of goodwill exceeds its carrying amount as at 31 December 2025.

Recoverability of VAT

As of each reporting date, the Group evaluates the provision for non-refundable VAT arising from the provision of international transportation services. The Group cannot charge VAT to customers and, accordingly, can recover these amounts only after receiving them from the tax authorities.

In accordance with the tax legislation of the Republic of Kazakhstan, up to 70% of the accrued VAT is subject to refund from the state budget on a quarterly basis following the submission of a tax return. The remaining portion of the accrued VAT is subject to refund based on the results of a tax audit within five years. During 2024, the Group conducted an analysis of its major suppliers and identified no indications of unreliability in accordance with the criteria set out in the VAT Refund Rules. Based on this analysis, the Group submitted a request for a thematic tax audit for the period from the first quarter of 2020 to the fourth quarter of 2023 in the amount of KZT 142,427 million, in order to confirm the excess VAT amounts and obtain a refund.

In January 2025, the Group received an order from the tax authorities to conduct a tax audit to confirm excess VAT amounts for the period from 1 January 2020 to 30 September 2024, in accordance with the tax legislation of the Republic of Kazakhstan. In April 2025, following the completion of the tax audit, the tax authority confirmed excess VAT to be refunded from the state budget for the period from the first quarter of 2020 to the fourth quarter of 2023 in the amount of KZT 137.949 million. As of 31 December 2025, the Group recognised a reserve of KZT 4,478 million in respect of excess VAT that was not confirmed by the tax authority and remains subject to refund from the state budget for the period from the first quarter of 2020 to the fourth quarter of 2023.

The Group reviews information regarding expected VAT refunds received from its tax department, correspondence with government tax authorities and historical data relating to VAT refunds. The actual amount of VAT refunded may differ from the Group's estimates, which could have a significant effect on future operating results.

As of 31 December 2025, the total carrying amount of VAT recoverable was KZT 421,676 million (as of 31 December 2024: KZT 315,184 million), of which KZT 48,789 million (as of 31 December 2024: KZT 120,475 million) was classified as current assets. The Group expects that the current portion of VAT recoverable will be refunded by the tax authorities or offset against future VAT obligations during 2026 and believes that the total VAT recoverable is fully recoverable.

Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

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

Taxation

The various Kazakh laws and regulations are not always clearly written. There may be differences of opinion between local, regional, and national tax authorities. At the same time, in the case of additional taxes by the tax authorities, the existing fines and penalties are set at a significant amount; the fine amounts to 80% of the amount of additional tax and the penalty amounts to an average of 20.75 per annum of the amount of additional or unpaid tax. As a result, fines and penalties may exceed the amount of additional taxes.

Due to the uncertainty mentioned above, the potential amount of taxes, penalties and penalties, if any, may exceed the amount expensed as of 31 December 2025. Differences between estimates and the amounts actually paid, if any, can have a significant effect on future operating results.

MANAGEMENT AND EMPLOYEES OF THE ISSUER

Company

General

The Issuer's management structure consists of its sole shareholder, the Parent, its Board of Directors, its Management Board and the Chairman of the Management Board. The following roles report directly to the Chairman of the Management Board: (i) the following members of the Management Board: Deputy Chairman of the Board; Managing Director for Production Processes; Managing Director of Finance; Chief of Staff; Chief Engineer; and Chief Legal Officer (ii) heads of the following units of the Issuer, who are not members of the Management Board: Corporate Security Service; Management Board Secretary Service; Office of Organisation and Conduct of Civil Defence; Office of Organisation of Special Type Communications, State Secrets Protection Office, Mobilisation Training Office.

Sole Shareholder

The sole shareholder performs the functions of the general shareholders' meeting as set forth in the Law on Joint Stock Companies of the Republic of Kazakhstan (No. 415-II, dated 13 May 2003), as amended from time-to-time (the "**JSC Law**"), the Kazakhstan Law on the National Welfare Fund (No. 550-IV, dated 1 February 2012) as amended from time-to-time (the "**Samruk-Kazyna Law**"), the Issuer's charter and presidential edicts and decrees of the Government on the establishment of Samruk-Kazyna and its role and functions in Kazakhstan's economy.

The exclusive functions of the sole shareholder include, among other things: (i) approving any amendments to the Issuer's charter, as well as approving new versions of the charter; (ii) approving the Issuer's corporate governance code, as well as any amendments thereto; (iii) approving a reorganisation or liquidation of the Issuer; (iv) appointing the Issuer's auditors; (v) approving the payment of dividends by the Issuer; (vi) approving the Issuer's annual financial statements; (vii) approving the number, the term of authority and the members of the Board of Directors of the Issuer; (viii) appointing the Chairman of the Board of Directors and the Chairman of the Management Board (subject to nomination by the Prime Minister and approval by the Government); (ix) approving the Issuer's participation in the establishment of other legal entities where a transfer of all or a part of the Issuer's assets occurs in an amount equal to 25% or more of the Issuer's total assets; and (x) approving major transactions involving the transfer of assets of the Issuer at an amount equal to 50% or more of the book value of the Issuer's total assets.

Board of Directors of the Issuer

The Board of Directors is responsible for the overall management of the Issuer's activities and directs the Issuer's strategy and policy, except for those matters, which are expressly reserved to the sole shareholder pursuant to the JSC Law, the Samruk-Kazyna Law and the Issuer's charter.

In particular, the powers of the Board of Directors include, among others: (i) setting the priorities of the Issuer's activities; (ii) approving the terms of bonds and derivatives to be issued by the Issuer; (iii) appointing the members of the Management Board except for the Chairman of the Management Board; (iv) approving the remuneration of the members of the Management Board and the Chairman of the Management Board; (v) approving all interested party transactions, excluding transactions within the Samruk-Kazyna group; and (vi) approving major transactions involving the transfer of all or a part of the Issuer's assets at an amount equal to 25% or more of the book value of the Issuer's total assets.

The members of the Issuer's Board of Directors are appointed by a resolution of the sole shareholder for a term of not more than three years, the duration of which is defined by the sole shareholder. A

person generally shall not serve as a member of the Board of Directors for more than nine years; however, in exceptional cases, an appointment for terms aggregating more than nine years is permitted, if the relevant person is re-appointed on an annual basis.

The Board of Directors must have not less than seven members, of which at least 30% must be independent directors. Members of the Management Board, other than the Chairman, may not be elected to the Board of Directors. The Chairman of the Management Board is not permitted to serve as Chairman of the Board of Directors.

The following table sets forth certain biographical information regarding the members of the Issuer's Board of Directors:

Name (current position)	Date of Birth	Age	Background and principal outside activities and duties
Aidar Ryskulov (Chairman of the Board of Directors, Representative of the Parent)	20 September 1981	44	Mr. Ryskulov was born in 1981. He graduated from Karaganda State University named after Ye. Buketov in 2002 with a degree in finance and credit and later completed an executive MBA through a joint programme between Nazarbayev University and Duke University in 2014–2015. Mr. Ryskulov began his career in 2002 as an engineer-economist at the Karaganda branch of NC Kazakhstan Temir Zholy JSC. From 2003 to 2006, he worked at ATF Bank JSC in Astana as a Specialist of SME Lending under the EBRD programme and as a Specialist of the Client Attraction Sector. Between June and October 2006, he served as a Senior Credit Officer in the Business Clients Department of Bank CenterCredit JSC in Astana. He then became Head of the Middle Business Sales Center of Halyk Bank of Kazakhstan JSC in Aktau from 2006 until 2008. From 2009 to 2012, Mr. Ryskulov held various positions within the National Management Holding KazAgro JSC, including deputy director of the Investment Projects Department. Between 2012 and 2014, he served as director of Financial Asset Management of the Parent, after which he became director of the Corporate Finance Department of the Parent from 2014 until 2019. From 2019 to 2023, he served as managing director for Economics and Finance at Samruk-Energo JSC. Since 2023, Mr. Ryskulov has served as managing director for Economics and Finance and as a member of the management board of the Parent. In 2024, he joined the board of directors of Air Astana JSC.
Talgat Aldybergenov (Representative of the Parent, Chairman of the Management Board)	10 April 1970	55	For information regarding Mr. Aldybergenov see " <i>— Management Board of the Issuer</i> ".
Kuat Irubayev (Representative of the Parent)	16 May 1979	46	Mr. Irubayev was born in 1979. Between 1996 and 2001, he studied at Lomonosov Moscow State University in Moscow, specialising in Mechanics and Applied Mathematics. He later completed an executive MBA programme at the Nazarbayev University Graduate School of Business in Astana between 2014 and 2015. Mr. Irubayev began his career in 2003 as a Corporate Client Manager at Bank TuranAlem in Astana. From 2004 until 2005, he served as Chief Analyst in the Risks and Analysis Division of the Monetary Operations Department at the National Bank of the Republic of Kazakhstan in Almaty. Between 2005 and 2006, he worked as Head of the Customer Service Division in the Leasing Operations Department of DBK-Leasing JSC in Astana. From 2006 until 2008, Mr. Irubayev headed the Risk Management Division at the Accumulative Pension Fund "GNPF" JSC in Almaty. He then joined NC Kazakhstan Temir Zholy JSC, where from 2008 to 2015 he served as director of the Risk Management Department and as a member of the risk committee. Since 2018, Mr. Irubayev has served as the representative of Marsh in Astana.
Yelzhas Otynshiyev (Representative of the Parent)	4 January 1987	39	Mr. Otynshiyev was born on 1 April 1987. In 2008, he graduated from the Moscow Institute of Physics and Technology in Moscow, Russia, with a degree in applied mathematics and physics, and in 2010 he received a Master of Science degree in the same field from the same institution. Mr. Otynshiyev began his career in October 2007 as an analyst at Ernst & Young in Moscow. From 2009 until 2012, he worked as a manager and later as director of the Investment Projects Department of the National Mining Company Tau-Ken Samruk JSC. Between 2012 and 2019, he held several roles within the investment division of the Sovereign Wealth Fund

Samruk-Kazyna JSC. From 2019 to 2023, Mr. Otyunshiyev held senior positions in private holding companies and in the management company of the private equity fund KIDF. Since April 2023, he has served as co-managing director for Strategy and Asset Management of the Parent. Mr. Otyunshiyev currently serves as chairman of the board of directors of NC QazaqGaz JSC, and as a member of the board of directors of NC KazMunayGas JSC and NAC Kazatomprom JSC.

Rakhmetolla Kudaibergenov (Representative of the Parent)	28 May 1978	47	Mr. Kudaibergenov was born in 1978. He holds one secondary technical qualification from the Pavlodar Assembly College of S. Toraighyrov Pavlodar State University, as well as three higher education degrees from Abai Kazakh National Pedagogical University, the M. Tynyspayev Kazakh Academy of Transport and Communications, and the University of International Business. He also holds a Master of Business Administration. Mr. Kudaibergenov began his career in May 2003 at CJSC NC Kazakhstan Temir Zholy as Chief Specialist of the Container Transportation Development Division within the Corporate Development Department. He later served as Deputy Head of the Market Analysis and Forecasting Division, Head of the Marketing Research Division, Manager of the Trans-Kazakhstan Railway Line at the Information and Analytical Center of NC Kazakhstan Temir Zholy, and Head of the Corporate Development Directorate. From 2008 to 2010, he headed the Representative Office of JSC NC Kazakhstan Temir Zholy in the European CIS countries and the Baltic states, located in Kyiv, Ukraine. Beginning in 2010, he held the positions of director of the Transportation Marketing Department at JSC NC Kazakhstan Temir Zholy and at JSC Kaztemirtrans. In 2013, he was appointed director of the Freight Transportation Marketing Department of JSC NC Kazakhstan Temir Zholy. In 2015, he became deputy director of the branch of JSC NC Kazakhstan Temir Zholy – Integrated Planning Directorate. In 2016, Mr. Kudaibergenov joined JSC NC Aktau International Sea Commercial Port as Advisor to the President on Strategic Issues. On 1 March 2018, he was elected Secretary General of the International Association "Trans-Caspian International Transport Route". Between 2021 and 2025, he held senior management roles in private logistics companies, including JSC Tranko, LLP First Multimodal Company, and LLP EVS Cargo. On 13 October 2025, he assumed the role of director of the Transport and Communications Department of the Parent.
Natalia Godunova (Independent Director)	24 May 1972	53	Ms. Godunova was born in 1972. In 1993, she graduated from the West Kazakhstan Agricultural Institute, and in 2011 she completed her studies at the Financial University under the Government of the Russian Federation. Ms. Godunova began her career in June 1993 as an economist at the West Kazakhstan "Agroprombank". From 1997 until 1998, she served as a leading specialist, department head and deputy head of the West Kazakhstan Territorial Committee for State Property and Privatisation. Between 1998 and 2004, she held the positions of Senior Referent, Chief Specialist, Head of the Department of Economic Reforms and Head of the Department of Economics in the Office of the Akim of West Kazakhstan Region. From June 2004 until December 2004, Ms. Godunova served as Head of the West Kazakhstan Regional Finance Department. In January 2005, she became director of the Department of Economy and Budget Planning of West Kazakhstan Region, a role she held until May 2005. Between 2005 and 2006, she worked as an Adviser-Economist to the Trade Representation of the Republic of Kazakhstan in the Russian Federation. From July 2006 until January 2009, she served as Adviser to the Akim of Mangistau Region. From March 2009 until October 2012, Ms. Godunova worked as Consultant, Deputy Trade Representative and Acting Trade Representative of the Republic of Kazakhstan in the Russian Federation. Between November 2012 and February 2013, she held the position of Adviser to the Deputy Prime Minister of the Republic of Kazakhstan. From March 2013 until December 2015, she served as Deputy Akim of Kyzylorda Region. From December 2015 until December 2017, Ms. Godunova served as Secretary of the Nur Otan Party. Between December 2017 and February 2018, she was a member of the Central Election Commission of the Republic of Kazakhstan. From February 2018 until November 2022, she served as Chair of the Accounts Committee for Control over Execution of the Republican Budget. From November 2022 until April 2024, she was Chair of the Supreme Audit Chamber of the Republic of Kazakhstan.
Ulf Wokurka (Independent Director)	31 October 1962	63	Mr. Wokurka was born in 1962. He studied at Martin Luther University in Halle an der Saale from 1980 to 1981 and later continued his education at the Moscow State Institute of International Relations of the USSR Ministry of Foreign Affairs between 1983 and 1989, graduating with honours in International Relations. Mr.

Wokurka began his professional career in 1989 at the Ministry of Foreign Affairs in Berlin, where he worked as a Senior Manager in the Western Europe Department, covering Turkey, Greece and Cyprus. From 1990 until 2006, he worked in various divisions of Deutsche Bank AG, ultimately serving as director in the Department of Structured Trade and Export Finance in Frankfurt. Between 2006 and 2008, Mr. Wokurka served as deputy chairman of the Management Board and Chief Financial Officer of Kazakhstan Holding for State Assets Management "Samruk" JSC, while simultaneously acting as chairman of the board of directors of Kazpost JSC. From 2008 until 2010, he served as managing director and member of the management board of Metzler Asset Management GmbH, responsible for asset management business development in Eastern Europe and the CIS. From 2010 to 2017, Mr. Wokurka headed the Representative Office of Deutsche Bank AG in the Republic of Kazakhstan and served as Secretary of the German side of the Kazakh-German Business Council. From 2012 to 2017, he was a member—and from 2016, the chairman—of the board of the association of the Kazakhstan Council of Foreign Investors under the President of Kazakhstan. From 2017 to 2018, he served as chairman of the management board and a member of the board of directors of Kazkommertsbank JSC, and from 2018 to 2019 he was chairman of the management board of Tsesnabank JSC. Since 2017, Mr. Wokurka has served as an independent director and member of the board of directors of JSC "NC KAZAKH INVEST".

Dr. Alexander Andreas Schierhuber (Independent Director) 26 May 1988 37

Dr. Schierhuber was born in 1988. In 2015, he received a Master of Arts degree in International Management and Leadership from Lauder Business School in Vienna. He went on to obtain a Master of Science degree in Global Management from the London School of Economics and Political Science in 2019. In 2024, he commenced doctoral studies at the Vienna University of Economics and Business at the Institute for Transport and Logistics Management. Dr. Schierhuber began his professional career in 2016 at Russian Machines / GAZ Group in Moscow and Nizhny Novgorod, where he served first as a Project Manager (2016–2017) and then as Export Manager for West Africa (2017–2018). From 2018 until 2022, he worked at the Austrian Federal Railways, holding positions including managing director of Breitspur Planungsgesellschaft mbH and Senior Expert for Eurasia at Rail Cargo Austria in Vienna and Moscow. Between 2023 and 2024, he served as Global Head of Business Development at Superfund Asset Management Company GmbH, Vienna, and as a board member of Superfund Japan Co., Ltd. In 2024, he was appointed chairman of the supervisory board of Niederösterreichische Verkehrsorganisationsges.m.b.H. Later that year, he became managing director of Verkehrsverbund Ost-Region GmbH. Dr. Schierhuber is also the author of the study EU-Turkey Relations: Between Political Influence and Economic Success, published in 2017.

John (Ian) McKay (Senior Independent Director) 2 February 1955 71

Mr. McKay was born in 1955. In 1980, he received a BA Joint Honours degree in Education (First Class) and English Studies (Upper Second Class) from the University of Stirling, followed by a Diploma in Education from the same institution that year. He later completed a Certificate in Mediation and Conflict Management from Core Solutions in Edinburgh in 2012 and was appointed Honorary Professor at the University of Stirling Management School in 2016. Mr. McKay began his professional career in 1988 at the Educational Institute of Scotland, where he served as Assistant General Secretary until 2003. From 2003 to 2012, he worked as Director of Scottish Affairs for Royal Mail Group Ltd. Since 2012, he has been Owner Director of Otherhand Ltd. Mr. McKay has extensive board and advisory experience. Between 2006 and 2012, he served as a member of the NHS UK Pay Review Body. From 2010 to 2013, he was a board member and remuneration committee chair at Lothian Buses Ltd. Between 2013 and 2019, he was a board member of Critiqom Ltd, and from 2014 to 2018, he served as a board member of Colleges Scotland. From 2012 until 2018, Mr. McKay served as chairman of the board of Edinburgh College. He was also a member of the Ofcom Advisory Committee for Scotland from 2013 to 2019, a UK Council Member and Scottish chairman of the Institute of Directors from 2011 to 2018, and a board member and remuneration committee chair of the Security Industry Authority from 2018 to 2021. Since 2015, he has been a member of the Stirling University Management School International Board and has served as independent chair of the Police Negotiating Board and SPCF.

The business address of each of the members of the Board of Directors is the legal address of the Issuer, located at 6 Konaev Street, Esil District, Astana 010000, the Republic of Kazakhstan.

Management Board of the Issuer

The Management Board is responsible for executing the day-to-day management and administration of the Issuer, subject to the supervision of the Board of Directors and the sole shareholder. The Management Board's responsibilities include, among others: (i) implementing the decisions of the sole shareholder and the Board of Directors; (ii) approving and presenting to the Board of Directors the business strategy of the Issuer; (iii) implementing the development strategy of the Issuer; (iv) preliminary consideration and approval of issues to be put to a vote of the Board of Directors and the sole shareholder; (v) subject to consultation with the respective committee of the Board of Directors, taking decisions relating to general meetings of shareholders (participants) of a legal entity (such as a joint-stock company or partnership), in which shares (or a participation interest) are held by the Issuer; (vi) approving the budget of the Issuer within its development plan; (vii) approving transactions related to the incurrence of liabilities by the Issuer in an amount of 10% or more of the Issuer's equity; (viii) approving related party transactions with companies within the Samruk-Kazyna group; and (ix) approving other decisions relating to the business of the Issuer that are not among the exclusive authority of the Board of Directors of the Issuer or its sole shareholder.

In accordance with the Issuer's charter, the Management Board must consist of not less than five members. The Board of Directors elects the members of the Management Board for a maximum term of three years.

Since July 2002, the Issuer has been included in the list of national holdings, national companies and other organisations approved by the Resolution No. 784 of the Government dated 26 July 2002, of which only the Prime Minister may nominate a candidate for the chief executive officer role subject to subsequent approval of such candidate by the Government. Accordingly, the Chairman of the Management Board of the Issuer must be nominated by the Prime Minister, approved by the Government and appointed by Samruk Kazuna as sole shareholder. A dismissal of the Chairman of the Management Board is also subject to approval by the Government.

As at the date of this Base Offering Memorandum, the Issuer's Management Board consists of ten members. The following table sets forth certain biographical information regarding the members of the Issuer's Management Board:

Name (current position)	Date of Birth	Age	Background and principal outside activities and duties
Talgat Aldybergenov (Chairman of the Management Board)	10 April 1970	55	Mr. Aldybergenov was born in 1970. In 1992, he graduated from the Almaty Institute of Railway Transport Engineers with a degree in organisation of transportation and management in railway transport. He later obtained a master's degree in economics from the Russian Academy of National Economy and Public Administration under the President of the Russian Federation in 2013, and in 2002 he was awarded the academic degree of Candidate of Economic Sciences by the Kazakh Academy of Transport and Communications. Mr. Aldybergenov began his career at the West Kazakhstan Railway, where he worked from 1992 to 1998 as a freight cashier, cargo and baggage receiver, deputy station master and senior road commercial auditor. From 1998 until 2007, he held several leadership roles including Head of the Aktobe branch of the State Enterprise "Center for Corporate Transport Services" of Kazakhstan Temir Zholy, Director of Kaztransservice, and Director of the Transport Logistics Department of the Trading House "KazMunayGas". Between 2008 and 2019, Mr. Aldybergenov served as president of JSC Kedentransservice, general director of AvtoGazAlmaty LLP, and chairman of the management board of Kazakhmys Maker LLP. From 2024 to 2025, he served as Deputy Chairman of the Management Board of the Company. Mr. Aldybergenov has served as the Chairman of the Management Board the Company since 3 July 2025.

Murat Toregeldin (Deputy Chairman of the Management Board)	17 March 1984	42	Mr. Toregeldin was born in 1984. He graduated with honours from Y.A. Buketov Karaganda State University with a Law degree in 2006 and a master's degree in 2008. He later earned a degree in Economics from Karaganda University of Economics in 2011. In 2015, as a Bolashak International Scholarship recipient, he completed a master's in international business and corporate law at Lancaster University in the United Kingdom. Since 2025, he has pursued doctoral studies in logistics at ALT University named after M. Tynyshpayev. Mr. Toregeldin began his career in 2006, working in the financial and national development sectors at Halyk Bank JSC, Kaspi Bank JSC, National Company SEC Saryarka JSC and National Geological Exploration Company Kazgeology JSC. Beginning in 2018, he held several senior roles within the Group, including corporate secretary of the Company; first deputy director general and deputy director general (chairman of the management board) of Passenger Transportation JSC; and acting chairman of the management board of Vagonservis JSC. Since July 2025, Mr. Toregeldin has served as Deputy Chairman of the Management Board of the Company. He is also a member of the Presidential Youth Personnel Reserve.
Marat Shakenov (Deputy Chairman of the Management Board)	28 July 1964	61	Mr. Shakenov was born in 1964. Between 1998 and 2001, he studied at the M. Tynyshpaev Kazakh Academy of Transport and Communications, specialising in Locomotives and qualifying as an Engineer-Mechanic. From 2003 to 2006, he completed postgraduate studies at the Kazakh University of Transport, earning the degree of Candidate of Technical Sciences. Between 2017 and 2021, he obtained a Doctor of Business Administration from the Russian Presidential Academy of National Economy and Public Administration. Mr. Shakenov began his career in July 1982 as a locomotive driver assistant at the 10th locomotive depot in Ayagoz of the Alma-Ata Railway. From November 1982 until November 1985, he served in the Navy as Commander of the diesel submarine electrical equipment division. Between 1985 and 1994, he returned to the 10th locomotive depot in Ayagoz, working as a locomotive driver assistant and later as a locomotive driver. In 1994–1995, he served as a locomotive instructor for train crews. From December 1995 onward, Mr. Shakenov held a series of managerial positions within the railway sector at the Char and Ayagoz operational depots and the Semey Railway. In 2000, he became Head of the Ayagoz Operational Locomotive Depot, and from 2002 until 2013 he served as director of the "Locomotive" JSC branch, overseeing the Ayagoz Operational Locomotive Depot. From 2013, he worked at JSC "Locomotive" as executive director, Vice President and Acting President, becoming President of the company between 2015 and 2016. From 2016 until 2018, he served as Vice President for Rolling Stock, Technical Policy and Operations at JSC "KTZ – Freight Transport". Since 2018, Mr. Shakenov has held a succession of senior roles at the Company, progressing from Department Director to Managing Director and subsequently Deputy Chairman of the Management Board. He also serves part-time as chairman of the board of directors of JSC "Dosjan Temir Joly".
Anuar Akhmetzhanov (Deputy Chairman of the Management Board)	12 December 1975	50	Mr. Akhmetzhanov was born in 1975. In 1996, he graduated from Karaganda State University named after Buketov with a degree in International Economic Relations. He later completed a master's degree in international finance at Johns Hopkins University in Washington, D.C., in 2000. Mr. Akhmetzhanov began his career in 1996 as a Lecturer in the Department of International Economic Relations at Karaganda State University, where he worked until 2000. From 2000 to 2003, he served as Chief Analyst in the Department of Strategic Planning, General Manager of the Department for Foreign Economic Relations, and Manager of the North Caspian Project Department at NOC Kazakhoil CJSC. Between 2003 and 2004, he worked as deputy director and subsequently director of the Project Analysis Department at KazMunayTeniz. From 2004 to 2006, he served as deputy director and director of the Marine Projects Preparation Department at NC KazMunayGas JSC. In 2006–2007, he was Chief Expert of the oil and gas asset management group at Samruk-Kazyna Holding JSC. From 2007 until 2010, Mr. Akhmetzhanov held senior positions at NC KazMunayGas JSC as executive director for Oil Exploration and Production Projects and as general manager. He then served as first deputy general director of JV KazGerMunai LLP from 2010 to 2012. Between 2012 and 2016, he was Deputy Akim of the Karaganda region responsible for industry, SME development, industrialization and investment. In 2016, he served as an Inspector in the Administration of the President of the Republic of

			<p>Kazakhstan. From 2016 to 2019, he served as Executive Secretary of the Ministry of Defense and Aerospace Industry. He subsequently served as Executive Secretary (2019–2020) and First Vice Minister (2020–2021) of the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan. Mr. Akhmetzhanov has served as Deputy Chairman of the Management Board of the Company since 2021. He has received several state and industry awards, including the Astana 20 Years Anniversary Medal (2018), the Order "Kurmet" (2018), the "Memleketтік qyzmetkerler kasipodagynyn uzdigi" badge (2020), and the 25 Years of Independence of the Republic of Kazakhstan Anniversary Medal (2020).</p>
Yerlan Koishibayev (Deputy Chairman of the Management Board)	30 November 1985	40	<p>Mr. Koishibaev was born in 1985. He graduated from the American University in Dubai in 2007 with a bachelor's degree in finance and banking. He later completed a master's degree in logistics at the Kazakh Academy of Transport and Communications between 2015 and 2017, and an MBA at the Russian Academy of National Economy and Public Administration between 2016 and 2018. Mr. Koishibaev began his career in 2007 as Assistant to the Minister of Finance of the Republic of Kazakhstan, a role he held until 2010. From 2010 until 2011, he served as director of the Investment Projects Department of Samruk-Kazyna Invest LLP. Between 2011 and 2013, he served as Vice-President of the National Center for the Development of Transport Logistics JSC. From 2013 to 2015, he was President of Center of Transport Services JSC. From 2015 to 2018, Mr. Koishibaev worked as Vice President for Logistics of KTZ Express JSC. He then served as deputy chairman of the management board of the Kazakhstan Institute of Industry Development JSC from 2018 to 2019. Between 2019 and 2021, he held the position of Deputy Akim of the Kostanay region. From 2021 to 2023, he served as Managing Director for Logistics at the Company. From 2023 to 2025, Mr. Koishibaev served as Deputy Chairman of the Management Board for Logistics, and since 2025 he has served as Deputy Chairman of the Management Board of the Company.</p>
Bauyrzhan Urynbassarov (Managing Director for Production Processes)	22 October 1970	55	<p>Mr. Urynbassarov was born in 1970. In 1993, he graduated from the Almaty Institute of Railway Transport Engineers with a degree in organisation of transportation and traffic control in railway transport. Mr. Urynbassarov began his career in 1994 as a duty officer on the tracks of the Kyzyl-Orda Railway Station of the West Kazakhstan Railway. From 1994 to 1997, he worked as a duty officer at Alma-Ata Station No. 2 of the Almaty Railway and subsequently as a train dispatcher at the same station. In 1997, he became a road dispatcher and later a senior dispatcher in the Main Department of Freight and Commercial Transportation of RSE Kazakhstan Temir Zholy. In 1998, Mr. Urynbassarov served as Leading Engineer and Chief Specialist of the Main Department of Transportation of Freight and Commercial Work at the Republican State Enterprise Kazakhstan Temir Zholy. In 1999, he became Head of the Production and Technical Department of the enterprise. From 1999 to 2001, he served as Assistant and later Advisor to the First Deputy General Director of RSE Kazakhstan Temir Zholy. Between 2001 and 2002, Mr. Urynbassarov served as Chief Engineer of the Department for the Coordination of the Transportation Process of Kazakhstan Temir Zholy, and in 2002 he continued in the same capacity under the state enterprise Infrastructure. From 2002 to 2006, he served as Chief Engineer of the Transportation Directorate of the Company. From 2006 to 2007, he served as Deputy Director and Chief Engineer of the "Directorate of the Backbone Network" branch of the Company, and between 2007 and 2008 he served as Director of the "Karaganda Branch of the Railway." From 2008 to 2010, he was Executive Director and Director of the "Directorate of the Transportation Process" branch, and in 2010 he became Director of the "Almaty Branch of the Railway". From 2010 to 2012, Mr. Urynbassarov served as Managing Director and Chief Engineer of the Company, and from 2012 to 2014 he served as Managing Director for Operational Work. In 2014, he was appointed Acting President of Kaztemirtrans JSC. From 2014 to 2016, he served as Vice President of the Company, and between 2016 and 2017 he served as Chief Engineer of the Company. Between 2017 and 2018, Mr. Urynbassarov served as Vice President for Infrastructure Projects of the Company. From 2018 to 2020, he served as Managing Director for Infrastructure and Director of the "Directorate of the Backbone Network" branch. From 2020 to 2021, he served as Deputy Chairman of the Management Board for Infrastructure and Director of the same</p>

branch. He has served as Managing Director for Production Processes of the Company since 2022.

Dair Kuserov (Managing Director for Finance)	10 January 1977	49	Mr. Kuserov was born in 1977. In 1998, he graduated from Indiana University with a bachelor's degree in finance. In 2001, he earned a degree in international economics from the Kazakh State Academy of Management. Mr. Kuserov began his career in 1998 as Deputy Chief Accountant and later director of the Internal Audit Department at KUPA Ak-Niet, where he worked until 2000. From 2000 to 2005, he served in several roles at ABN AMRO Asset Management, including Deputy Chief Accountant, Risk Manager, Head of Department, Portfolio Manager and Senior Portfolio Manager. Between 2005 and 2006, he was deputy director and subsequently director of the Corporate Finance Department of Intergas Central Asia JSC. From 2006 to 2008, Mr. Kuserov served as director of the Corporate Finance Department of KazTransGas JSC. Between 2008 and 2012, he held senior positions as financial director of KazTransOil JSC and managing director for Economics and Finance at KazTransGas JSC. From 2012 until 2018, he served as deputy general director for Economics and Finance at KazTransGas JSC. Mr. Kuserov has served as Managing Director for Finance of the Company since December 2018.
Yerlan Amandykov (Chief of Staff)	7 June 1988	37	Mr. Amandykov was born in 1988. He graduated in 2009 from the West Kazakhstan Agrarian and Technical University named after Zhangir Khan with a bachelor's degree in mechanical engineering. Mr. Amandykov began his career in 2008 as an Engineer at the Uralsk Children's and Youth Sports School, where he worked until 2010. Between 2010 and 2012, he served as Chief Specialist at the Akimat of the Podstepnoy Rural District. From 2012 to 2013, he held the position of Assistant to the Akim of the Terekty District in the West Kazakhstan Region. From 2013 to 2015, Mr. Amandykov worked as a Leading Specialist and Chief Specialist at the West Kazakhstan Region Agriculture Department. Between 2015 and 2020, he held various roles within the West Kazakhstan Region Akim's Office. From 2020 to 2024, he served as Deputy Akim of the West Kazakhstan Region. From 8 April 2024 to 17 July 2024, he served as Deputy Akim of the Terekty District Akim's Office. In 2024–2025, he held various positions within the Company and has served as Chief of Staff of the Company since 2025.
Ramazan Sadyrkulov (Chief Engineer)	5 October 1980	45	Mr. Sadyrkulov was born in 1980. He graduated in 2002 from the Kazakh Academy of Transport and Communications named after M. Tynyshpayev in Almaty with a qualification as an engineer for the organization of transportation in railway transport. In 2012, he obtained a Bachelor of Engineering and technology degree from the Almaty University of Power Engineering and Communications. Mr. Sadyrkulov began his career on 16 September 2002 at the Almaty Power Supply Distance, a branch of the Company, where he served as an electrician, electric technology specialist, and later as Head of the Traction Substation until 30 September 2004. From 1 October 2004 until 2 April 2017, he worked at the Atbasar Power Supply Distance, holding positions including Chief Engineer and Director. Between 3 April 2017 and 25 August 2021, Mr. Sadyrkulov headed the Almaty Power Supply Distance within the Almaty branch of the backbone network of the Company. From 26 August 2021 until 2 April 2024, he served in the Backbone Network Directorate as Acting Director and subsequently Deputy Director. Mr. Sadyrkulov has served as Chief Engineer of the Company since 2024.
Alexandra Smolina (Chief Legal Officer, Director of the Legal Support Department)	15 March 1986	40	Ms. Smolina was born in 1986. She graduated with honours in 2008 from KAZGUU University in Astana with a bachelor's degree in international law. In 2012, she completed professional training in "Mediation in Social and Labour Disputes and Conflicts" at the Corporate Center for Mediation and Negotiation Process in Astana, receiving certification as a corporate mediator. In 2018, she completed two postgraduate business degrees: an executive MBA in Oil and Gas Business Management from the Gubkin University of Oil and Gas in Moscow, and a Master of Economics and Business (Business Administration – Oil & Gas) from the Kazakh British Technical University in Almaty, with specialisation in strategic management in international oil and gas corporations. Ms. Smolina began her professional career in 2008 at NC KazMunayGas JSC, where she worked in the International Contracts Department for nearly a decade, progressing through the roles of Senior

Lawyer, Leading Lawyer, deputy director, and ultimately director. From 2017 until 2019, she served as director of the Legal Support Department for Large Oil and Gas Projects at NC KazMunayGas JSC. Between 2019 and 2020, Ms. Smolina served as executive director and director of the Legal Department at Passenger Transportation JSC, where she was also a member of the management board. From 2020 to 2022, she worked at the Company as Director of the International Contracts Department. In 2022, she became Deputy Director of the Legal Support Department, and later that same year was appointed Chief Legal Officer and Director of the Legal Support Department of the Company. Ms. Smolina holds several part-time governance roles. She is a member of the board of directors of Passenger Transportation JSC, NC Aktau Sea Commercial Port JSC, KTZ Express JSC, Kedentransservice JSC, and KPMC Ltd. She also serves on the strategy committee of the board of directors of the United Transport and Logistics Company – Eurasian Rail Alliance JSC.

The business address of each member of the Management Board is the legal address of the Issuer, located at 6 Konaev Street, Esil District, Astana 010000, the Republic of Kazakhstan.

Management Remuneration of the Issuer

In accordance with the Issuer's charter, the remuneration of the members of the Board of Directors is determined by the sole shareholder, while the remuneration of the Management Board and the Issuer's internal audit service (the "**Internal Audit Service**") is determined by the Board of Directors.

Compensation paid to members of the Management Board is personalised and depends on personal work performance, difficulty level and the amount of responsibility required for assigned tasks, the specificity of the type of work performed and the personal qualifications of the individual director. Remuneration amounts may be reduced for an individual director as a result of (i) the deterioration in the financial and economic performance of the Issuer compared to the previous year, and (ii) a failure to accomplish assigned tasks or poor performance by the director.

The total compensation paid to members of the Management Board and Board of Directors amounted to KZT 1,036 million and KZT 816 million for the years ended 31 December 2025 and 31 December 2024, respectively.

Payment of remuneration to the Chairman and members of the Management Board and management personnel of the Issuer (i.e. employees directly supervising the strategic lines of business) is based on the results of work for the year, and is carried out in accordance with internal policies of the Issuer, developed in line with policies that regulate the payment of salary and bonuses of employees of Samruk-Kazyna. Compensation for the year is paid on the basis of performance reviews, with a view to rewarding progress achieved and to encourage efficiency. The main condition for the payment of a bonus is the availability of consolidated final profit for the reporting period, calculated taking into account anticipated expenses. A bonus is accrued in proportion to the time actually worked. Decisions on the payment of bonuses are made by the Board of Directors of the Issuer with respect to senior management and by the Management Board of the Issuer with respect to management employees. Representatives of Samruk-Kazyna and the Chairman of the Management Board, as members of the Board of Directors, do not receive remuneration.

Management Liability and Code of Ethics and Conduct

Pursuant to the Issuer's charter and applicable corporate law, the Chairman and members of the Management Board of the Issuer are personally liable to the Issuer for any damage caused by their acts or negligence. By a resolution of the Parent, as the Issuer's sole shareholder, the Issuer may sue any of its officials for damage or loss incurred by it as a result of the actions or inactions of its officials.

In order to form and maintain ethical standards and norms, in September 2019, the Issuer's Board of Directors approved the Group's Code of Ethics and Conduct. The Code of Ethics and Conduct aims to improve the Group's corporate culture and to provide principles for conducting open and honest business, standards and norms of ethics and behaviour based on declared values, as well as the mission and visions statements of the Issuer. The provisions of the Code of Ethics and Conduct apply to all officers and employees of the Group, regardless of their position, and business partners, customers, suppliers and other third parties that interact with the Group or represent the Group are also requested to adhere to the code. The fundamental corporate values defined in the Group's Code of Ethics and Conduct relate to safety, leadership, ambition, pride and responsibility.

Employees

For the year ended 31 December 2025, the Group had an average of 114,106 employees, as compared to an average of 112,582 employees and 110,089 employees for the years ended 31 December 2024 and 31 December 2023. The increase in employees for the year ended 31 December 2025, compared to the year ended 31 December 2024, was mainly due to the construction of new railway lines, including the Dostyk-Mointy, Darbazy-Makhtaaral, Moinynty-Kyzylzhar and Bakhty-Ayagoz lines.

The following tables set forth certain information regarding the distribution of the Group's employees for the periods indicated:

Activity	Average Number of Employees For the year ended 31 December		
	2025	2024	2023
Infrastructure	45,254	41,619	40,617
Freight Transportation	40,765	44,810	43,315
Passenger Transportation.....	9,847	9,792	9,996
Other.....	18,240	16,631	16,161
Total.....	114,106	112,852	110,089

Employer	Average Number of Employees For the year ended 31 December		
	2025	2024	2023
Company.....	51,509	45,604	44,585
KTZ-FT	40,765	44,810	43,315
Kaztemirtrans.....	1,093	1,377	928
Other.....	20,739	21,061	21,261
Total.....	114,106	112,852	110,089

The following table sets forth certain information regarding employee salaries for the years indicated:

	For the year ended 31 December			% change 2025/2024	% change 2024/2023
	2025	2024	2023		
Average monthly salary of administrative personnel (KZT).....	924,510	745,336	690,903	24%	8%
Average monthly salary operational staff (KZT).....	549,680	473,477	427,367	16%	11%

In 2025, bonuses were paid to employees of branches and subsidiaries of the Issuer of KZT 38.6 billion.

For the year ended 31 December 2025, the Group employed an average of 114,106 employees, compared to an average of 112,852 employees and 110,089 employees for the years ended 31 December 2024 and 31 December 2023, respectively. The increase in the average number of employees for the year ended 31 December 2025, compared to the year ended 31 December 2024, was mainly attributable to the construction of new railway lines, including the Dostyk-Mointy, Darbazy-Makhtaaral, Moiynty-Kyzylzhar and Bakhty-Ayagoz projects.

The number of the Group's employees, in particular employees of the Issuer, has been generally decreasing since 2016, primarily due to a Group-wide restriction on the employment of persons from outside of the Group (subject to limited exceptions), which was introduced in February 2016.

The majority of the Group's employees are members of the Trade Union. The Trade Union was established in 1992 and as at 31 December 2025, 88% of employees of the Group were represented. A total of 12 collective bargaining agreements have been reached between the Group and its employees for 2024-2026, including between KTZ-FT and Kaztemirtrans and their respective employees.

The Issuer and its employees, represented by the labour collective, have entered into a collective agreement covering the period from 2024 to 2026, which sets out a range of social support measures for employees. The collective agreement provides for financial assistance to employees in certain circumstances, including the birth of a child, marriage registration and burial, as well as in cases of exceptional life circumstances requiring unforeseen expenses, and for young railway employees assigned to work. The agreement also provides for certain payments linked to specific calendar dates, including Children's Day, 1 September, Family Day and the Day of Persons with Disabilities.

The collective agreement further provides for various employee benefits, including reimbursement of rail travel expenses once per year, provision of preferential vouchers for sanatorium treatment, payment for prosthetics once every two years, recognition of employees in connection with certain anniversaries, payments to women in connection with International Women's Day, and the organization of summer recreation and New Year events for employees' children, as well as other social support measures.

Within the framework of the collective agreement, the Issuer provides medical care for its employees. Subject to the approved budget, the Issuer annually insures employees through the purchase of voluntary medical insurance services. In order to ensure social stability and implement a unified approach to social support, companies within the Group operate a single insurance program, which provides employees and, in certain cases, their family members with access to medical care.

Under the terms of the collective agreement, the company is required to notify employees and their representatives of significant changes in its operations that affect working conditions, including no later than 15 calendar days prior to the declaration of downtime and no later than one month prior to the elimination of a structural unit. In the event of an increase in staffing levels, employees who were previously laid off as a result of staff reductions within the preceding six months are notified of available vacancies.

The Issuer conducts ongoing internal communications in order to inform employees about the terms of the collective agreement, applicable guarantees and benefits, and matters relating to human resources management. As of the end of 2025, 100% of the Issuer's employees were covered by collective agreements.

The working conditions of employees not covered by collective agreements are determined in accordance with the Labour Code of the Republic of Kazakhstan. The terms of employment and remuneration for such employees are regulated by the Issuer's internal policies, and such employees may have different access to certain social benefits not provided for under those policies.

See *"Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—the Group has entered into collective bargaining agreements"*.

The Company and its subsidiaries operate conciliation commissions, which consider individual labour disputes between an employee and an employer before going to court. As at 31 December 2025, 175 individual labour disputes were considered by the conciliation commissions.

In 2020, the Group adopted a "Socially Responsible Layoff Programme", which is aimed at ensuring social stability through use of the most acceptable and economically justified tools for employees and the Issuer as part of the implementation of measures aimed at improving the efficiency of the Group. One such tool is the Early Retirement Programme, which provides for voluntary early retirement of Group's employees that have five or less years left before they are of retirement age (according to applicable law). Compensation for those who take early retirement is determined based on their salary and length of service. In 2025, 30 people took retirement under the Early Retirement Programme. As at 31 March 2026, 23 employees had taken retirement under the Early Retirement Programme. In 2021, the Group adopted rules for the payment of compensation to employees as part of a plan to reduce headcount. These rules determine the procedure for payment of compensation to employees whose positions are affected by reductions and with whom employment agreements have been terminated by agreement of the parties. See Note 16 to the 2025 Financial Statements.

Between 2024 and 2025, 12 criminal cases relating to corruption were initiated against employees of the Group. Of the seven criminal cases initiated in 2024, four resulted in convictions for corruption, one case was suspended due to the absence of elements of a criminal offence in the relevant actions, and two cases were reclassified as ordinary criminal offences. Of the five criminal cases initiated in 2025, one case was dismissed due to the absence of a criminal offence, two cases were referred to court and two cases remain at the preliminary investigation stage. As at 31 December 2025, the remaining criminal cases were pending and were at either the preliminary investigation or trial stage.

The Issuer is actively working to minimise corruption within the Group. Background checks are carried out to check for any conflicts of interests, as well as any history of corruption and other crimes. The Issuer also assesses compliance risks on an annual basis. In addition, the Issuer regularly develops action plans aimed at preventing corruption, minimising corruption risks and countering corruption, which are published on the Issuer's website. The implementation of the action plans is monitored on an ongoing basis. Reports setting out the results of the monitoring and evaluation of the implementation of the action plans are published on the Issuer's website. The Group's employees also receive anti-corruption training on an ongoing basis and an anti-corruption hotline has been established, which is operated by an independent operator and is accessible to all employees of the Group.

In March 2022, the National Anti-Corruption Bureau initiated a criminal investigation under Article 361 "Abuse of Official Authority" of the Criminal Code of the Republic of Kazakhstan in connection with electricity supply contracts entered into by certain entities within the Samruk-Kazyna group. The investigation initially referred to certain officials of Samruk-Kazyna, JSC Samruk-Energo and the Issuer, as well as the Issuer's "Directorate of the mainline network" branch and KTZ-FT.

Based on the information currently available to the Issuer, the investigation was initiated by the state authorities and has subsequently been redirected to the relevant electricity supply companies. As of the date of this Base Offering Memorandum, neither the Issuer nor its subsidiaries are parties to the investigation, and no investigative actions are currently being pursued against them. The Issuer has not been provided with detailed information regarding the scope or status of the investigation.

See *Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Macroeconomic and Geopolitical Risks—There are perceived risks of corruption and business environment weaknesses in Kazakhstan*".

Training Programmes

The Group conducts regular training for its employees. In 2025, 61,274 employees participated in training programmes, including advanced training in third-party organisations (37,658 employees), training in the state language (73 employees) and English language training (three employees). The Group has five training centres for railway workers located in different regions of Kazakhstan, which provided professional training for 23,616 employees in 2025. Training regarding behavioural safety dialogue and the Group's Code of Business Ethics and Conduct was given to 55,143 people in 2025.

In 2025, the Group spent KZT 2.4 billion on personnel training, as compared to KZT 2.3 billion in 2024.

Social Support of Employees

The collective bargaining agreements between the Issuer and certain of its subsidiaries and their respective employees provide for social support for employees (including medical care for employees, the provision of material assistance to employees for funeral costs, assistance at the birth of a child, anniversary bonuses, rehabilitation expenses, reimbursement of rental expenses, subsidised train travel, additional paid holiday, sports activities and a youth policy). There is also social support for the children of employees (including the organisation of summer holiday schemes for employees' children, material assistance for disabled children, Christmas gifts and children's matinees). In addition, there is social support for retired railway employees. See "*—Employee Retirement Benefits*".

In 2025, contracts for voluntary employee medical insurance were concluded in the amount of KZT 5.0 million.

Employee Retirement Benefits

In order to manage workforce optimisation while maintaining social stability, the Issuer implemented a Programme for Socially Responsible Staff Release in 2020. The programme is designed to facilitate workforce reductions through measures intended to mitigate social impact on employees and to support the Issuer's efficiency initiatives.

One of the principal instruments of the programme is the Early Retirement Programme. Under the applicable Early Retirement Rules, employees who have five years or less remaining until statutory retirement age and for whom alternative employment opportunities are not available within the Issuer's group may elect to retire early. Eligible employees are entitled to monthly benefit payments determined by reference to their salary level and length of service in the railway sector.

Between 2019 and 2023, a total of 1,283 employees were released under the Early Retirement Programme. No employees were released under the programme in 2024. In 2025, 30 employees commenced receipt of early retirement benefits.

In accordance with collective bargaining agreements agreed with the trade union for the period 2024–2026, the Group provides, under an unfunded scheme, certain retirement-related and social benefits. These include a one-time retirement grant or payment upon early termination of employment (subject to compliance with the Early Retirement Programme), assistance to pension holders in connection with holidays (including vouchers to health resorts), complimentary railway travel, funeral assistance for pension holders, anniversary bonuses and assistance with dental treatment.

Support for former employees, including pensioners and labour veterans, forms part of the Issuer's employee and social policy. As of 2025, the Issuer had more than 45,000 retired former employees, including 22,798 men and 23,085 women. This group includes five veterans of the Great Patriotic War, 1,092 home front workers and 902 honorary railway workers. Certain support measures are also provided to non-working pensioners, including free annual travel, sanatorium treatment, one-time financial assistance upon reaching specific ages and additional assistance determined by internal social support bodies.

As at 31 December 2025 and 31 December 2024, the Group had unfunded pension obligations of KZT 49,194 million and KZT 48,703 million, respectively. See "*Risk Factors—Operational Risks relating to the Group and its Business—The Group has unfunded pension obligations*" and Note 16 to the 2025 Financial Statements. The cost of providing these benefits is recognised in the consolidated statement of operations so as to attribute the total benefit cost over the service lives of employees in accordance with the applicable benefit formulas. The related obligation is measured at the present value of estimated future cash flows using a discount rate comparable to the interest rate on government bonds with currencies and maturities consistent with the estimated terms of the obligation. The Group's policy in respect of these retirement benefits does not provide for the accumulation of plan assets, and employees are not required to make additional contributions.

Committees

The Issuer's primary board committee is the audit committee. As at the date of this Base Offering Memorandum, the Issuer has also established a strategy and finance committee, a nomination and remuneration committee and a committee on safety and environmental protection.

Audit Committee of the Issuer

The Issuer's audit committee (the "**Audit Committee**") is a consulting and advisory body of the Board of Directors of the Issuer. The Audit Committee was established to consider in-depth issues, within the competence of the Board of Directors or examined by it, as part of a procedure to control operations of the Group and to provide required recommendations to the Issuer's Board of Directors and Management Board. The Audit Committee acts on the basis of the Statute on the Audit Committee of the Board of Directors of the Issuer agreed by the resolution of the Audit Committee No. 01/19 dated 13 February 2019 and approved by the resolution of the Board of Directors of the Issuer dated 14 February 2019.

The Committee is generally responsible for: (i) establishing an effective system of monitoring the financial activity of the Group (including, the completeness and accuracy of annual financial statements); (ii) monitoring the reliability and effectiveness of internal control and risk management, as well as the execution of documents in the field of corporate governance; and (iii) monitoring the independence of the external and internal audit services.

As at the date of this Base Offering Memorandum, the following individuals serve on the Audit Committee:

Name	Position
Natalia Godunova	Chairman of the Audit Committee, Independent Director of the Issuer
Ulf Wokurka	Member of the Audit Committee, Independent Director of the Issuer
Dr. Alexander Andreas Schierhuber	Member of the Audit Committee, Independent Director of the Issuer
John (Ian) McKay	Member of the Audit Committee, Senior Independent Director of the Issuer

Internal Audit Service

In accordance with the Issuer's charter, the Internal Audit Service was established to monitor the Issuer's financial and economic activities and its internal controls, to oversee risk management of the Issuer and the execution of documents in accordance with correct corporate governance and to provide counselling in order to improve the Issuer's activities. The Board of Directors determines the remuneration of the members of the Internal Audit Service and appoints the head of the Internal Audit Service. The Internal Audit Service reports to the Board of Directors and is monitored by the Audit Committee. As at the date of this Base Offering Memorandum, two individuals serve on the Internal Audit Service, comprising the Head of the Internal Audit Service, the Deputy Head of the Internal Audit Service, 16 Senior Auditors and one Auditor.

Corporate Ombudsman

The Ombudsman of the Issuer is appointed by the Board of Directors. The Ombudsman's main tasks include: (i) assisting in the prevention and early-stage resolution of conflicts between employees, a group of employees, suppliers, customers of the Group and the Group itself, as well as the approval of the principles and rules of the Code of Business Conduct; (ii) assisting management and employees involved in conflicts in obtaining necessary information; (iii) advising the parties to the conflict on issues related to conflict situations; (iv) submitting to the Board of Directors and nomination and remuneration committee of the Board of Directors a report on the results of its activities at least once a year; (v) making proposals to the nomination and remuneration committee on improving the policies and system of corporate management; and (vi) analysing local acts of the Group's governing corporate governance issues in order to prevent conflicts and (vii) to study and implement best international practices for corporate ombudsmen.

Compliance Service

In order to assist the Issuer's Board of Directors in building an effective and functioning compliance control system, a Compliance Service has been created for the Group. The main tasks of the Compliance Service are: (i) defining regulatory requirements and assessing compliance risks; (ii) conducting educational events and training for employees of the Issuer and its subsidiaries on anti-corruption legislation, ethics and behaviour; (iii) developing and implementing compliance procedures; (iv) ensuring the proper functioning of channels of confidential information, including a hot line (to which 200 messages were received in 2025); (v) and conducting official investigations, as well as developing and ensuring the adoption of corrective measures.

Corporate Secretary

The position of the Corporate Secretary was established in 2021 to organise the work of the Board of Directors, as well as the effective inter-communication of the Board of Directors and the Management Board with the Issuer's sole shareholder, to ensure that the bodies and officers of the Issuer comply with the corporate rules and procedures that guarantee the rights and interests of the Issuer's sole shareholder and to assist in the timely and high-quality adoption of corporate decisions by the Board of Directors and the Issuer's sole shareholder. The Corporate Secretary is appointed by the Board of Directors by a simple majority vote. The Corporate Secretary is assisted by the Office of the Corporate Secretary. The number of employees of the Issuer working at the office of the Corporate Secretary is determined by the Board of Directors.

Conflicts of Interest

There are no potential conflicts of interest between any duties owed to the Issuer by members of the Board of Directors, the Management Board, the Chairman of the Management Board and the Internal Audit Service and their private interests or other duties.

SHARE CAPITAL AND SOLE SHAREHOLDER

The Issuer

The Issuer, formed in May 2002, had a total authorised equity capital of 502,040,458 common voting shares as at 31 December 2025, of which 496,695,676 were issued and paid-in and held by Samruk-Kazyna. As at 31 December 2025, the share capital of the Issuer was KZT 1,152,698 million. The Issuer does not have any treasury shares. Historically, all of the shares of the Issuer were owned directly by the Government. In January 2006, all of the Issuer's shares were transferred from the Government to Samruk, the predecessor of Samruk-Kazyna, which acceded to ownership by operation of law. Samruk-Kazyna is the sole shareholder of the Issuer. The Issuer did not declare dividends for the years ended 31 December 2025, 31 December 2024 and 31 December 2023.

Contributions to the Issuer's share capital and share issues

Contributions to the Issuer's share capital in the year ended 31 December 2025 comprised: (i) the issuance of 1,010 shares that were paid by intangible assets of KZT 28,791 million by Samruk-Kazyna; and (ii) the recognition by the Issuer of an adjustment to loans received at rates lower than market to fair value of KZT 73,195 million less the effect of deferred tax of KZT 14,639 million. See Note 13 to the 2025 Financial Statements.

Contributions to the Issuer's share capital in the year ended 31 December 2024 comprised: (i) the issuance of 1,000 shares that were paid by cash contributions of KZT 13,273 million from Samruk-Kazyna; and (ii) the recognition by the Issuer of an adjustment to loans received at rates below market to fair value of KZT 89,395 million, less the effect of deferred tax of KZT 17,879 million. See Note 15 to the 2024 Financial Statements.

Contributions to the Issuer's share capital in the year ended 31 December 2023 comprised: (i) the issuance of 1,000 shares that were paid by cash contributions of KZT 24,310 million from the shareholder; and (ii) the recognition by the Issuer of an adjustment to loans received at rates below market to fair value of KZT 177,932 million, less the effect of deferred tax of KZT 35,587 million. See Note 14 to the 2023 Financial Statements.

Samruk-Kazyna

Samruk-Kazyna, the Issuer's sole shareholder is wholly-owned by the Government and is the national managing holding company for substantially all state enterprises. Samruk-Kazyna was established in 2008 pursuant to Presidential Edict № 669, dated 13 October 2008, and the Resolution of the Government № 962, dated 17 October 2008, by way of the merger of JSC "Kazakhstan Holding for Management of State Assets" "Samruk" and JSC "Sustainable Development Fund" "Kazyna". Samruk-Kazyna is a joint stock company whose shares are held by the Ministry of Finance's Committee of State Property and Privatisation on behalf of Kazakhstan.

Samruk-Kazyna's primary objective is to manage shares (participatory interests) of legal entities it owns with a goal of maximising long-term value and increasing competitiveness of such legal entities in world markets.

The governance of Samruk-Kazyna's activities is subject to general corporate governance applicable to all joint stock companies in Kazakhstan. Accordingly, the corporate governance structure of Samruk-Kazyna is as follows:

- the Government, as the sole shareholder, constitutes the supreme governing body,
- the board of directors constitutes the managing body; and

- the management board constitutes the executive body.

Members of Samruk-Kazyna's board of directors are appointed by the Government, and its members are the Prime Minister of the Republic of Kazakhstan, the First Deputy Head of the Executive Office of the President of Kazakhstan, four independent directors and the chairman of the management board of Samruk-Kazyna. The board of directors is chaired by the Prime Minister of the Republic of Kazakhstan.

The registered office of Samruk-Kazyna is 17/10 Syganak Avenue, 010000 Astana, The Republic of Kazakhstan and the telephone number is +7 7172 554 001.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Issuer's shareholder, Samruk-Kazyna, and the Government, key management personnel, associates and enterprises in which the Issuer's shareholders or key management personnel have the ability to control or exercise significant influence over such other party in making financial or operational decisions. Parties under common control with the Group are also considered to be related parties. Because the Group is controlled by the Government, any other company controlled by the Government is considered a "related party" of the Group.

Related parties may enter into transactions which 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.

As a general rule, the Law of the Republic of Kazakhstan "On Joint-Stock Companies" № 415-II dated 13 May 2003 provides that transactions with related parties should be approved by the Board of Directors by a majority of votes of non-interested directors. If all members of the Board of Directors are interested in a transaction or there is a lack of the required number of votes for approval of a transaction with a related party, a decision should be adopted by the General Meeting of Shareholders by a majority of votes not interested in the transaction. The decision is adopted by a majority of votes of the General Meeting of Shareholders if all members of the Board of Directors and all members of the General Meeting of Shareholders are interested in a transaction.

There is a separate approval regime for transactions with related parties between entities within the Samruk-Kazyna group, established by a special law, namely the Law of the Republic of Kazakhstan "On the National Wealth Fund" № 550-IV dated 1 February 2012, and related by-laws. Companies in the Samruk-Kazyna group are considered to be Samruk-Kazyna itself, the companies (the national development institutes, national companies and other legal entities) which are more than 50% owned by, or under, trust management of Samruk-Kazyna, and subsidiaries of companies which are more than 50% owned by or under trust management of Samruk-Kazyna.

Under this regime, the special approval procedures under the Joint-Stock Companies Law (for large transactions and related-party transactions) do not apply to transactions between entities within the Samruk-Kazyna group. Instead, such intra-group transactions are approved in accordance with the internal rules adopted by the Board of Directors of Samruk-Kazyna. In broad terms, non-large intra-group transactions are approved by the Management Board of the relevant entity by not less than three quarters of its elected members, while large intra-group transactions are approved by the relevant board of directors or, where required by law, the sole shareholder or general meeting.

If a quorum of the Management Board is not available to approve the transaction, then a majority of the members of the Board of Directors who are not interested in the transaction may vote to approve the transaction. If all members of the Board of Directors are interested, then a majority of the independent directors may vote to approve the transaction. If the independent directors are not available to approve the transaction, then the sole shareholder may approve it.

Related party transactions with members of the Samruk-Kazyna group principally comprise transactions with JSC National Company KazMunayGas (for fuel), JSC Kazakhtelecom and JSC Transtelecom (for communication services and lease), JSC Kazatomprom National Nuclear Company (for electricity), KEGOC (for electricity), JSC Kazpost (for postal services and cash deposits), JSC National Company Kazakhstan Engineering (for engineering production services), JSC Samruk-Energo (for electricity) and Settlement and Financial Centre for Renewable Energy Support LLP (for electricity). In addition, the Group provides freight transportation services and lease of rolling stock to Samruk-Kazyna group companies, associates and joint ventures.

See Note 29 to the 2025 Financial Statements and 31 to the 2024 Financial Statements for further details regarding the Group's related party transactions.

The table below sets forth certain information regarding the nature of the Group's related party relationships with whom the Group entered into significant transactions or had significant balances outstanding as at 31 December 2025 and 31 December 2024:

		Shareholder	Associates	Joint ventures	Companies making up the Shareholder Group	Other related parties
		<i>(KZT millions)</i>				
Amounts due from related parties for goods services and non-current assets, including advances paid.....	2025	—	4,410	—	394	9,423
	2024	—	2,162	—	211	5,202
<i>including allowances for expected credit losses and impairment of advances paid....</i>	2025	—	(73)	—	(3)	(173)
	2024	—	(30)	—	(4)	(150)
Amounts due to related parties for goods, services and non-current assets, including advances received	2025	—	15,684	—	149,510	12,215
	2024	—	14,857	—	29,487	14,622
Current accounts and short-term deposits	2025	—	—	—	24,570	—
	2024	—	—	—	1	—
Cash on digital accounts (Note 30).....	2025	—	—	—	—	22,882
	2024	—	—	—	—	116,631
Restricted cash	2025	—	—	—	—	4
	2024	—	—	—	—	197
Loans payable	2025	975,160	—	—	—	164,264
	2024	1,002,575	—	—	—	154,299
Lease liabilities	2025	68	20,601	—	—	245,863
	2024	—	31,296	—	—	140,393
Financial guarantee agreement liabilities	2025	—	—	—	—	13,521
	2024	—	—	—	—	14,897
Sale of goods, services and non-current assets.....	2025	—	101,424	—	35,936	127,508
	2024	—	110,476	—	29,434	103,418
<i>(Accrued)/recovered allowances for expected credit losses and impairment of advances paid....</i>	2025	—	(42)	—	1	(67)
	2024	—	394	—	96	(70)
Purchase of goods, services and non-current assets	2025	—	24,523	—	221,052	119,948
	2024	—	26,623	—	93,221	75,278
Proceeds from borrowings	2025	107,806	—	—	—	—
	2024	238,169	—	—	—	37,956

		Shareholder	Associates	Joint ventures	Companies making up the Shareholder Group	Other related parties
		<i>(KZT millions)</i>				
Repayment of borrowings.....	2025	31,175	—	—	—	18,032
	2024	1,175	—	—	—	11,160
New lease agreements (Group as lessee)....	2025	247	22	—	—	103,993
	2024	—	27,261	—	—	80,475
Lease payments.....	2025	203	15,126	—	—	27,808
	2024	—	11,188	—	—	16,904
Finance income.....	2025	43,226	—	—	—	1,376
	2024	—	19	—	—	418
Finance costs.....	2025	40,421	4,414	—	—	45,945
	2024	36,853	5,755	—	—	26,047
Dividends receivable.....	2025	—	4,645	—	—	—
	2024	—	4,480	—	—	—
Contribution to the share capital.....	2025	28,791	6,211	13,719	—	—
	2024	13,273	1,578	243	—	—

In 2025, the Company received a loan from Samruk-Kazyna in the amount of KZT 65,480 million (See Note 14 of the 2025 Financial Statements) (in 2024: null KZT).

In 2025, the Group issued bonds in favour of Samruk-Kazyna in the amount of KZT 42,326 million (See Note 14 of the 2025 Financial Statements) (in 2024: KZT 238,169 million).

As at 31 December 2025, the Group has borrowings from Industrial Development Fund JSC, Development Bank of Kazakhstan JSC and EDB for a total of KZT 164,264 million (as at 31 December 2024: KZT 154,299 million).

As at 31 December 2025, Group borrowings from Samruk-Kazyna were mainly received at rates below market varying from 0.075% to 9.37% (as at 31 December 2024: from 0.075% to 9.25%) and maturity varying from 13 to 50 years and at initial recognition were reflected at fair value at rates from 6.53% to 16.3% (as at 31 December 2024: from 6.53% to 14.5%) (See Note 14 of the 2025 Financial Statements).

The Government (either directly or through Samruk-Kazyna) may impose on the Group certain social duties, such as requiring it to construct social and recreational infrastructure, engage in charitable activities and implement community development programmes. See "*Risk Factors—Factors that may affect the Group's and/or Issuer's ability to fulfil its obligations under, or in connection with, the Notes—Operational Risks relating to the Group and its Business—The Government, which indirectly controls the Issuer, may cause the Issuer to engage in business practices that conflict with the Issuer's commercial interests and the interests of the Noteholders*".

KAZAKHSTAN'S ECONOMY AND THE RAILWAY INDUSTRY IN KAZAKHSTAN

Kazakhstan's Economy

Since gaining independence in 1991, Kazakhstan has implemented a programme of market-oriented reforms, including privatisation of certain state assets, liberalisation of capital controls, tax reforms and the development of its pension system. Owing to its geographic position between Europe and Asia and its participation in the Eurasian Economic Union (the "EEU"), Kazakhstan functions as a trade and transit corridor within Central Asia, facilitating links between Europe, China and the Commonwealth of Independent States.

Kazakhstan's economy remains highly dependent on natural resources and is driven primarily by exports of oil, gas and mineral products. In 2023, mineral products—including oil, gas and coal, as well as metals and precious stones—accounted for approximately 54.2 per cent. of Kazakhstan's total exports. According to preliminary 2025 data, mineral fuels and related products continued to dominate the export profile, representing approximately 70 per cent. of total outbound trade. Over the same period, the contribution of manufacturing to GDP stood at approximately 12.4 per cent. in 2024, reflecting efforts to broaden the economic base, while the share of agriculture, forestry and fishing improved to 5.9 per cent. in 2025, reflecting a significant recovery in crop production.

Following a contraction of real GDP of approximately 2.5 per cent. in 2020 amid the COVID-19 pandemic, Kazakhstan's economy returned to growth, with real GDP increasing by 4.3 per cent. in 2021, 3.2 per cent. in 2022 and 5.1 per cent. in 2023. Nominal GDP reached approximately KZT 138.3 trillion in 2025, with nominal GDP per capita of approximately U.S.\$15,003. Real GDP growth was 5.0 per cent. in 2024 and accelerated further to 6.5 per cent. in 2025, supported by strong performance in non-oil sectors, including industry, transport, construction and trade, notwithstanding external volatility. For the nine months ended 30 September 2025, real GDP increased by 6.3 per cent. Growth was notably supported by the transport and warehousing sector, which expanded by 20.4 per cent. in 2025.

Economic activity in Kazakhstan is supported primarily by the industrial sector—particularly mining and quarrying and manufacturing—as well as by wholesale and retail trade. Between 2019 and 2024, mining and quarrying, manufacturing and wholesale and retail trade together accounted for approximately 42 per cent. to 45 per cent. of Kazakhstan's GDP. Over the same period, the share of goods production in GDP demonstrated renewed resilience, with the production of goods growing by 6.3 per cent. in 2024, outperforming the 4.6 per cent. growth recorded in the services sector. While the services sector continued to represent more than half of GDP, driven principally by trade, real estate, transport and storage, and public services, preliminary data for 2025 indicates that industrial production and construction remained key drivers of value-added growth, with the manufacturing sector expanding by 6.8 per cent. in 2024 and maintaining a contribution of approximately 12.4 per cent. to total GDP. As of the third quarter of 2025, the transport and warehousing sector—a critical component of the services aggregate—continued its expansion, recording a 20.4 per cent. increase compared to the previous year.

Kazakhstan's external position remains influenced by developments in global commodity markets. Between 2019 and 2025, Kazakhstan recorded trade balances (based on actual trade flows, excluding unregistered trade adjustments) of U.S.\$18.3 billion, U.S.\$(3.5) billion, U.S.\$18.9 billion, U.S.\$33.7 billion, U.S.\$18.7 billion, U.S.\$17.6 billion and U.S.\$14.2 billion, respectively. Foreign trade turnover amounted to U.S.\$143.9 billion in 2025, representing an increase of 1.3 per cent. compared to 2024. Over the same period, the trade surplus narrowed to U.S.\$14.2 billion (compared to U.S.\$17.6 billion in 2024), primarily due to weaker global commodity prices.

Inflation increased significantly in 2022, reflecting a combination of factors, including supply chain adjustments following the conflict in Ukraine, higher fuel and food prices and increased government spending. Annual inflation rose from 5.4 per cent. in 2019 to 7.5 per cent. in 2020 and 8.4 per cent. in 2021, before peaking at 20.3 per cent. in 2022. Inflation subsequently moderated to 9.8 per cent. in 2023, averaged approximately 8.6 per cent. in 2024 and stood at 11.2 per cent. in December 2025, with an annual average of 11.4 per cent. for the year. Over this period, the National Bank of the Republic of Kazakhstan adjusted its monetary policy stance with the objective of returning inflation to its medium-term target range. The average unemployment rate remained relatively stable, fluctuating between 4.8 per cent. and 4.9 per cent. during 2019–2022 and standing at 4.7 per cent. in 2023, declining further to approximately 4.6 per cent. in the fourth quarter of 2025.

Kazakhstan operates a managed floating exchange rate regime for the Tenge. Following the adoption of a free-floating exchange rate in August 2015 and subsequent periods of volatility associated with oil price movements and regional developments, the Tenge has traded within a wider range against the U.S. Dollar. The average exchange rate was KZT 383.06 per U.S.\$1.00 in 2019, KZT 416.22 in 2020, KZT 426.24 in 2021, KZT 460.02 in 2022 and KZT 456.98 in 2023. Average exchange rates increased to approximately KZT 469.15 in 2024, with higher volatility observed in 2025 (generally within a KZT 480–530 range). As of 17 April 2026, the exchange rate was KZT 471.45 per U.S.\$1.00.

As of early 2026 (based on end-February data), gross international reserves of the NBK, together with the assets of the National Fund of the Republic of Kazakhstan, amounted to approximately U.S.\$139.1 billion. Of this amount, gross international reserves exceeded U.S.\$73 billion, including significant gold holdings of approximately U.S.\$57.82 billion, while National Fund assets amounted to approximately U.S.\$65 billion. This reflects continued accumulation compared to earlier periods. Updated IMF and other international forecasts reflect stronger-than-anticipated economic performance in 2024–2025, with growth supported by both oil and non-oil sectors.

Economic Programmes and Initiatives

Kazakhstan continues to pursue structural reforms and development programmes aimed at diversifying the economy beyond its traditional reliance on extractive industries, improving the business environment and strengthening human capital. The long-term Strategy Kazakhstan–2050 sets the overarching objective of positioning Kazakhstan among the world's 30 most developed countries by 2050, with a focus on industrialisation, the development of transport and logistics infrastructure, increased east–west and north–south transit capacity, and enhanced governance and public administration.

These objectives have been implemented through a series of medium-term policy frameworks. In 2015, the Government adopted the National Plan setting out 100 concrete steps of institutional and economic reform, focusing on the rule of law, civil service reform, industrialisation, national identity and government accountability. This was followed in 2018 by the Strategic Development Plan through 2025, aimed at supporting economic recovery and convergence of living standards towards OECD levels. In September 2022, against the backdrop of the COVID-19 pandemic and the economic consequences of sanctions imposed on Russia and Belarus, Kazakhstan adopted a new economic policy focused on sustainable development and qualitative growth in living standards, including through fair competition, the attraction of investment and technology transfer, and the development of human capital. This policy is aligned with the Strategy for Achieving Carbon Neutrality until 2060, approved on 2 February 2023.

In 2023 and 2024, the Government further streamlined its state support framework. The National Entrepreneurship Development Project for 2021–2025 was replaced by a Comprehensive Programme for the Support and Development of SMEs, consolidating earlier initiatives and aimed at improving

access to finance for efficient enterprises and strengthening market competition. In late 2025, the unified Isker Aymak programme was also introduced to promote regional entrepreneurship. In parallel, the National Development Plan 2029 sets out medium-term priorities for economic transformation, including liberalisation, enhanced competition, improved productivity and technological complexity, and the reduction of regional disparities. A decree issued on 8 May 2024 On measures to liberalise the economy also envisages, among other measures, the establishment of a National Privatisation Office, enhanced corporate governance and autonomy for Samruk-Kazyna and its subsidiaries, simplification of business procedures and strengthened investor protections.

Transport and logistics remain a key policy priority. The former State Programme on Infrastructure Development Nurly Zhol has been replaced by the Concept for the Development of Transport and Logistics Potential of Kazakhstan until 2030, approved on 30 December 2022. This framework is aimed at supporting economic growth and improving living standards through the development of safe and affordable transport and logistics services, increased investment and labour productivity in the sector, and expanded rail, air and transit cargo flows—developments that are directly relevant to the railway sector and the Group's activities.

Railway Industry

Overview

Kazakhstan is located in Central Asia and is bordered to the north by Russia; to the east by China; to the south by the Kyrgyz Republic, Uzbekistan, and Turkmenistan; and to the west by the Caspian Sea. The country covers an area of 2.7 million square kilometres and, in terms of land mass, is the ninth largest country in the world and the second largest country, after Russia, in the CIS. The transportation industry is one of the most significant sectors of Kazakhstan's economic structure.

The Kazakhstan railway system originally formed part of the Soviet Union's rail network and was divided into three railways operated under the control of the Soviet Railway Ministry. Due to the predominance of bulk raw materials carried over long distances, the three railways were among some of the most profitable in the Soviet Union. After the dissolution of the Soviet Union in 1991, the economic disruption and falling production levels throughout the former Soviet Union caused a sharp decline in rail transportation volumes in the 1990s. After Kazakhstan's independence, the Government kept certain tariffs artificially low and provided directed tariff discounts to certain industries, in particular, the mining industry. Even with financial assistance in the form of directed discounts, some entities were unable to afford the cost of rail transportation, which resulted in a decline in railway traffic volume. The decline in railway traffic volume, coupled with a decline in Government aid, had a significant impact on railway revenues, and, in order to remain operational, the railroad operators that were the Issuer's predecessors were forced to defer fleet renewals and maintenance programmes.

The reform of the Kazakhstan railway sector began in 1997 after the Government realised that its prior strategy was unsustainable. The Government merged the three railways existing at that time and established the Railway Republican State Enterprise to restructure the rail network by consolidating its activities and stabilising its financial condition. Despite the restructuring efforts from 1997 to 2000, the Government recognised the need for further fundamental restructuring of the railway sector and, in 2002, created the Issuer to serve as the State railroad enterprise.

The restructuring of the Group and the Kazakhstan railway industry remains ongoing. Consistent with more recent Government policy initiatives, including the National Development Plan 2029 and the Government's 2022–2024 economic liberalisation measures, further reorganisation of the Group may be undertaken. These reforms are expected to include continued optimisation of corporate governance within Samruk-Kazyna portfolio companies, the gradual divestment of non-core assets and the clarification of roles and responsibilities across operating subsidiaries. In parallel, the adoption of the

Concept for the Development of Transport and Logistics Potential of Kazakhstan until 2030 places renewed emphasis on the upgrading of rail infrastructure, the expansion of transit corridors and the modernisation of transport services, developments that are directly relevant to the Group's operations.

The Rail System

Kazakhstan's railway system, which is wholly owned and operated by the Group, comprises the mainline railway network (also referred to as transport corridors), which connects to the rail networks of Russia, the Kyrgyz Republic, Uzbekistan, Turkmenistan and China, as well as ancillary and access tracks. As at 1 January 2026, the railway system had an operational length of approximately 16,003.1 km, of which approximately 4,237.5 km were electrified. This operational length includes approximately 5,013.8 km of double-track lines, together with additional multi-tracking sections added in recent years, including the completion of the second track on the Dostyk-Mointy section in 2025. This operational length includes approximately 5,000 km of double-track lines, together with additional multi-tracking sections added in recent years, including the completion of the second track on the Dostyk-Mointy section in 2025,

According to the World Bank, Kazakhstan's railways are among the busiest in the Eastern Europe and Central Asia region in terms of traffic volumes, and the network supports one of the fastest-growing transit corridors between Asia and Europe. The railway system extends across the majority of Kazakhstan, connects all 14 regions (oblasts) and provides services to the country's major cities, including Almaty, Astana, Pavlodar, Kostanay, Kokshetau, Semey, Taraz, Shymkent, Kyzylorda, Aktobe, Atyrau, Karaganda and Oskemen (Ust-Kamenogorsk). The railway system operates as an integrated national passenger and freight network, with passenger and freight trains running on the same infrastructure.

As at 31 December 2025, there were 1,986 locomotives operating on the mainline railway network, of which 1,922 were owned by the Group.

In line with national transport policy, including the Concept for the Development of Transport and Logistics Potential of Kazakhstan until 2030, the Group continues to prioritise investment in track modernisation, electrification, the enhancement of cross-border capacity and the renewal of rolling stock. These measures are intended to support Kazakhstan's longer-term objectives of expanding transit traffic, improving service quality and strengthening competitiveness along east–west and north–south transport corridors.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. These may include the provision of funding to the Group, which in turn may use such funding to support activities across various economic sectors, including for the funding of various investment and export projects development, trade finance activities, and for the refinancing of existing debt obligations.

Commissions, fees and expenses may be deducted from the gross proceeds of each Tranche of Notes, as set out in the applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, save for the wording in italics, as supplemented, amended or replaced by the relevant Pricing Supplement, will be endorsed on each Definitive Note and attached to or incorporated by reference into each Global Note. The relevant Pricing Supplement (or relevant provisions thereof) will be endorsed upon or attached to each Global Note and Definitive Note. The Terms and Conditions of the Notes applicable to Global Notes will differ from those which would apply to a Definitive Note to the extent described under "Form of Notes".

1 INTRODUCTION

Joint Stock Company "National Company "Kazakhstan Temir Zholy" (the "**Issuer**") has established a Global Guaranteed Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Joint Stock Company "Kaztemirtrans" and "KTZ Freight Transportation" LLP (each a "**Guarantor**" and together, the "**Guarantors**", which term shall also include any Person becoming a Guarantor pursuant to Condition 6.2 (*Limitations on Changes in Business and Disposals of Assets*) or Condition 6.4 (*Additional Guarantors*)) pursuant to a guarantee (the "**Guarantee**") contained in the Trust Deed referred to below.

The Notes are constituted by a trust deed (as may be amended and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 21 April 2026 between the Issuer, the Guarantors and Citibank, N.A., London Branch as trustee for the Noteholders (as defined below) (the "**Trustee**", which expression shall include all persons for the time being appointed as trustee or trustees under the Trust Deed). The Notes are the subject of an agency agreement dated 21 April 2026 (as may be amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") between the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch as Principal Paying Agent and as Calculation Agent (the "**Principal Paying Agent**", the "**Transfer Agent**" and "**Calculation Agent**", which expressions include any successor Principal Paying Agent, Transfer Agent and Calculation Agent appointed from time to time in connection with the Notes) and Citibank Europe plc as Registrar (the "**Registrar**", which expression includes any successor Registrar appointed from time to time in connection with the Notes). The Principal Paying Agent, the Transfer Agent, the Calculation Agent and the Registrar are collectively referred to herein as the "**Agents**", which expression and each of which definitions encompassed thereby include any successor agents appointed in these capacities from time-to-time in connection with the Notes.

Notes issued under the Programme will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the denominations, issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Pricing Supplement (the "**Pricing Supplement**") which should be read in conjunction with these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement.

Copies of the relevant Pricing Supplement, the Trust Deed, the Agency Agreement and these Conditions are available for inspection by Noteholders during normal business hours at the Specified Office of the Principal Paying Agent, the initial Specified Office of which is set out in the Agency Agreement.

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and all provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Trustee and the Paying Agents, the initial Specified Offices of which are set out in the Agency Agreement.

2 INTERPRETATION

2.1 Terms defined in the Trust Deed or the Agency Agreement shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein. In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Average Representative Market Rate**" means the arithmetic mean of the Representative Market Rates for the last five FX Business Days immediately before (and including) the applicable Rate Calculation Date. In the event that the Calculation Agent is unable to make this calculation due to the unavailability of Representative Market Rates necessary for the calculation, then the Calculation Agent shall take the arithmetic mean of the NBK Rate for the last five days that such NBK Rate was published;

"**Business Day**" means:

- (a) in the case of Euros, any day on which T2 is open for the settlement of payments in Euro (a "**Target Business Day**");
- (b) in the case of a Specified Currency other than Euros, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre for that currency; or
- (c) in the case of a Specified Currency or one or more Business Centre(s) specified in the relevant Pricing Supplement, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres so specified;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

"Calculation Agent" means Citibank, N.A., London Branch or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"Calculation Business Day" means an FX Business Day used to determine the Average Representative Market Rate;

"Consolidated EBITDA" means, in relation to any year and without double counting, the net profit of the Issuer and the Consolidated Subsidiaries for such period (i) before deducting any depreciation or amortisation, (ii) before deducting income tax or withholding tax (in each case whether current or deferred) and their equivalents in any relevant jurisdiction or any other tax on income or gains, (iii) before taking into account interest and other amounts in the nature of interest treated under IFRS as or in a like manner to interest accrued in respect of Financial Indebtedness as an obligation of or owed to the Issuer or any Consolidated Subsidiary, in each case whether or not paid, deferred or capitalised during such period, (iv) after deducting any gain over book value and after adding back any loss on book value arising on the sale, lease or other disposal of property, plant and equipment by the Issuer or any Consolidated Subsidiary during such period and any gain or loss arising on revaluation of property, plant and equipment during such period which has been reflected in the Issuer's consolidated statement of income and (v) after deducting any gains and adding any losses attributable to the foreign currency exchange differences applicable to the Issuer or any Consolidated Subsidiary;

"Consolidated Subsidiaries" means, at any time, those Subsidiaries of the Issuer that are consolidated in the most recent consolidated audited accounts of the Issuer prepared in accordance with IFRS;

"Control" means the power to direct the management and the policies of the relevant Person, whether through the ownership of share capital, by contract or otherwise, and **"Controlled"** being construed accordingly;

"Core Assets" means (i) the mainline railway network, (ii) the locomotives and cargo wagons now owned or hereafter acquired by the Issuer or any Material Subsidiary of the Issuer, as the case may be, and (iii) ownership interests in any Person owning or controlling directly or indirectly, Core Assets referred to in (i) or (ii) of this definition;

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **"Calculation Period"**):

- (a) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (c) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (e) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

- (f) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

- (g) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

- (h) if "Actual/Actual-ICMA" is specified in the applicable Pricing Supplement,
- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (b) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s);

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Eligible Transferee**" means any Person which is not a Subsidiary of the Issuer but is engaged in business in the railway transportation sector in the Republic of Kazakhstan and is Controlled by the Government of Kazakhstan;

"**Euro Exchange Date**" means the date on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Trustee and the Noteholders that replacement Notes denominated in Euros are available for exchange;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Financial Indebtedness" means any Indebtedness of any Person for or in respect of (i) Indebtedness for Borrowed Money, and (ii) Indebtedness Guarantees in respect of any of the foregoing Indebtedness;

"FX Business Day" means, solely for the purposes of determining the Representative Market Rate, a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business in Astana, Kazakhstan.

"Group" means the Issuer and its consolidated Subsidiaries from time to time taken as a whole, and references to a member of the Group mean any of the Issuer or any of its consolidated Subsidiaries from time to time;

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" means any Person guaranteeing any obligation.

"IFRS" means international financial reporting standards issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re issued from time-to-time);

"Indebtedness" means any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

"Indebtedness for Borrowed Money" means any Indebtedness for or in respect of (i) moneys borrowed, (ii) amounts raised by acceptance under any acceptance credit facility, (iii) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments, (iv) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with IFRS, be treated as finance or capital leases, (v) the amount of any liability in respect of any standby letters of credit or similar instruments issued in connection with the performance of contracts or purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service, (vi) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a "with recourse" basis) having the commercial effect of a borrowing and (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);

"Indebtedness Guarantee" means in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation) (i) any obligation to purchase such Indebtedness, (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds

for the payment of such Indebtedness, (iii) any indemnity against the consequences of a default in the payment of such Indebtedness and (iv) any other agreement to be responsible for such Indebtedness;

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"Interest Determination Date" has the meaning given in the relevant Pricing Supplement and, where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where SOFR Lag or SOFR Observation Shift is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement, the fourth U.S. Government Securities Business Day prior to the last day of each Interest Period;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement.

"ISDA Determination" has the meaning given in the relevant Pricing Supplement;

"Issue Date" has the meaning given in the relevant Pricing Supplement;

"mainline railway network" means the mainline railway infrastructure of the Republic of Kazakhstan that consists of main tracks and station tracks as well as objects of power supply, signalling, communications, devices, equipment, buildings and other objects, technologically necessary for its operation;

"Margin" has the meaning given in the relevant Pricing Supplement;

"Material Subsidiary" means, at any given time, any Subsidiary of the Issuer (including each of the Guarantors) whose gross assets or gross revenues attributable to the Issuer represent

10.0% or more of the consolidated gross assets or consolidated gross revenues, as the case may be, of the Issuer and the Consolidated Subsidiaries; whether or not a Subsidiary is a Material Subsidiary shall be established in the first instance by an annual certificate of the Issuer delivered to the Trustee stating which of its Subsidiaries are Material Subsidiaries and, for the avoidance of doubt, a Subsidiary of the Issuer may become, or cease to be, a Material Subsidiary as a result of an amalgamation, reorganisation or restructuring (but without prejudice to any restrictions on amalgamation, reorganisation or restructuring under these Conditions), in which event calculations shall be made as if the financial statements for such Subsidiary had been drawn up immediately after such amalgamation, reorganisation or restructuring and such financial statements formed the basis of the relevant calculation and, in addition, a certificate provided by the Issuer that in the Issuer's management's opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall be entitled to rely upon any such certificate prepared by the Issuer and shall not be responsible for any loss occasioned by acting or not acting on any such certificate;

"Maturity Date" has the meaning given in the relevant Pricing Supplement;

"network services" means services of providing mainline railway network in exploitation and operation of rolling stock traffic;

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Date (Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Put)" has the meaning given in the relevant Pricing Supplement or, following the occurrence of a Put Event, the sixtieth day after notice thereof is given by the Issuer pursuant to Condition 10.6;

"Participating Member State" means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (a) if the currency of payment is Euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a Target Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not Euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre and which, if the currency of payment is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively;

"Permitted Security Interest" means any Security Interest:

- (a) existing on the Issue Date;
- (b) granted in favour of the Issuer or any Guarantor by any Material Subsidiary to secure Financial Indebtedness owed by such Material Subsidiary to the Issuer or such Guarantor, as the case may be;
- (c) being liens or rights of set off arising by operation of law and in the ordinary course of business, including, without limitation, any rights of set off with respect to demand or time deposits maintained with financial institutions and bankers' liens with respect to property of the Issuer, any Guarantor or any Material Subsidiary held by financial institutions;
- (d) granted upon or with regard to any property or assets to secure the purchase price thereof or the cost of construction, improvement or repair of all or any part of such property or assets or to secure Financial Indebtedness incurred solely for the purpose of financing the acquisition, construction, improvement or repair of all or any part of such property or assets and transactional expenses related thereto (so long as such Security Interest was not created in contemplation thereof), provided that the maximum amount of Financial Indebtedness thereafter secured by such Security Interest does not exceed the purchase price or cost of construction, improvement or repair of such property or assets (including transactional expenses) or the Financial Indebtedness incurred solely for the purpose of financing the acquisition, construction, improvement or repair of such property or assets;
- (e) on or relating to any property or assets hereafter acquired by the Issuer or any Guarantor or any Material Subsidiary and existing on the date of acquisition (so long as such Security Interest was not created in contemplation of the acquisition of such property or assets);
- (f) on or over goods or related documents of title arising or created in the ordinary course of business as security only for Financial Indebtedness under export credit or trade finance facilities relating to those goods or documents of title;
- (g) granted upon or with regard to any property or assets of the Issuer or any Guarantor or any Material Subsidiary to secure Financial Indebtedness incurred in connection with any securitisation relating to such property or assets, provided that the revenues attributable to property or assets subject to any such Security Interest are less than in aggregate 25.0% of Consolidated EBITDA in the most recent financial year for which the Issuer has audited consolidated financial statements prepared in accordance with IFRS;
- (h) in respect of any interest rate swap, option, cap, collar or floor agreement or any foreign currency swap agreement or other similar agreement or arrangement designed to protect the Issuer, any Guarantor or any Material Subsidiary against fluctuations in interest or foreign currency rates;

- (i) not covered by any of the provisions under paragraphs (a) to (h) above (inclusive) of this definition of Permitted Security Interest which secures Financial Indebtedness with an aggregate value at any time not exceeding 10.0% of the Issuer's consolidated total assets in the most recent financial year for which the Issuer has audited consolidated financial statements prepared in accordance with IFRS; or
- (j) arising out of the refinancing, extension, renewal or refunding of any Financial Indebtedness secured by a Security Interest permitted by any of the above exceptions, provided that the Financial Indebtedness thereafter secured by such Security Interest does not exceed the amount of the original Financial Indebtedness and such Security Interest is not extended to cover any property not previously subject to such Security Interest.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to Euros, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer or its designee; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer or its designee;

"Put Event" has the meaning given in Condition 10.7;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate Calculation Date" means the third FX Business Day preceding each Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions.

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and the relevant Pricing Supplement;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"Reference Banks" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer or its designee in the market that is most closely connected with the Reference Rate and, in the case of any Series of Notes denominated in Tenge,

"Reference Banks" means Bank CenterCredit JSC, ForteBank JSC, JSC Halyk Bank, First Heartland Jusan Bank JSC, JSC Kaspi Bank and Citibank Kazakhstan JSC or their legal successors, or any other person named as such in the relevant Pricing Supplement;

"Reference Price" has the meaning given in the relevant Pricing Supplement;

"Reference Rate" means the rate specified as such in the applicable Pricing Supplement;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Screen Page" means the page, section or other part of a particular information service specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Representative Market Rate" means, with respect to any Calculation Business Day, the Tenge / U.S. Dollar daily official (market) foreign exchange rate for the previous FX Business Day, expressed as the amount of Tenge per one U.S. Dollar and as reported by the National Bank of Kazakhstan and published on its website (<https://www.nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut> or any successor page thereto) (the **"NBK Rate"**), as determined by the Issuer or its designee. In the event that the NBK Rate is unavailable for any Calculation Business Day, then the Issuer will poll the Representative Market Rate by polling the Reference Banks on the immediately following FX Business Day for the Tenge / U.S. Dollar exchange rate at noon Astana time on such Calculation Business Day for the professional market and provide such obtained Tenge / U.S. Dollar exchange rate to the Calculation Agent, whereby the Calculation Agent will determine the Representative Market Rate by taking the arithmetic mean of the polled exchange rates, provided that at least two quotations are obtained;

"Reserved Matter" has the meaning given in the Trust Deed;

"Screen Rate Determination" has the meaning given in the relevant Pricing Supplement;

"Security Interest" means a mortgage, charge, pledge, lien, security interest or other encumbrance of any kind whatsoever securing any obligation of any Person or any other type of preferential arrangement having a similar effect over any assets or revenues of such Person;

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York (currently, being <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>), or any successor source;

"SOFR Benchmark Replacement Date" means the Benchmark Replacement Date with respect to the then-current Benchmark;

"SOFR Benchmark Transition Event" means the occurrence of a Benchmark Event with respect to the then-current Benchmark;

"Specified Currency" has the meaning given in the relevant Pricing Supplement;

"Specified Denomination(s)" has the meaning given in the relevant Pricing Supplement;

"**Specified Interest Payment Date**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at a given time, any other Person (i) whose affairs and policies the first Person directly or indirectly Controls or (ii) as to whom the first Person owns directly or indirectly more than 50% of the capital, voting stock or other right of ownership; or (iii) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first Person in the consolidated financial statement of such first Person;

"**Subsidised Financial Indebtedness**" means Financial Indebtedness made available to the Issuer or any of its Subsidiaries by the Republic of Kazakhstan or any governmental authority, agency or instrumentality thereof, or any other entity owned or controlled (directly or indirectly) by any of the foregoing, and in respect of which the payment obligations are subsidised or funded (in whole or in part) by the Republic of Kazakhstan or any governmental authority, agency or instrumentality thereof;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**track**" means land or other property comprising the permanent way of any railway, together with the ballast, sleepers and metals laid thereon and overhead power lines related thereto, whether or not the land or other property is also used for other purposes, along with crossings, bridges, viaducts, tunnels, culverts, retaining walls or other structures used or to be used for the support, or otherwise in connection with, track and any walls, fences or other structures bounding the railway or bounding any adjacent or adjoining property;

"**Tenge**" means the lawful currency for the time being of the Republic of Kazakhstan;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

2.2 In these Conditions:

- (a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 9, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 and any other amount in the nature of interest payable pursuant to these Conditions;
- (c) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed; and
- (d) if an expression is stated in Condition 2.1 to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or

specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

3 FORM, DENOMINATION AND TITLE

The Notes are issued in registered form in the Specified Denomination(s) shown in the relevant Pricing Supplement or integral multiples thereof, without interest coupons, provided that:

- (a) the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency;
- (b) interests in the Rule 144A Notes shall be held in amounts of not less than U.S.\$200,000 or its equivalent in other currencies.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the person in whose name a Note is registered, "**holder**" shall be read accordingly and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

4 TRANSFERS OF NOTES

- 4.1 One or more Notes may be transferred, in whole or in part in the authorised denominations set out in the applicable Pricing Supplement and subject to the minimum transfer amounts specified therein, upon the surrender (at the Specified Office of the Registrar or any Transfer Agent) of the relevant Note or Notes, together with the form of transfer endorsed on such Note or Notes (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent (as applicable) may reasonably require, including for the purposes of establishing title to the relevant Note, and the identity of the person making the request. In the case of a transfer of part only of a holding of a Note, a new Note shall be issued to the transferee in respect of the part transferred and a further new Note in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- 4.2 In the case of an exercise of Noteholders' option in respect of, or a partial redemption of, a holding of Notes, a new Note shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. New Notes shall only be issued against surrender of the existing Notes to the Registrar or any Transfer Agent. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Note representing the enlarged holding shall only be issued against surrender of the Note representing the existing holding.

- 4.3 Each new Note to be issued pursuant to Conditions 4.1 or 4.2 shall be available for delivery within five business days of receipt of the form of transfer or Put Option Notice and surrender of the Note for exchange. Delivery of the new Note(s) shall be made at the Specified Office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Option Notice or Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Put Option Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and such insurance as it may specify. In this Condition 4.3, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the Specified Office of the relevant Transfer Agent or the Registrar (as the case may be).
- 4.4 Transfer of Notes on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and security as the Registrar or the relevant Transfer Agent may require).
- 4.5 No Noteholder may require the transfer of a Note to be registered:
- (a) during the period of 15 days ending on the due date for redemption of, or payment of any Interest Amount in respect of, that Note;
 - (b) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10.3; or
 - (c) after any such Note has been called for redemption, including partial redemption.

5 STATUS

5.1 Status of the Notes

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 6.1 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu*, without preference among themselves, with all other unsecured and unsubordinated obligations of the Issuer, from time-to-time outstanding, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5.2 Status of the Guarantee

Pursuant to the Guarantee, each Guarantor has unconditionally and irrevocably guaranteed and each of the Additional Guarantors pursuant to Condition 6.4 (*Additional Guarantors*) will unconditionally and irrevocably guarantee (or, in the case of a Person becoming a Guarantor pursuant to the provisions of Condition 6.2 (*Limitations on Changes in Business and Disposals of Assets*), will unconditionally and irrevocably guarantee) on a joint and several basis, the due and punctual payment of all sums from time-to-time payable by the Issuer in respect of the Notes and the Trust Deed. The obligations of each Guarantor under the Guarantee constitute (or, in the case of any Additional Guarantor or any Person becoming a Guarantor as provided above, will constitute) direct, general, unconditional, unsubordinated and (subject to Condition 6.1 (*Negative Pledge*)) unsecured obligations of the Guarantors and rank and will rank *pari passu*, without preference among themselves, with all other unsecured and unsubordinated obligations of each Guarantor, from time-to-time outstanding, save for such obligations as may be preferred by provisions of law both mandatory and of general application.

6 NEGATIVE PLEDGE AND COVENANTS

6.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer and each Guarantor shall not, and the Issuer shall procure that each Material Subsidiary shall not, create, incur, assume or permit to arise or subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of their respective present or future undertakings, assets or revenues (including uncalled capital), to secure any Financial Indebtedness of the Issuer, any Material Subsidiary, any Guarantor or any other Person, or any Indebtedness Guarantee in respect thereof, unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Trust Deed or the relevant Guarantor's obligations under the Trust Deed (including, in particular, but without limitation, the Guarantee), as the case may be, are secured equally and rateably therewith or have the benefit of such other arrangement as is not materially less beneficial to the Noteholders, as determined by the Trustee, or as may be approved by an Extraordinary Resolution of Noteholders.

6.2 Limitations on Changes in Business and Disposals of Assets

(a) *Limitation on Changes in Business*

The Issuer shall procure that the business of the Issuer and its Subsidiaries shall comprise at a minimum the business of owning and operating the Republic of Kazakhstan's national railway network and the infrastructure relating thereto and of providing, either by itself or its Subsidiaries or by the procurement of the relevant services from third parties, of all relevant network services in relation thereto, together with such other businesses or activities as are ancillary, complementary or related to the foregoing, provided that the business of the Issuer and its Subsidiaries shall at all times be conducted in a manner that does not materially adversely affect the Issuer's ability to perform its obligations under the Notes.

(b) *Limitations on Disposals*

For so long as any Notes remain outstanding, except as permitted by Condition 6.3 (*Limitations on Merger or Consolidation*), the Issuer and each Guarantor will not, and (in the case of the Issuer) will procure that the Material Subsidiaries will not, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, assign, convey, transfer, grant or otherwise dispose of all or any of its or their assets or property to any Person, except as follows:

- (i) disposals of Core Assets (otherwise than under paragraph (iii) below) to the Issuer or a Subsidiary of the Issuer (each, a "**Transferee Subsidiary**") or to an Eligible Transferee, provided, however, that (A) after giving effect to such disposal and any related transactions, the Transferee Subsidiary (in the case of a disposal to a Transferee Subsidiary) remains a Subsidiary of the Issuer and (in the case of a disposal to either a Transferee Subsidiary or an Eligible Transferee) no Event of Default (as defined in Condition 13 (*Events of Default*)) nor any event which, with the giving of notice or lapse of time or the satisfaction of any other condition, would be an Event of Default has occurred and is continuing and (B) in the case of a Transferee Subsidiary, if either (X) the relevant Transferee Subsidiary is, or after giving effect to such disposal will become, a Material Subsidiary or (Y) in case such Transferee Subsidiary is not the Issuer or a Guarantor, after giving pro forma effect to such disposal as if such disposal occurred on 1 January of the last Fiscal Year, the Issuer and the Guarantors would

not have been in compliance with the Guarantor Threshold Test in Condition 6.4 (*Additional Guarantors*) as of 31 December of the last Fiscal Year, then such Transferee Subsidiary or, in the case of a transfer to an Eligible Transferee, such Eligible Transferee, will become an Additional Guarantor in accordance with the terms of Condition 6.4 (*Additional Guarantors*);

- (ii) disposals of assets, other than Core Assets, in the ordinary course of business or at arm's length and for fair market value;
- (iii) disposals of Core Assets which are obsolete, redundant or surplus and not necessary for compliance with Condition 6.2(a); or
- (iv) disposals of other Core Assets provided that the aggregate value of all such other Core Assets disposed of since 31 December 2025 does not exceed at any time 15% of the value of property, plant and equipment as shown in the Issuer's then most recent audited consolidated financial statements prepared in accordance with IFRS.

6.3 Limitations on Merger or Consolidation

(a) *Limitations on the Issuer and each Guarantor*

Neither the Issuer nor any Guarantor shall, except as approved by an Extraordinary Resolution, consolidate with or merge into any Person other than the Issuer or a Guarantor unless:

- (i) the Person formed by the consolidation or into which the Issuer or the relevant Guarantor, as the case may be, is merged (the "**Successor Company**") agrees in writing to assume the obligation to make due and punctual payment of all amounts payable under the Notes and the Guarantee (as the case may be) and all other obligations of the Issuer or the relevant Guarantor (as the case may be) under the Notes and the Trust Deed (including the Guarantee);
- (ii) immediately after giving effect to the transaction, no Event of Default will have occurred and be continuing;
- (iii) the Issuer or the relevant Guarantor, as the case may be, has delivered to the Trustee (A) a certificate of the General Manager of the Issuer or the relevant Guarantor stating that the consolidation or merger complies with this Condition 6.3 (*Limitations on Merger or Consolidation*) and that all requirements set forth herein relating to the transaction have been complied with and (B) an opinion of independent legal advisers of recognised standing in form and substance satisfactory to the Trustee that the Successor Company has validly assumed the obligations to be assumed by it pursuant to Condition 6.3(a)(i) and that the Trust Deed (including the Guarantee), the Agency Agreement and the Notes constitute legal, valid, binding and enforceable obligations of the Successor Company, and the Trustee shall be entitled to rely upon any such certificate or opinion and shall not be responsible for any loss occasioned by acting (or not acting) on any such certificate or opinion, as the case may be; and
- (iv) the Successor Company expressly agrees, subject to Condition 12 (*Taxation*), (A) to pay such Additional Amounts as may be necessary in order that the net amounts received by each Noteholder shall, after any deduction or withholding of Taxes and any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of,

or within any political subdivision of, or any authority having power to tax in the jurisdiction in which the Successor Company is incorporated or is engaged in business, equal the amounts that would have been received by such Noteholder in respect of the Notes held by it in the absence of the consolidation or merger and (B) to indemnify and hold harmless each holder of a Note from and against, and reimburse each such holder for, the amount of any Taxes withheld or deducted from, or paid by such holder in respect of payments made under or with respect to the Notes or the Trust Deed (including the Guarantee) in circumstances where the said obligation to pay Additional Amounts is or may have become illegal, unenforceable or otherwise invalid.

(b) ***Effect of Consolidation or Merger***

Upon any consolidation, merger, conveyance or transfer in accordance with this Condition 6.3 (*Limitations on Merger or Consolidation*) the Successor Company shall succeed to, and be substituted for, may exercise every right and power of, and shall be bound by every obligation of, the Issuer or the relevant Guarantor, as the case may be, under the Notes and the Trust Deed (including, *inter alia*, in the case of a Guarantor, the Guarantee) with the same effect as if the Successor Company had been named as the Issuer or a Guarantor, as the case may be.

6.4 **Additional Guarantors**

The Issuer and each Guarantor shall ensure that on the Issue Date and thereafter as at the end of each of the Issuer's fiscal years beginning with the fiscal year ending 31 December 2026 (each, a "**Fiscal Year**"), the aggregate combined total assets and total revenue of the Issuer and the Guarantors (determined separately and calculated on a standalone non-consolidated basis for each entity and without double counting (for the avoidance of doubt, all intra-group items and investments in Subsidiaries by the Issuer or a Guarantor, as the case may be, or any of their Subsidiaries shall be excluded)) for the most recently ended Fiscal Year, shall in each case equal or exceed 75.0 per cent. of the aggregate combined total assets and total revenue, respectively, of the Issuer and its Subsidiaries (determined on a consolidated basis) (the "**Guarantor Threshold Test**"). In the event that the Guarantor Threshold Test is not satisfied for any Fiscal Year, the Issuer and each Guarantor shall promptly, and in any case within 90 days following the publication of the relevant audited financial statements pursuant to Condition 6.5 (*Provision of Financial Information*), procure compliance with this Condition by causing one or more of its Subsidiaries that are not Guarantors to become Guarantors in accordance with the terms of these Conditions to the extent necessary to ensure the Guarantor Threshold Test is then satisfied (each such Subsidiary, an "**Additional Guarantor**"). Such Guarantor Threshold Test shall be tested following each annual audit of the Issuer using financial information prepared in accordance with IFRS.

The Issuer and each Guarantor shall procure that any Subsidiary, Transferee Subsidiary or Eligible Transferee that needs to become a Guarantor pursuant to these Conditions shall execute a deed of accession in substantially the form scheduled to the Trust Deed, subject to the requirements of Clause 5 of the Trust Deed being satisfied (the "**Guarantee Agreement**").

The accession of the Additional Guarantors pursuant to this Condition 6.4 (*Additional Guarantors*) shall be conditional upon receipt by the Trustee of a legal opinion, in form and substance satisfactory to the Trustee, of independent legal counsel of recognised standing as to the enforceability of the Guarantee under the Guarantee Agreement from such Additional Guarantor and as to any limitations as referred to in (a) and (b) below. The Trustee shall be

entitled to accept the legal opinion referred to above without further enquiry or liability to any Person as sufficient evidence of the matters contained therein.

The obligations of each Additional Guarantor will be limited under relevant laws applicable to such Additional Guarantor to the extent that the granting of the relevant Guarantee would:

- (a) not be consistent with corporate benefit, capital preservation, financial assistance or fraudulent conveyance rules or any other general statutory laws or regulations (or analogous restrictions) of any applicable jurisdiction; or
- (b) cause the directors of such Additional Guarantor to contravene their fiduciary duties, to incur civil or criminal liability or to contravene any legal prohibition.

The Issuer and each Guarantor shall promptly give notice to the Noteholders in accordance with Condition 19 (*Notices*) of the addition of each Guarantor and, so long as the Notes are listed on the Stock Exchange and/or any other stock exchange on which the Notes may be listed or quoted from time-to-time, shall comply with applicable rules of the Stock Exchange and/or such other exchange.

The guarantee of a Guarantor will be released automatically and without further action on the part of any Noteholder or the Trustee:

- (i) in connection with any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation, combination, transfer or conveyance of substantially all of its assets to, or liquidation into), provided that the sale or other disposition does not breach Condition 6.2 (*Limitations on Changes in Business and Disposals of Assets*) and Condition 6.3 (*Limitations on Merger or Consolidation*); or
- (ii) in connection with any sale or other disposition of share capital of that Guarantor, provided that the sale or other disposition does not breach Condition 6.2 (*Limitations on Changes in Business and Disposals of Assets*) and Condition 6.3 (*Limitations on Merger or Consolidation*) provided that, (A) the release of such Guarantor or (B) the release and simultaneous replacement of such Guarantor with one or more Additional Guarantors in accordance with (i) or (ii) above is in compliance with this Condition 6.4.

The Issuer shall promptly notify the Trustee and the Noteholders in accordance with Condition 19 (*Notices*) of the release of any Guarantor.

6.5 Provision of Financial Information

So long as any Notes remain outstanding, the Issuer shall:

- (i) as soon as they become available but in any event within 180 days after the end of each of its financial years, publish on its website its audited annual consolidated financial statements for such financial year, audited by an internationally recognised firm of accountants as may be nominated by the Issuer, prepared in accordance with IFRS consistently applied with the corresponding financial statements for the preceding period; and
- (ii) as soon as they become available but in any event within 120 days following the end of each quarter of each of its financial years, publish on its website its unaudited consolidated financial statements for the relevant three-, six- and nine-month periods.

- 6.6** So long as any Notes remain outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish upon the request of a Noteholder

or a beneficial owner of an interest therein to such Noteholder or the beneficial owner or to a prospective purchaser of Notes designated by such Noteholder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A under the Securities Act, if at the time of such request the Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3 2(b) thereunder.

7 FIXED RATE NOTE PROVISIONS

- 7.1** This Condition 7 is applicable to the Notes only if the relevant Pricing Supplement specifies the Fixed Rate Note Provisions as being applicable.
- 7.2** The Notes bear interest on the outstanding principal amount from the Interest Commencement Date at the rate(s) per annum equal to Rate(s) of Interest payable in arrear on each Interest Payment Date in each year and on the Maturity Date if such Maturity Date does not fall on an Interest Payment Date, subject as provided in Condition 11. Unless otherwise specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Pricing Supplement, amount to the Broken Amount(s) so specified.
- 7.3** If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. In these Conditions "**sub unit**" means, with respect of any currency other than the Euro or U.S. Dollar, the lowest amount of such currency that is available as legal tender in the country of such currency, and with respect to Euros and U.S. Dollars means one cent.

8 FLOATING RATE NOTE PROVISIONS

- 8.1** This Condition 8 is applicable to the Notes only if the relevant Pricing Supplement specifies the Floating Rate Note Provisions.
- 8.2** The Rate of Interest payable from time to time in respect of the Notes shall be determined in the manner specified in the relevant Pricing Supplement.
- 8.3** Each Floating Rate Note bears interest on its outstanding principal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 8. Such Interest Payment Date(s) is/are either as specified in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, Interest Payment Date means each date which falls the number of months or other period specified in the applicable Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- 8.4** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward

to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- 8.5 The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.
- 8.6 Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any Reference Banks and seeking quotations from Reference Banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this Condition, "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (a) if the Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
 - (i) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
 - (ii) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Pricing Supplement;
 - (iii) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
 - (iv) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:
 - (a) Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement;
 - (b) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (c) Observation Period Shift Additional Business Days (as defined in the

relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; or

- (c) Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement; and
- (v) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement;
- (vi) references in the relevant ISDA Definitions to:
 - (a) "Confirmation" shall be deemed to be references to the applicable Pricing Supplement;
 - (b) "Calculation Period" shall be deemed to be references to the relevant Interest Accrual Period;
 - (c) "Termination Date" shall be deemed to be references to the Maturity Date; and
 - (d) "Effective Date" shall be deemed to be references to the Interest Commencement Date; and
- (b) if the Pricing Supplement specifies "2021 ISDA Definitions" as the applicable ISDA Definitions:
 - (i) Administrator/Benchmark Event shall be disappplied; and
 - (ii) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

8.7 Screen Rate Determination

- (a) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be either:
 - (i) the offered quotation; or
 - (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 am (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or Compounded SOFR Index, as follows:

- (x) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement:

- (i) SOFR Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR_{i-xUSBD}**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day

in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(ii) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR_i**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Condition 8.7(b)(x):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR**=" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;
- (ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or
- (iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.7(c) shall apply; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

- (y) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR Index_{End}}{SOFR Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

- (a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition

8.7(b)(x)(ii) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" means five U.S. Government Securities Business Days; or

- (b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.7(c) shall apply;

"SOFR Index_{End}" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"SOFR Index_{Start}" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the first day of such Interest Period;

"SOFR Index Determination Time" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"d_c" means the number of calendar days in the applicable SOFR Observation Period.

If the Notes become due and payable in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

- (c) For the purpose of this Condition 8.7(b):

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Issuer certifies to the Trustee and Agents may be required to give effect to this Condition 8.7(c) provided that neither the Trustee nor any Agent shall be required to effect any such amendment which reduces its rights or protections or increases its obligations. Noteholders' consent shall not be required in connection with effecting any such changes, including

the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 8.7(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, acting in good faith and in a commercially reasonable manner, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

The following defined terms shall have the meanings set out below for purpose of this Condition 8.7(c):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement;

"Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (b) the Benchmark Replacement Adjustment;
- (ii) the sum of:
 - (a) the ISDA Fallback Rate; and
 - (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
 - (a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and
 - (b) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or,

if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-paragraph (i) or (ii) of the definition of "Benchmark Event", the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"ISDA Definitions" means (i) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes;

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the

Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- 8.8 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 8.9 The Calculation Agent will, as soon as reasonably practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, determine the Rate of Interest for the relevant Interest Period and calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention.
- 8.10 If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as reasonably practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- 8.11 The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and quotation system (if any) by which the Notes have than been admitted to listing, trading and quotation as soon as reasonably practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders by the Issuer in accordance with Condition 19. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- 8.12 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- 8.13 Notwithstanding anything included in the ISDA Definitions, any offering document and/or Pricing Supplement and/or any other transaction document (the "**Transaction Documents**") for any Series of Notes to the contrary, the Issuer has agreed that the Agents or Citibank, N.A., London Branch (in its capacity as Calculation Agent, if so appointed) will have no obligation to exercise any discretion (including, but not limited to, determinations of alternative or substitute benchmarks, successor reference rates, screen pages, interest adjustment factors/fractions or spreads, market disruptions, benchmark amendment conforming changes, selection and polling of reference banks), and to the extent the Transaction Documents for any Series of Notes requires the Calculation Agent to exercise any such discretions and/or make such determinations, such references shall be construed as the Issuer or its financial adviser or

alternate agent appointed by the Issuer exercising such discretions and/or determinations and/or actions and not the Calculation Agent.

9 ZERO COUPON NOTE PROVISIONS

- 9.1 This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- 9.2 If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (a) the Reference Price; and
 - (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10 REDEMPTION AND PURCHASE

- 10.1 **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed by the Issuer at their Final Redemption Amount as specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date as specified in the applicable Pricing Supplement, subject as provided in Condition 11.
- 10.2 **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (a) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
 - (b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 10 nor more than 60 days' notice to the Noteholders and to the Trustee in accordance with Condition 19 (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (i) the Issuer satisfies the Trustee immediately before the giving of notice that it has or will become or a Guarantor has or (if a demand was made under the Guarantee) would become obliged to pay additional amounts as provided or referred to in Condition 12 or the Guarantee, as the case may be, as a result of any change in, or amendment to, the laws, treaties or regulations of Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or the relevant Guarantor, as the case may be, taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than:

- (A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or such Guarantor, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the relevant Guarantor, has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and opinion without further investigation or enquiry and without liability to any person. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.2.

10.3 Redemption at the Option of the Issuer (Call Option): If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole (but not in part) on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 10 nor more than 60 days' notice to the Noteholders (which notice shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

If Make-Whole Amount is specified in the applicable Pricing Supplement as the Optional Redemption Amount (Call), the Optional Redemption Amount (Call) per Note shall be equal to the higher of (i) the principal amount of the Note; and (ii) the sum of the then present values of the remaining scheduled payments of principal and Remaining Term Interest (assuming for this purpose the Notes are to be redeemed at their principal amount on the Make-Whole Reference Date), in each case discounted to the relevant Optional Redemption Date (Call) on either an annual or a semi-annual basis as specified in the applicable Pricing Supplement (based on the Day Count Fraction specified in the applicable Pricing Supplement) at the Reference Dealer Rate plus any applicable Redemption Margin specified in the applicable Pricing Supplement, all as determined by the Determination Agent; in each case together with interest accrued to (but excluding) the relevant Optional Redemption Date (Call).

In this Condition:

"Determination Agent" means an investment banking, accountancy, appraisal or financial advisory firm with international standing that has (in the reasonable opinion of the Issuer) appropriate expertise relevant to the determination required to be made under this Condition 10.3 selected by the Issuer.

"Make-Whole Reference Date" means the earliest of (i) the Maturity Date, (ii) the Par Call Period Commencement Date (if applicable), and (iii) such other date (if any) specified as such in the applicable Pricing Supplement.

"Reference Bond" means the government security specified in the applicable Pricing Supplement, or (if such security is no longer in issue or, in the determination of the Determination Agent, with the advice of the Reference Dealers, is no longer appropriate by reason of illiquidity or otherwise), such other government security with a maturity date as near as possible to the Make-Whole Reference Date, as the Determination Agent may, with the advice of the Reference Dealers, determine to be appropriate by way of substitution for the original Reference Bond.

"Reference Dealers" means each of three banks selected by the Issuer which are (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues; and

"Reference Dealer Rate" means with respect to the Reference Dealers and any Optional Redemption Date (Call) the average of the three quotations of the mid-market annual yield to maturity of the Reference Bond specified in the applicable Pricing Supplement at the Quotation Time specified in the applicable Pricing Supplement on the Determination Date specified in the applicable Pricing Supplement and quoted in writing to the Determination Agent by the Reference Dealers.

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Make-Whole Reference Date determined on the basis of the rate of interest applicable to such Note from and including the relevant Optional Redemption Date (Call).

- 10.4 Redemption at the Option of the Issuer (Issuer Maturity Par Call):** If Issuer Maturity Par Call is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole (but not in part) at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date (the "**Par Call Period Commencement Date**") to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Pricing Supplement plus accrued interest (if any) to such date.
- 10.5 Clean-up Call:** In the event that at least 75 per cent. of the aggregate principal amount of any Series of Notes have been redeemed or purchased, the Issuer may, at any time thereafter, on giving not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 19 (Notices) and to the Trustee, redeem all (but not less than all) of the Notes outstanding at a redemption price equal to 100 per cent. of the principal amount of such Notes outstanding together with interest accrued to, but excluding, the date of such redemption.
- 10.6 Redemption at the Option of Noteholders (Put Option):** If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10.6, the holder of a Note must, not less than 10 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10.6, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have

been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10.6, the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- 10.7 Redemption at the Option of Noteholders (Change of Control Put Option):** Whether or not the Put Option is specified under Condition 10.6, the Issuer shall, at the option of the holder of any Note, exercisable as set out in Condition 10.6, redeem such Note on the applicable Optional Redemption Date (Put) at 100% of its principal amount together with interest (if any) accrued to but excluding such date, if at any time the Republic of Kazakhstan ceases to own, directly or indirectly, more than 50 per cent. of the voting power in the issued share capital of the Issuer or otherwise ceases to Control the Issuer (each, a "**Put Event**").

Upon the occurrence of a Put Event, the Issuer shall promptly give notice thereof to the Noteholders in accordance with Condition 19 with a copy to the Trustee.

- 10.8 Notices:** Any notice delivered pursuant to Condition 10.3, 10.4 or 10.5 shall specify the relevant date for redemption of the Notes and may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent relating to the receipt or availability of financing in connection with such redemption (each, a "**Financing Condition**"). If such redemption is subject to the satisfaction of one or more Financing Conditions, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such Financing Conditions shall be satisfied (or waived by the Issuer), or such redemption may not occur and such notice may be rescinded in the event that any or all such Financing Conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed, provided that in no case shall such notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. For the avoidance of doubt, a notice shall be irrevocable save where a Financing Condition has not been satisfied (or waived by the Issuer) in accordance with this Condition 10.8. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

- 10.9** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10.1 to 10.7.

- 10.10** Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10.9 or, if none is so specified, a Day Count Fraction of 30E/360.

- 10.11** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.

10.12 All Notes which are redeemed pursuant to Conditions 10.1 to 10.7 or purchased pursuant to Condition 10.10 by the Issuer or any of its Subsidiaries shall be either cancelled forthwith, held or, to the extent permitted by law, resold. All Notes so cancelled shall be forwarded to the Principal Paying Agent.

11 PAYMENTS

11.1 Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Transfer Agent or of the Registrar, or by transfer to an account denominated in that currency (or, if that currency is Euros, any other account to which Euros may be credited or transferred) and, in the case of any Series of Notes denominated in Tenge, in U.S. Dollar) maintained by the payee with, a bank in the Principal Financial Centre of that currency.

11.2 Payments of interest shall, subject to Condition 11.5, be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in the relevant currency (and, in the case of any Series of Notes denominated in Tenge, in U.S. Dollar) by transfer to an account denominated in that currency. Upon application by the holder to the Specified Office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

11.3 Amounts of interest and principal due in respect of any Series of Notes denominated in Tenge, will be calculated by the Calculation Agent for payment in U.S. Dollars by dividing the relevant Tenge amounts by the Average Representative Market Rate on the applicable Rate Calculation Date. The Calculation Agent will, on each Rate Calculation Date, notify the Issuer, the Guarantors, the Trustee and the Paying Agents of the amounts of interest and principal (stated in both Tenge and U.S. Dollars) payable on any Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions, as applicable, as well as the applicable Average Representative Market Rate.

11.4 All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.5 If the due date for payment of any amount in respect of any Note is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

11.6 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Paying Agents and the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non - exercise by it of its powers, duties and discretions for such purposes.

12 TAXATION

12.1 All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or a Guarantor, as the case may be (including payments by a Guarantor under the Guarantee or otherwise under the Trust Deed), shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature

imposed, levied, collected, withheld or assessed by Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note presented for payment:

- (a) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Kazakhstan other than the mere holding of such Note; or
- (b) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note on the last day of such period of 30 days.

In addition, if and to the extent that the obligations of the Issuer or a Guarantor, as the case may be, to pay additional amounts pursuant to this Condition 12 are or have become illegal, unenforceable or otherwise invalid, the Issuer and each Guarantor will indemnify and hold harmless each holder of a Note from and against, and will, upon written request of a holder and presentation of reasonable supporting documentation, reimburse each such holder for, the amount of any taxes withheld or deducted from, or paid by such holder in respect of, payments made under or with respect to the Notes or the Trust Deed (including the Guarantee) and which would not have been withheld, deducted or paid had the said obligations not been or become illegal, unenforceable or otherwise invalid. Solely for purposes of these Conditions, any payment made pursuant to this paragraph shall be considered an additional amount.

Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to include a reference to any additional amounts which may be payable under this Condition 12.

- 12.2 If the Issuer or a Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than Kazakhstan, references in these Conditions to Kazakhstan shall be construed as references to Kazakhstan and such other jurisdiction.
- 12.3 Notwithstanding any other provision contained herein, any amounts to be paid by the Issuer or a Guarantor, as the case may be, on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and none of the Issuer, the Guarantor, any Agent or any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

13 **EVENTS OF DEFAULT**

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate outstanding principal amount of the Notes or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are and they shall immediately become due and repayable at their principal amount together with accrued interest if any of the following events (each, an "**Event of Default**") occurs and is continuing:

- 13.1 Non-payment:** the Issuer or a Guarantor, as the case may be, fails to pay any principal or redemption amount in respect of any of the Notes when the same becomes due and payable, either at maturity, upon redemption, by declaration or otherwise, and such default continues for a period of five Business Days, or the Issuer or a Guarantor, as the case may be, is in default with respect to the payment of interest on, or any other amounts, including Additional Amounts, due in respect of, any of the Notes and such default continues for a period of five Business Days; or
- 13.2 Breach of other obligations:** the Issuer or any Guarantor is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under the Notes, the Trust Deed (including, in the case of each Guarantor, under the Guarantee) or the Agency Agreement (other than a default or breach elsewhere specifically dealt with in this Condition 13) and such default or breach (which is, in the opinion of the Trustee, capable of remedy) is not remedied within 40 days (or such longer period as the Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer by the Trustee; or
- 13.3 Cross-default:** (i) any Financial Indebtedness of the Issuer or any Guarantor or Material Subsidiary declared to be or otherwise becomes due and payable prior to the due date for payment thereof by reason of default by the Issuer or a Guarantor or a Material Subsidiary thereunder or is not repaid at maturity, as may be extended by any grace period or agreement applicable thereto or (ii) any Indebtedness Guarantee given by the Issuer or any Guarantor or Material Subsidiary is not honoured when due and called, provided that the aggregate principal amount of such Financial Indebtedness and the Financial Indebtedness covered by such Indebtedness Guarantee exceeds U.S.\$100,000,000 (or its equivalent in other currency). No Event of Default will occur if the relevant Financial Indebtedness is Subsidised Financial Indebtedness, the relevant payment default or event of default (as applicable) has been caused solely by a failure of the any governmental authority, agency or instrumentality thereof (as applicable) to perform its obligations in respect of such Subsidised Financial Indebtedness and the relevant payment default is remedied, or the circumstances causing the relevant event of default (as applicable) are capable of remedy and are remedied, in each case, within 18 months of its or their occurrence; or
- 13.4 Invalidity or Unenforceability:** (i) the validity of the Notes, the Agency Agreement or the Trust Deed (including the Guarantee) is contested by the Issuer or any Guarantor or the Issuer or any Guarantor shall deny any of its obligations under the Notes, the Trust Deed (including the Guarantee) or the Agency Agreement (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise), (ii) it is or becomes (or the Trustee determines that it will become) unlawful for the Issuer or any Guarantor to perform or comply with all or any of its obligations set out in the Notes, the Trust Deed (including the Guarantee) or the Agency Agreement or (iii) all or any of the Issuer's or any Guarantor's obligations set out in the Notes, the Trust Deed (including the Guarantee) or the Agency Agreement shall be or become unenforceable or invalid; or
- 13.5 Insolvency or Bankruptcy:** (i) a proceeding shall have been instituted or a decree or order shall have been entered for the appointment of a receiver, administrator, liquidator or other similar officer in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or any Guarantor or Material Subsidiary or all or substantially all of any of their respective properties and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days or (ii) the Issuer or any Guarantor or Material Subsidiary shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be adjudicated a bankrupt or shall consent to the filing of a bankruptcy, insolvency

or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, administrator or liquidator or trustee or assignee in bankruptcy or liquidation of it or in respect of its property or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or is (or could be deemed by law or a court to be) insolvent or bankrupt or commences proceedings with a view to the general adjustment of its Indebtedness; or

- 13.6 Enforcement proceeding:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a substantial part of the property, assets or revenues of the Issuer or any Guarantor or Material Subsidiary and is not discharged or stayed within 60 days; or
- 13.7 Security enforced:** any Security Interest, present or future, created or assumed by the Issuer or any Guarantor or Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar Person) and the aggregate amount secured by any such Security Interests so enforced exceeds U.S.\$100,000,000 (or its equivalent in any other currency); or
- 13.8 Judgments:** a final judgment or judgments for the payment of money have been entered by a court or courts of competent jurisdiction against the Issuer or any Guarantor or Material Subsidiary and remain undischarged for a period of at least 60 days without stay of execution of the relevant judgment or judgments during the period and the aggregate amount of all such judgments at any time outstanding (to the extent not paid or to be paid by insurance) exceeds U.S.\$100,000,000 or the equivalent in any other currency (for this purpose, any deductibles, self-insurance or retention shall not be treated as covered by insurance); or
- 13.9 Winding-Up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Guarantor or Material Subsidiary or the Issuer or any Guarantor or Material Subsidiary ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a merger or consolidation which is permitted by Condition 6.3 (*Limitations on Merger or Consolidation*) or on terms approved by an Extraordinary Resolution of the Noteholders; or
- 13.10 Analogous events:** any event occurs, which, under the laws of the Republic of Kazakhstan, has an analogous effect to any of the events referred to in Conditions 13.5 (*Insolvency or Bankruptcy*) to 13.9 (*Winding-Up*) above; or
- 13.11 Authorisations and consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration, the entering into of all necessary agreements or other documents and the compliance in all material respects with any applicable laws or regulations (including any foreign exchange rules or regulations pertaining to the Issuer's or any Guarantor's ability to make payments in respect of the Notes or otherwise under the Guarantee, the Trust Deed or the Agency Agreement) of any governmental or other regulatory authority) which is at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or any Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Agency Agreement and the Trust Deed (including the Guarantee) or (ii) to ensure that those obligations are legally binding and enforceable is not done, lapses and is not renewed or is cancelled or otherwise ceases to be maintained in full force and effect, in each case to the extent that such failure materially adversely affects the Issuer's ability to perform its obligations under the Notes; or

- 13.12 Maintenance of business:** the Issuer, any Guarantor or Material Subsidiary fails to take any action as is required of it under applicable regulations in the Republic of Kazakhstan to maintain in effect any material rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations and such failure is not remedied within 30 days (or such longer period as the Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer; or
- 13.13 Government Intervention:** (i) all or a substantial part of the undertaking, assets and revenues of the Issuer or any Guarantor or Material Subsidiary is condemned, seized or otherwise appropriated or (ii) the Issuer or any Guarantor or Material Subsidiary is prevented from exercising normal control over all or a substantial part of its undertaking, assets and revenues.

14 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

15 REPLACEMENT OF NOTES

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders (and, if the Notes are then admitted to listing, trading or quotation by any listing authority, stock exchange or quotation by any listing authority, stock exchange or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority stock exchange or quotation system), subject to all applicable laws and listing authority stock exchange or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16 AGENTS

- 16.1** In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and, in certain circumstances, the Trustee. The Paying Agents do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- 16.2** The initial Paying Agents and their respective initial Specified Offices are listed in the Agency Agreement. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer, with the prior written approval of the Trustee, reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor Principal Paying Agent or Calculation Agent and additional or successor paying agents; provided, however, that:
- (a) the Issuer shall at all times maintain a Principal Paying Agent, Registrar and a Transfer Agent;
 - (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

- (c) such other agents as may be required by any other stock exchange on which the Notes may be listed and/or admitted to trading.

Notice of any such change or any change of any Specified Offices shall promptly be given to the Noteholders.

17 MEETINGS OF NOTEHOLDERS; MODIFICATION; WAIVER AND ENFORCEMENT

- 17.1** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- 17.2** The Trustee may agree, without the consent of the Noteholders, to (a) any modification of any of the provisions of the Trust Deed (including the Guarantee) that is of a formal, minor or technical nature or is made to correct a manifest error, (b) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed (including the Guarantee), (c) determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) will not be treated as such and (d) any Benchmark Replacement Conforming Changes, provided that (in the case of (b) and (c)) such modification, waiver, determination or change is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders and such modification shall be notified to the Noteholders as soon as practicable. The Trust Deed also contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other entity in place of the Issuer or a Guarantor, or of any previous substituted company.
- 17.3** At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the terms of the Trust Deed and the Notes (whether by arbitration or by litigation), but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one quarter in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against

the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

- 17.4 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances and to be paid its costs and expenses in priority to claims of the Noteholders. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.
- 17.5 In connection with the exercise of its functions (including but not limited to those referred to in this Condition 17) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

18 FURTHER ISSUES AND CONSOLIDATION

- 18.1 The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes of a particular Series in all respects (or in all respects except for the issue price, the issue date and the first payment of interest) so as to form a single series with the Notes of the particular Series, provided that, in case the Notes were sold or the further notes are sold in reliance of Rule 144A of the Securities Act, unless such further notes are fungible with the original Notes for U.S. federal income tax purposes, such further notes will be issued with a separate CUSIP and ISIN. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of Notes of other series in certain circumstances where the Trustee so decides.
- 18.2 The Issuer may, with the prior approval of the Trustee and the Principal Paying Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date (as defined in Condition 22) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 19, without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euros, provided such other Notes have been redenominated in Euros (if not originally denominated in Euros) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

19 NOTICES

Notices required to be given to the Noteholders pursuant to these Conditions shall be valid if published in a leading daily newspaper of general circulation in Europe and so long as the Notes are listed on any stock exchange, in a leading daily newspaper with general circulation in the city or cities where the stock exchange(s) on which the Notes are listed (which in the case of the London Stock Exchange, is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

20 CURRENCY INDEMNITY

If any sum due from the Issuer or (as the case may be) the Guarantors in respect of the Notes or any order, award or judgment given or made in relation thereto has to be converted from the

currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer or any Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and each Guarantor shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer or (as the case may be) the Guarantors and delivered to the Issuer or (as the case may be) the Guarantors or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, award judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and the Guarantors and shall give rise to a separate and independent cause of action.

21 **ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005%, being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22 **REDENOMINATION**

22.1 This Condition 22 is applicable to the Notes only if it is specified in the relevant Pricing Supplement as being applicable.

22.2 If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Trustee, the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

22.3 Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (a) the Notes shall be deemed to be redenominated into Euros in the denomination of Euros 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euros at the rate for conversion of such currency into Euros established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines, with the agreement of the Trustee and the Principal Paying Agent that the then market practice in respect of the re denomination into Euros 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly

notify the Noteholders, each listing authority, stock exchange or quotation system (if any) by which the Notes have then been admitted to listing, trading or quotation and the Paying Agents of such deemed amendments;

- (b) if Notes have been issued in definitive form:
 - (i) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 22) shall remain in full force and effect; and
 - (ii) new Notes denominated in Euros will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (c) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euros, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euros by credit or transfer to a Euros account (or any other account to which Euros may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of any Member State of the European Communities.

22.4 Following redenomination of the Notes pursuant to this Condition 22, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes held by the relevant holder.

22.5 If the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Target Business Day before the first day of the relevant Interest Period.

23 GOVERNING LAW, JURISDICTION AND ARBITRATION

23.1 The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes, are governed by, and shall be construed in accordance with, English law.

23.2 Each of the Issuer and the Guarantors has agreed in the Trust Deed for the benefit of the Noteholders that any dispute, controversy or claim, be it contractual or non-contractual, arising out of or in connection with the Trust Deed (including the Guarantee) or the Notes (including any question regarding their formation, existence, validity or termination) (a "**Dispute**"), shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration (the "**LCIA**") (the "**Rules**") as at present in force, which Rules shall be deemed incorporated into this Condition 23. The number of arbitrators shall be three, each party having the right to nominate one arbitrator. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly one arbitrator; and a third arbitrator, who shall act as Chairman, shall be nominated by the two party-nominated arbitrators, provided that if the third arbitrator has not been nominated within the time limits specified by the Rules, such third arbitrator shall be appointed by the LCIA court. The seat of arbitration shall be London, England where all

hearings and meetings shall be held, unless the parties agree otherwise, and the language of arbitration shall be English.

- 23.3** The Issuer and each Guarantor have appointed Law Debenture Corporate Services Limited at Eighth Floor, 100 Bishopsgate, London EC2N 4AG as their agent in England to receive service of process in any proceedings in connection with the Notes and the Trust Deed.
- 23.4** Each of the Issuer and the Guarantors has consented generally in respect of any Disputes to the giving of any relief or the issue of any process in connection with such Disputes including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any judgment or award which may be made or given in such Disputes.
- 23.5** In relation to any Disputes and to the enforcement of any judgment, order or award (whether or not given or made in those Disputes), to the extent that the Issuer or any Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from jurisdiction, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or any Guarantor or its assets or revenues, the Issuer and each Guarantor have irrevocably consented to the enforcement of any judgment or award, agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

24 RIGHTS OF THIRD PARTIES

No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

THE OFFER OF THE NOTES IN THE UNITED KINGDOM IS MADE PURSUANT TO AN EXCEPTION TO THE PROHIBITION ON A PUBLIC OFFER UNDER THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 (THE "POATRS"). ACCORDINGLY, THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED HEREIN.

[The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of the information included in this document including the accuracy or completeness of any information or statements included in it. Liability for this document lies with the Issuer and other persons such as experts whose opinions are included in this document with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which this document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended,

"**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) № 600/2014, as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]²

[**PROHIBITION OF SALES TO PERSONS WHO ARE NOT PROFESSIONAL CLIENTS AT THE AIFC** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to or for the benefit of any persons resident or having their usual residence at the AIFC and/or the Republic of Kazakhstan, or to any person located within the territory of the AIFC and/or the Republic of Kazakhstan who are not a professional client as defined in the AIFC COB 2.3.]

Pricing Supplement dated [•]

JOINT STOCK COMPANY "NATIONAL COMPANY "KAZAKHSTAN TEMIR ZHOLY"

Legal entity identifier (LEI): 213800X9NVS4IWFKLS77

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.\$3,000,000,000
Guaranteed Global Medium Term Note Programme

unconditionally and irrevocably guaranteed by Joint Stock Company "Kaztemirtrans" and "KTZ-
Freight Transportation" LLP

PART A — CONTRACTUAL TERMS

² For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base offering memorandum dated 21 April 2026 [and the supplemental base offering memorandum dated [•]] (together,]the "**Base Offering Memorandum**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Offering Memorandum in order to obtain all relevant information. This document does not constitute listing particulars that the FCA has reviewed or approved pursuant to Listing Rule 4 of the FCA Handbook. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Offering Memorandum. The Base Offering Memorandum has been published on [insert website]/[http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html] [and the Astana International Exchange at www.aix.kz/news-announcements/aix-market-notice/ and copies may be obtained from [•]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

1. Issuer: Joint Stock Company "National Company "Kazakhstan Temir Zholy"
2. Guarantors Joint Stock Company "Kaztemirtrans" "KTZ Freight Transportation" LLP
3. [(i)] Series Number: [•]
 [(ii)] Tranche Number: [•]

 [(iii)] Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single series with [•] on [the Issue Date][Not Applicable]
4. Specified Currency or Currencies: [•]/[Kazakhstan tenge ("**KZT**" or "**Tenge**")]
5. Aggregate Nominal Amount of Notes: [•]/[KZT [•]]
 [(i)] Series: [•]
 [(ii)] Tranche: [•]
6. Issue Price: [•]% of the Aggregate Nominal Amount [plus accrued interest from [•]][, payable in U.S. Dollars based on an exchange rate for the conversion of Tenge into U.S. Dollars of KZT [•] = U.S.\$1.00, which is the Tenge / U.S. Dollar daily official (market) foreign exchange rate as at [•], as reported by the NBK and published on its website (https://www.nationalbank.kz/en/exchangerates/ezhednevny-e-oficialnye-rynochnye-kursy-valyut)]

7. (i) Specified Denomination(s): [•]/[KZT 100,000,000 and integral multiples of KZT 500,000, in excess thereof.]
(Note: No Notes may be issued which have a minimum denomination of less than €100,000 (or nearly equivalent amount in other currencies))
- (ii) Calculation Amount: [•]
8. [(i) Issue Date: [Specify / Closing Date / Not Applicable]
 [(ii) Interest Commencement Date: [•]
9. Maturity Date: [•]
10. Interest Basis: [[•]% Fixed Rate]
 [[•] month] [EURIBOR]
 [•] +/- [•]% Floating Rate
 [Zero Coupon]
 (further particulars specified below at paragraph [15]/[16]/[17])
11. Redemption/Payment Basis: [Redemption at par]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below at paragraphs 18 to 21)]
13. Status of the Notes: [Senior]
14. Date [Board] approval for issuance of Notes obtained: [•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•]% *per annum* [payable [annually/ semi-annually/quarterly/monthly/] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with Business Day Convention/ not adjusted]

- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount/[KZT [•] per KZT 500,000 payable in U.S. Dollars (subject to further particulars specified below at paragraph 22)]
- (iv) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [Actual/365] / [Actual/Actual (ISDA)] / [Actual / 365 (Fixed)] / [Actual / 360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis]
- (vi) Determination Date(s): [•] in each year [Not Applicable]
16. Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [[•] [,subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[•] in each year [,subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (v) Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying and Transfer Agent): [•]

- (viii) Screen Rate Determination: [[•] month EURIBOR]/[SOFR Benchmark]
- Reference Rate: [•]
 - Interest Determination Date(s): [•]
 - Relevant Screen Page:
- (ix) ISDA Determination: [•]
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date:
- (x) Margin(s): [+/-][•]% *per annum*
- (xi) Minimum Rate of Interest: [•]% *per annum*
- (xii) Maximum Rate of Interest: [•]% *per annum*
- (xiii) Day Count Fraction: [•]
- (xiv) SOFR Benchmark: [Not Applicable/Compounded Daily SOFR/Compounded SOFR Index]
(Only applicable where the Reference Rate is SOFR)
- (xv) Compounded Daily SOFR: [Not applicable/SOFR Lag/SOFR Observation Shift]
(Only applicable in the case of Compounded Daily SOFR)
- (xvi) Lookback Days: [Not Applicable/[•] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Lag)
- (xvii) SOFR Observation Shift Days: [Not Applicable/[•] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)
- (xviii) SOFR IndexStart: [Not Applicable/[•] U.S. Government Securities Business Day(s)]
(Only applicable in the case of Compounded SOFR Index)

- (xix) SOFR IndexEnd: [Not Applicable/[•] U.S. Government Securities Business Day(s)]
(Only applicable in the case of Compounded SOFR Index)
 - (xx) Fallback provisions: [Benchmark Discontinuation (SOFR) ([Condition [8.7](c)])/specify other if different from those set out in the Conditions]
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (i) [•]% per annum
[Amortisation/Accrual] Yield: [•]
 - (ii) Reference Price:

PROVISIONS RELATING TO REDEMPTION

18. Call Option: [Applicable/Not Applicable (except as specified in Condition 10.2 (Redemption for Taxation Reasons) and Condition 10.5 (Clean-up Call))]
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount/[•] per Note of [•] specified denomination
 - (iii) If redeemable in part:
 - [•] per Calculation Amount
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount:
19. Put Options: [Applicable/Not Applicable (except as specified in Condition 10.7 (Redemption at the Option of Noteholders (Change of Control Put Option)))]
- (i) Optional Redemption Date(s): [•]

- (ii) Optional Redemption Amount(s) of each Note: [[•] per Calculation Amount/[•] per Note of [•] specified denomination] / [Redemption at Par, payable in U.S. Dollars (subject to further particulars specified below at paragraph 22)]
- 20. Final Redemption Amount of each Note: [•]
- 21. Early Redemption Amount: Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable/[•] per Calculation Amount] / [Redemption at Par, payable in U.S. Dollars (subject to further particulars specified below at paragraph 22)]

[PROVISIONS RELATING TO CONVERSION OF PAYMENT AMOUNTS

- 22. Conversion of Payment Amounts [All amounts of interest, principal and other amounts in respect of the Notes will be calculated by the Calculation Agent (as defined in the Conditions) for payment in U.S. Dollars by dividing the relevant Tenge amounts by the Average Representative Market Rate on the applicable Rate Calculation Date (each as defined in the Conditions).]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23. Form of Notes: [Registered Global Notes exchangeable for Definitive Notes in the limited circumstances specified in the relevant Global Note.]
- 24. Principal Financial Centre(s): [Not Applicable/[New York].]
- 25. Additional Financial Centre(s): [Not Applicable/[•].]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from [•]. Each of the Issuer and the Guarantors confirm that such information has been accurately reproduced and that, so far as they are aware, and are able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable]

Signed on behalf of the **Issuer**:

By:

Duly authorised

Signed on behalf of [GUARANTORS]:

By:.....

Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Admission to trading: [Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be (i) admitted to trading on the London Stock Exchange's International Securities Market (the "ISM"), (ii) admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the Kazakhstan Stock Exchange (the "KASE") and (iii) included in the official list of and be admitted to trading on the Astana International Exchange Limited (the "AIX") with effect from [•].

[Not Applicable.]

- (ii) Estimate of total expenses related to admission to trading: £[•] for admission to trading on the ISM, approximately KZT [•] million for admission to the "Bonds" category of the "Debt securities" sector of the "Main" platform of the KASE and U.S.\$[•] for admission to the official list of and be admitted to trading on the AIX.

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[[Fitch: [•]]

[Note: Entity names of the relevant rating agencies to be confirmed]

[Brief explanation of meaning of the ratings to be included if previously published by the rating provider]

[Each of] [Fitch] [and] [Moody's] is established in the United Kingdom and is registered under Regulation (EU) № 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). [S&P is not established in the UK but the rating it has given to Notes is endorsed by S&P Global Ratings UK Limited which is established in the UK and registered under the UK CRA Regulation.]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Not Applicable]

If applicable a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest is to be included. This may be satisfied by the inclusion of the following statement:

"Save as discussed in [Subscription and Sale], so far as the Issuer and the Guarantors are aware, no person involved in the offer of the Notes has an interest material to the offer."

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer: [See ["Use of Proceeds"] in Base Offering Memorandum] / *[Give details]*

Estimated net proceeds: [•]

[5. Fixed Rate Notes only—YIELD

Indication of yield: [•]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] / [As the Notes are denominated in Tenge, while interest, principal and other amounts are payable in U.S. Dollars, the total yield, stated in percentage terms, on an investment in the Notes will be affected by fluctuations in the exchange rate between the Tenge and the U.S. Dollar and may not be the same when calculated in U.S. Dollars as when calculated in Tenge.]

6. OPERATIONAL INFORMATION

ISIN Code (Regulation S Notes): [•]

ISIN Code (Rule 144A Notes): [•]

Common Code (Regulation S Notes): [•]

Common Code (Rule 144A Notes): [•]

Rule 144A Notes CUSIP number: [•]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. or DTC and the relevant identification number(s): [Not Applicable/[•]]

Names and addresses of additional Paying Agent(s) (if any): [•]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
 - (A) Names of Managers: [Not Applicable/give names]
 - (B) Stabilisation Manager(s) (if any): [Not Applicable/give names]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give names]
- (iv) U.S. Selling Restrictions: [Reg. S Cat [2]; [Rule 144A;] TEFRA not applicable]

SUMMARY OF THE PROVISIONS RELATING TO NOTES IN GLOBAL FORM

The Global Notes

Each Series of Notes will be evidenced on issue by, in the case of Regulation S Notes, a Regulation S Global Note deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg and, in the case of Rule 144A Notes, a Rule 144A Global Note deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*—Book Entry Procedures for the Global Notes*". By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person and that, prior to the expiration of 40 days after completion of the distribution of the Series of which such Notes are a part as determined and certified to the Principal Paying Agent by the relevant Dealer (or in the case of a Series of Notes sold to or through more than one relevant Dealer, by each of such relevant Dealers as to the Notes of such Series sold by or through it, in which case the Principal Paying Agent shall notify each such relevant Dealer when all relevant Dealers have so certified, (the "**distribution compliance period**"), it will not offer, sell, pledge or otherwise transfer such interest except to a person whom the seller reasonably believes to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S. See "*Transfer Restrictions*". Beneficial interests in a Rule 144A Global Note may only be held through DTC at any time. See "*—Book Entry Procedures for the Global Notes*". By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that if it is a U.S. person, it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only in accordance with the procedures and restrictions contained in the Agency Agreement. See "*Transfer Restrictions*".

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the Agency Agreement and, with respect to a Rule 144A Global Note, as set forth in Rule 144A, and the Rule 144A Notes will bear the legends set forth thereon regarding such restrictions set forth under "*Transfer Restrictions*".

Any beneficial interest in a Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note will, upon transfer, cease to be an interest in that Regulation S Global Note and become an interest in the corresponding Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in that Rule 144A Global Note for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note will, upon transfer, cease to be an interest in that Rule 144A Global Note and become an interest in that Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form (the "**Definitive Notes**"). The Notes are not issuable in bearer form.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes. The following is a summary of those provisions:

- *Payments.* Payments of principal and interest in respect of Notes evidenced by a Global Note will be made against presentation for endorsement by the Principal Paying Agent and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the relevant Notes.
- *Record Date.* Condition 11.2, which defines "Record Date", shall be amended in relation to Global Notes to the effect that Record Date shall mean the close of business on the Payment Business Date immediately preceding the relevant Interest Payment Date.
- *Notices.* So long as any Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Terms and Conditions of the Notes provided that for so long as the Notes are listed on the ISM and the rules of the ISM so require, notices will also be published in accordance with guidelines of the ISM.
- *Meetings.* The holder of each Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll or any proxy appointed by it at, a meeting of Noteholders and in any such meeting as having one vote in respect of each Calculation Amount worth of Notes held.
- *Trustee's Powers.* In considering the interests of Noteholders while the relevant Global Note is held on behalf of a clearing system, the Trustee, to the extent it considers it appropriate to do so in the circumstances, may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holders of such Global Note.
- *Cancellation.* Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the applicable Global Note.
- *Redemption at the Option of the Issuer.* Any Call Option provided for in the Terms and Conditions of the Notes shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.
- *Redemption at the Option of Noteholders.* So long as a Global Note is held by, or on behalf of a common depository for, Euroclear, Clearstream, Luxembourg or any other clearing system, the exercise of the option of the Noteholders provided for in Condition 10.6 and Condition 10.7 will be subject to the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System, as the case may be.

Exchange for Definitive Notes

Exchange

Registration of title to Notes initially represented by a Rule 144A Global Note in a name other than DTC or a successor depository or one of their respective nominees will not be permitted unless such depository

notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Rule 144A Global Note or ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depository and the Registrar has received a notice from the registered holder of a Rule 144A Global Note requesting an exchange of a specified amount of the Rule 144A Global Note for Definitive Notes.

Registration of title to Notes initially represented by a Regulation S Global Note in a name other than the nominee of a common depository for Euroclear and Clearstream, Luxembourg will only be permitted if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

On or after the Exchange Date, the holder of the relevant Global Note may surrender such Global Note to or to the order of the Registrar or any Transfer Agent. In exchange for the relevant Global Note, as provided in the Agency Agreement, the Registrar will deliver, or procure the delivery of, an equal aggregate amount of duly executed and authenticated Definitive Notes in or substantially in the form set out in the relevant schedule to the Trust Deed.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note for Definitive Notes for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

"Exchange Date" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Notes and the Issuer will, at the cost of the Issuer (but against such indemnity and/or security as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and, in the case of a Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB. Definitive Notes issued in exchange for a beneficial interest in a Rule 144A Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

Legends

The holder of a Definitive Note may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Definitive Note bearing the legend referred to under "*Transfer Restrictions*" or upon specific request for removal of the legend on a Rule 144A Definitive Note, the Issuer will deliver only Rule 144A Definitive Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the

restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Book Entry Procedures for the Global Notes

For each Series of Notes evidenced by both a Regulation S Global Note and a Rule 144A Global Note, custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross market transfers of the Notes associated with secondary market trading. See "*—Book Entry Ownership*" and "*—Settlement and Transfer of Notes*".

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in Rule 144A Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Notes as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Exchange for Definitive Notes*", DTC will surrender the relevant Rule 144A Global Notes for exchange for individual Rule 144A Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

The Regulation S Global Note representing Regulation S Notes of any Series will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

The Rule 144A Global Note representing Rule 144A Notes of any Series will have a CUSIP number, unless otherwise agreed, and will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer or the Guarantors to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note, the common depository by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or account holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer or the Guarantors in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Guarantors, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within a clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading Between Euroclear and Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading Between DTC Participants

Secondary market sales of book entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same Day Funds Settlement system in same day funds, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading Between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Note will instruct the Registrar to decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Note of the relevant class and increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Note. Book entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading Between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest

in a Rule 144A Global Note (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Note who will in turn deliver such book entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by a Regulation S Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Rule 144A Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantors, the Trustee or any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Pre issue Trades Settlement

It is expected that the delivery of Notes will be made against payment therefor on the relevant closing date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until one day prior to the relevant closing date will be required, by virtue of the fact that the Notes initially will settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant closing date should consult their own advisers.

Payment, Settlement and Transfer in the AIX and the AIX CSD

Notes offering will be made through the book-building platform of the trading system of the AIX in accordance with the AIX Business Rules and relevant AIX Market Notice. The payment and settlement will be made through the settlement system of the Astana International Exchange Central Securities Depository ("AIX CSD") in accordance with the rules and procedures of the AIX CSD (the "AIX CSD Rules"), in particular delivery of the Notes through the system of the AIX CSD and the account of AIX CSD at Euroclear, on or about Closing Date.

In order to participate in such offering of Notes, take delivery of Notes and trade Notes on the AIX, investors are required to have an account opened with a brokerage company admitted as an AIX Trading Member and an AIX CSD Participant. Notes will be held on behalf of investors in the relevant AIX Trading Member's custodial account at AIX CSD.

The Issuer expects that custodial and depository links have been established between Euroclear and the AIX CSD, with AIX CSD maintaining an account with Euroclear, to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading.

Initial Settlement

Euroclear and Clearstream, Luxembourg are expected to accept the Notes for settlement in their respective book-entry settlement systems. The Issuer expects that delivery of the Notes will be made through the facilities of Euroclear and Clearstream, Luxembourg on or about the Closing Date. Except as set forth herein, investors may hold beneficial interests in and transfer the Notes only through Euroclear or Clearstream, Luxembourg and their direct and indirect participants, including AIX CSD. Transfers within Euroclear and Clearstream, Luxembourg and AIX CSD will be in accordance with the usual rules and operating procedures of the relevant system.

The Issuer will not impose any fees in respect of the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in AIX CSD, Euroclear, Clearstream, Luxembourg.

AIX CSD

AIX CSD holds securities for AIX Trading Members and their clients and facilitates the clearance and settlement of securities transactions between these participants through electronic book entry changes in accounts of such participants. AIX CSD provides, among other things, services for safekeeping, administration, clearance and settlement of traded securities and securities lending and borrowing. AIX CSD has established a direct electronic linkage to Euroclear to facilitate the transfer of securities between AIX CSD and the Euroclear system.

Distributions of interest and other payments with respect to book entry interests in the Notes held through AIX CSD will be credited to the cash accounts of AIX Trading Members in accordance with the relevant AIX CSD's Rules.

Upon settlement of the Notes in accordance with the Terms and Conditions of the Notes, the AIX CSD will receive the Notes allocated to the AIX Trading Members through the book-build process and will hold the Notes in the AIX CSD nominee account at Euroclear. Upon receipt, AIX CSD will create the total number of Notes allocated to AIX Trading Members' accounts in AIX CSD and allocate the same to the investor nominee or custodial account of an AIX Trading member as instructed by the Kazakhstan Manager.

Trading between AIX CSD Participants

After Notes are issued and lodged in the AIX CSD, any trading of such Notes between investors on the secondary market will take place electronically through the AIX trading platform, and settlement/recording will be handled by the AIX CSD, in line with AIX Business Rules and the AIX CSD Rules.

Distributions of Interest

Interest and other payments with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by such depositaries, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures. This includes holders of book entry interests in Notes at AIX CSD, where the interest and other payments will be credited to AIX CSD. Upon receipt, interest and other payments with respect to book entry interests in the Notes held through AIX CSD will be credited to the cash accounts of the AIX Trading Members nominee or account at AIX CSD in accordance with AIX CSD Rules.

Redenomination

If the Notes are redenominated pursuant to Condition 22, then following redenomination if Definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in denominations in excess of €100,000 as determined by the Principal Paying Agent and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders.

TAXATION

The following is a general description of certain material tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Memorandum and is subject to any change in law that may take effect after such date.

United States Federal Income Taxation

*The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Notes by a holder thereof. This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note may be provided, as appropriate. This summary only applies to holders that acquire Notes as part of the initial distribution at their initial offering price and that hold the Notes as capital assets for U.S. federal income tax purposes. Moreover, this overview deals only with Notes with a term of 30 years or less. This overview does not discuss all aspects of U.S. federal income taxation that may be applicable to all members of a class of holders subject to special treatment under United States federal income taxation (except as may be specifically set forth below), such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax-exempt organisations, dealers or traders in securities or currencies, persons that mark their securities to market, holders that are partnerships or other pass through entities or their partners or members, holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, accrual basis tax payers subject to specific rules for the taxable year of inclusion under Section 451(b) of the Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Holders (as defined below) that have a functional currency other than the U.S. Dollar, U.S. Holders holding Notes in connection with a trade or business conducted outside the United States or certain expatriates and long-term residents of the United States. Moreover, this summary does not address the U.S. federal estate and gift tax, the "net investment income" tax imposed under Section 1411 of the Code or alternative minimum tax consequences of the acquisition, ownership or retirement of Notes and does not include any description of the tax laws of any non-U.S., U.S. State or local governments.*

This summary is based on the Code, existing and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as of the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein. Any special U.S. federal income tax considerations relevant to a particular issue of the Notes will be provided in a supplement to this Base Offering Memorandum.

For purposes of this description, a "**U.S. Holder**" is a beneficial owner of the Notes who for U.S. federal income tax purposes is (i) a citizen or resident of the United States; (ii) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (1) that validly elects to be treated as a "United States person" for U.S. federal income tax purposes ("**U.S. person**") or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

If a partnership (or any other entity or arrangement treated as a partnership) for U.S. federal income tax purposes holds Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor concerning the U.S. federal income tax consequences of the acquisition, ownership or disposition of Notes by the partnership.

A Non-U.S. Holder is a beneficial owner of Notes that is neither a U.S. Holder nor a partnership (or any other entity treated as a partnership) for U.S. federal income tax purposes nor an entity that is disregarded for U.S. federal income tax purposes and is owned by a U.S. person.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Holders

Classification of the Notes

The determination of whether an obligation represents debt, equity or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the appropriate characterisation of the Notes, and no rulings have been or will be sought from the Internal Revenue Service ("**IRS**") with respect to the appropriate characterisation of the Notes for U.S. federal income tax purposes. To the extent it is required to take a position, the Issuer intends to take the position that the Notes are characterised as debt for U.S. federal income tax purposes. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in any supplemental offering memorandum or series offering memorandum. Prospective purchasers of the Notes should consult their own tax advisors about the consequences in the event the Notes are treated as any other characterisation for U.S. federal income tax purposes and the consequences of acquiring, owning or disposing of Notes. The remainder of this discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

Interest

Except as set forth below, interest paid on a Note, whether payable in U.S. Dollars or a currency other than U.S. Dollars (a "**foreign currency**"), including any additional amounts, will be includible in a U.S. Holder's gross income as ordinary interest income at the time it is received or accrued, in accordance with the U.S. Holder's usual method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortisable bond premium, subject to the discussion below. In addition, interest and original issue discount ("**OID**"), if any, accrued with respect to the Notes (as described below under "*—Original Issue Discount*") will generally be treated as income from sources outside the United States for U.S. federal income tax purposes. For purposes of calculating the U.S. Holder's foreign tax credit limitation, interest on the Notes should generally constitute "passive category income" or, in the case of certain U.S. Holders, "general category income". The U.S. federal income tax rules relating to foreign tax credits and limitations thereof are complex and evolving and may vary depending on the facts and circumstances of each U.S. Holder. Final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable. The Issuer does not intend to determine whether such additional requirements would be met in case any foreign taxes are withheld. However, the IRS has issued notices (the "**Notices**") indicating that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC

Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Accordingly, U.S. Holders should consult their own tax advisors regarding the availability of a foreign tax credit (or alternatively, deduction) for foreign taxes, if any, withheld under such U.S. Holder's particular situation (including any applicable limitations).

Pre-Issuance Accrued Interest

If a portion of the price paid for a Note is attributable to an amount of interest accrued prior to the date the Note is issued (the "**pre-issuance accrued interest**"), a portion of the first interest payment on the Notes equal to the amount of the pre-issuance accrued interest may be treated as a non-taxable return of the pre-issuance accrued interest. This discussion assumes that the first interest payment on Notes with pre-issuance accrued interest will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance accrued interest. This discussion assumes that in determining the issue price of a Note, there will be excluded an amount equal to the pre-issuance accrued interest. Pre-issuance accrued interest not included in income should not form part of any amortisable bond premium (as described below under "*—Amortisable Bond Premium*"). A U.S. Holder's tax basis in a Note will be reduced by any non-taxable return of pre-issuance accrued interest. This discussion does not otherwise address the treatment of pre-issuance accrued interest, and U.S. Holders should consult their tax advisors concerning the U.S. federal income tax treatment of pre-issuance accrued interest, including the potential recognition of foreign currency exchange gain or loss upon receipt of otherwise non-taxable return of pre-issuance accrued interest with respect to Foreign Currency Notes.

Foreign Currency Denominated Qualified Stated Interest

Except as set forth below, if any payment of "qualified stated interest" (as defined below), including any additional amounts, is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Note**"), the amount of income recognised by a U.S. Holder will be the U.S. Dollar value of the foreign currency, including the amount of any applicable withholding tax thereon, regardless of whether the foreign currency is converted into U.S. Dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. Dollar value using the spot rate of exchange on the date of receipt. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. Dollar value of accrued interest income using the average rate of exchange for the accrual period (or, in the case of an accrual period that spans two taxable years of the U.S. Holder, the part of the period within the applicable taxable year) or, at the U.S. Holder's election, at the spot rate of exchange on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years of the U.S. Holder, the last day of the period within the applicable taxable year) or the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognise U.S. source foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date such payment is received differs from the rate applicable to an accrual of that interest, regardless of whether the payment is converted to U.S. Dollars at such time. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the debt security.

Original Issue Discount

U.S. Holders of Notes issued with OID, including Zero Coupon Notes, with a term of over one year (an "**Original Issue Discount Note**"), will be subject to special tax accounting rules, as described in greater detail below. Additional rules applicable to Original Issue Discount Notes that are denominated

in or determined by reference to a currency other than the U.S. Dollar are described under Foreign Currency Discount Notes below.

The following discussion does not address the application of the U.S. Treasury Regulations governing OID to, or address the U.S. federal income tax consequences of, an investment in Notes that are contingent payment debt instruments. In the event the Issuer issues contingent payment debt instruments, the relevant supplemental offering memorandum will describe certain U.S. federal income tax consequences thereof.

For U.S. federal income tax purposes, a Note (including a Zero Coupon Note), other than a Note with a term of one year or less (a "**Short Term Note**"), will be treated as issued with OID if the excess of the Note's stated redemption price at maturity over its issue price equals or exceeds a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Note that provides for payments other than qualified stated interest before maturity, its "weighted average maturity")). A Note's "weighted average maturity" is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. The "issue price" of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold (other than to an underwriter, broker, agent or wholesaler). The "stated redemption price at maturity" of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". The term "**qualified stated interest**" means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the Issuer) at least annually at a single fixed rate or a variable rate (in the circumstances described below under "*—Variable Rate Debt Instruments*"). Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. In the case of a Note issued with *de minimis* OID, a U.S. Holder must include such *de minimis* OID in income as stated principal payments on the Note are made, unless such U.S. Holder makes the election described below under "*—Election to Treat All Interest as Original Issue Discount*". The amount of such includible income with respect to each principal payment will equal the product of the total amount of the Note's *de minimis* OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note.

U.S. Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income in advance of the receipt of some or all of the related cash payments. The amount of OID includible in income by the initial U.S. Holder of an Original Issue Discount Note is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. The "accrual period" for an Original Issue Discount Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "yield to maturity" of a Note is the discount

rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The "adjusted issue price" of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortisation of any acquisition or bond premium, as described below) and reduced by any payments made on such Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will generally have to include in income increasingly greater amounts of OID in successive accrual periods.

Certain of the Notes may be redeemed prior to their maturity at the Issuer's option and/or at the option of the holder. Original Issue Discount Notes containing such features may be subject to rules that differ from the general rules discussed herein. Persons considering the purchase of Original Issue Discount Notes with such features should carefully examine the relevant Pricing Supplement and should consult their own tax advisors with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Notes.

In the case of an Original Issue Discount Note that is a Floating Rate Note (as described below under "*Variable Rate Debt Instruments*"), both the "yield to maturity" and "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index or if the principal amount of the Note is indexed in any manner. Persons considering the purchase of Floating Rate Notes should carefully examine the relevant Pricing Supplement and should consult their own tax advisors regarding the U.S. federal income tax consequences of holding and disposing of such Notes.

Election to Treat All Interest as Original Issue Discount

U.S. Holders may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above, with certain modifications. For the purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID and unstated interest, as adjusted by any amortisable bond premium or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their own tax advisors about this election.

Acquisition Premium

A U.S. Holder that purchases an Original Issue Discount Note for an amount that is greater than its adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the Original Issue Discount Note at an "acquisition premium". If the U.S. Holder does not make the election described above under "*Election to Treat All Interest as Original Issue Discount*", under the acquisition premium rules, the daily portions of OID which the U.S. Holder must include in its gross income with respect to such Original Issue Discount Note will be reduced by an amount equal to the daily portion of the OID for such day multiplied by the acquisition premium fraction. The numerator of the "acquisition premium fraction" is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the adjusted issue price of the Note, and the denominator is the sum of the daily portions of OID for such Note for all days after the date of purchase and ending on the stated maturity date (i.e., the total OID remaining on the Note).

If the Note is denominated in, or determined by reference to, a foreign currency, the acquisition premium is computed in units of the foreign currency and the amortisable bond premium will reduce

OID in units of the foreign currency. Gain or loss recognised that is attributable to changes in exchange rates between the time the acquisition premium offsets OID and the time of the acquisition of the Note is generally taxable as ordinary income or loss.

Amortisable Bond Premium

A U.S. Holder that purchases Notes for an amount in excess of its principal amount (or, in the case of an Original Issue Discount Note, in excess of the sum of all amounts payable on the Note after the acquisition date (other than payments of qualified stated interest)), may elect to treat the excess as "amortisable bond premium". If a U.S. Holder makes this election, it will reduce the amount required to be included in income for each accrual period with respect to interest on the Note by the amount of amortisable bond premium allocable, based on the Note's yield to maturity, to that accrual period. Special rules may limit the amortisation of bond premium with respect to Notes subject to early redemption.

If the amortisable bond premium allocable to an accrual period exceeds interest income from the Note for such accrual period, such excess is first allowed as a deduction to the extent of interest included in income in respect of the Note in previous accrual periods and is then carried forward to the next accrual period. If the amortisable bond premium allocable and carried forward to the accrual period in which the Note is sold, retired or otherwise disposed of exceeds interest income for such accrual period, a U.S. Holder would be allowed an ordinary deduction equal to such excess.

If the Note is denominated in, or determined by reference to, a foreign currency, the amortisable bond premium is computed in units of the foreign currency and the amortisable bond premium will reduce interest income in units of the foreign currency. Gain or loss recognised that is attributable to changes in exchange rates between the time the amortised bond premium offsets interest income and the time of the acquisition of the Note is generally taxable as ordinary income or loss. If a U.S. Holder makes an election to amortise the bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that the U.S. Holder owns at the beginning of the first taxable year to which the election applies, and to all debt instruments that the U.S. Holder thereafter acquires, and the U.S. Holder may not revoke it without the consent of the IRS.

Variable Rate Debt Instruments

Generally, a Note that provides for interest at a variable rate (a "**Floating Rate Note**") will qualify as a "variable rate debt instrument" under U.S. Treasury Regulations governing the accrual of OID if: (a) its issue price does not exceed the total non-contingent principal payments due under the Floating Rate Note by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date or (ii) 15 percent of the total non-contingent principal payments; (b) it does not provide for stated interest other than stated interest that pays or compounds at least annually at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate; and (c) each qualified floating rate or objective rate taken into account in stated interest that is in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first day on which the value is in effect and no later than one year following that first day).

A "qualified floating rate" is any variable rate where: (a) variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Notes are denominated; or (b) the rate is equal to such a rate multiplied by either a fixed multiple that is greater than 0.65 but not more than 1.35, or a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. In addition, two or

more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Floating Rate Notes together will constitute a single qualified floating rate. Two or more qualified floating rates will be presumed to meet the requirements of the previous sentence if the values of all rates on the issue date are within 25 basis points of each other. A variable rate is not a qualified floating rate if it is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

An "objective rate" is a rate that: (a) is not a qualified floating rate; and (b) is determined using a single fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party. Despite the foregoing, a variable rate of interest on Floating Rate Notes will not constitute an objective rate if it is reasonably expected that the average value of such rate during the first half of the Floating Rate Notes' term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Floating Rate Notes' term. A "qualified inverse floating rate" is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, and the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Notes are denominated.

Generally, if a Floating Rate Note provides for stated interest (payable unconditionally at least annually) at a fixed rate for an initial period of one year or less followed by a variable rate that is either a single qualified floating rate or a single objective rate, and the value of the variable rate on the Floating Rate Notes' issue date is intended to approximate the fixed rate, then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be. If the Notes pay interest at a single objective rate or a single qualified floating rate, the amount of OID, if any, is determined by using a fixed rate equal to, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date, of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for such Floating Rate Note.

If a Floating Rate Note that is a variable rate debt instrument does not provide for stated interest at a single qualified floating rate or single objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period), the amount of qualified stated interest and the amount and accrual of OID on the Note are generally determined by: (a) determining a fixed rate substitute for each variable rate provided under the Floating Rate Note (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the yield that is reasonably expected for the Note); (b) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above); (c) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument (by applying the general OID rules as described above under "Original Issue Discount"); and (d) making the appropriate adjustment for actual variable rates during the applicable accrual period.

If a Floating Rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than a single fixed rate for an initial period), a U.S. Holder generally must determine the amount of interest and OID accruals by using the method described in the preceding paragraph with the modification that the Floating Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or qualified inverse floating rate, if the Note provides for a qualified inverse floating rate) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Note as of the issue date would be approximately the same as the fair market value of an otherwise

identical debt instrument that provides for a qualified floating rate (or qualified inverse floating rate) rather than a fixed rate.

A Floating Rate Note that does not qualify as a variable rate debt instrument will be treated as a contingent payment debt obligation. Certain consequences of the treatment of such a Note for U.S. federal income tax purposes will be more fully described in the relevant Pricing Supplement.

Short Term Notes

In the case of Short-Term Notes, all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, U.S. Holders generally will be taxable on the discount in lieu of any stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Note, unless the U.S. Holder elects to compute this discount using tax basis instead of issue price. Such election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS. Under the OID regulations, in general, individuals and certain other cash method U.S. Holders of a Short-Term Note are not required to include accrued discount in their income currently unless the U.S. Holder elects to do so (but may be required to include any stated interest in income as it is received). U.S. Holders that report income for U.S. federal income tax purposes on the accrual method and certain other U.S. Holders are required to accrue discount on such Short-Term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realised on the sale, exchange or retirement of the Short Term Note will generally be ordinary income to the extent of the discount accrued on a straight-line basis (unless an election is made to accrue the OID under the constant yield method) through the date of sale, exchange or retirement. In addition, a U.S. Holder that does not elect to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder's interest expense with respect to any indebtedness incurred or continued to purchase or carry such Notes in an amount not exceeding the deferred income until the deferred income is realised.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of an Original Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, potentially the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain recognised on the sale, retirement or other disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies to all debt instruments with market discount acquired

by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Market discount on a Market Discount Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. Dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the sale or retirement of the Market Discount Note, the U.S. Dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Foreign Currency Discount Notes

OID for any accrual period on an Original Issue Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined for any accrual period in the foreign currency and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described under "*Foreign Currency Denominated Qualified Stated Interest*" above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder will recognise foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Sale, Exchange or Retirement

A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. Dollar cost (as defined herein) increased by the amount of any OID and any market discount included in the U.S. Holder's income with respect to the Note and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The U.S. Dollar cost of a Note purchased with a foreign currency generally will be the U.S. Dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognise gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest or OID, which will be taxable as interest income to the extent not previously

included in income. The amount realised on a sale, exchange or retirement for an amount in foreign currency will be the U.S. Dollar value of such amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale.

Except with respect to (i) gains or losses attributable to changes in exchange rates (as described in the next paragraph), and (ii) gain on the disposition of a Short Term Note (see "*Short Term Notes*"), gain or loss recognised on the sale, exchange or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held for more than one year at the time of such sale. The deductibility of capital losses is subject to limitation. Except to the extent attributable to market discount, gain or loss realised by a U.S. Holder on the sale, exchange or retirement of a Note generally will be U.S. source income or loss. Prospective investors should consult their tax advisors regarding the U.S. federal income tax implications (including creditability, deductibility and determination of amount realised) in case foreign taxes (if any) are imposed on disposition gains with respect to the Notes.

Gain or loss recognised by a U.S. Holder on the sale, exchange or retirement of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss; however, exchange gain or loss is taken into account only to the extent of total gain or loss realised on the transaction (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest (including OID)). The rules governing debt instruments denominated in foreign currency are complex and prospective investors should consult their own advisors regarding the application of the rules in their particular circumstances.

Reportable Transaction Reporting

Under certain U.S. Treasury Regulations, U.S. Holders that participate in "reportable transactions" (as defined in the regulations) must attach to their U.S. federal income tax returns a disclosure statement on IRS Form 8886. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat foreign currency exchange loss from or in connection with the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amount for other non-individual U.S. Holders), and to disclose its investment by filing IRS Form 8886 with the IRS. A penalty of up to U.S. \$10,000 in the case of a natural person and U.S.\$50,000 in all other cases may be imposed in any taxable year on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the ownership or disposition of the Notes, or any related transaction, including without limitation, the disposition of any foreign currency received as interest or as proceeds from the sale, exchange or retirement of the Notes or the usage of any foreign currency to acquire the Notes.

Foreign Asset Reporting

U.S. Holders who are individuals and certain specified entities are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by financial institutions, in which case the accounts may be reportable if maintained by a non-U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the Notes.

Non-U.S. Holders

Under U.S. federal income tax law currently in effect, subject to the discussion below under the caption "*U.S. Backup Withholding and Information Reporting*," payments of interest (including OID) on a Note to a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States.

Subject to the discussion below under the caption "*U.S. Backup Withholding and Information Reporting*", any gain realised by a Non-U.S. Holder upon the sale, exchange or retirement of a Note generally will not be subject to U.S. federal income tax, unless (i) the gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States or (ii) in the case of any gain realised by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements apply to certain payments of principal of, and interest and accruals of OID on, an obligation and to proceeds of the sale or redemption of an obligation, to certain non-corporate holders of Notes that are U.S. persons. Information reporting generally will apply to payments of principal of, and interest and accruals of OID on, an obligation, and to proceeds from the sale or redemption of, an obligation made within the United States, or by a U.S. payor or U.S. middleman (including certain U.S.-connected payors or middleman), to a holder (other than an exempt recipient, including a corporation, a payee that is not a U.S. person that provides an appropriate certification and certain other persons). The payor will be required to withhold backup withholding on payments made within the United States, including payments of accrued OID, or by a U.S. payor or U.S. middleman, on a Note to a holder of a Note that is a U.S. person, other than an exempt recipient, such as a corporation, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of principal and interest to a holder of a Note that is not a U.S. person will not be subject to backup withholding tax and information reporting requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. The backup withholding tax rate is currently 24%.

Backup withholding is not an additional tax. Holders generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

U.S. Holders should consult their tax advisers regarding any reporting obligations they have as a result of their acquisition, ownership or disposition of the Notes.

Kazakhstan Taxation

Interest

Under Kazakhstan law as currently in effect, payments of interest on the Notes by the Issuer to (i) individuals who are tax non-residents of Kazakhstan or (ii) legal entities that are not established under the laws of Kazakhstan and do not have their place of effective management, a permanent establishment or other taxable presence in Kazakhstan (together, "**Non-Kazakhstan Holders**") are generally subject to Kazakhstan withholding tax at a rate of 10%.

Payments of interest to Non-Kazakhstan Holders that are registered in jurisdictions included on a list of countries with a favourable tax regime published by the Government of Kazakhstan from time to time (which currently includes, among others, Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta and Aruba) are generally subject to Kazakhstan withholding tax at a rate of 20%, unless such rate is reduced under an applicable double taxation treaty.

Payments of interest on the Notes to (i) holders who are residents of the Republic of Kazakhstan or (ii) holders who are non-residents of the Republic of Kazakhstan but maintain a permanent establishment therein (together, "**Kazakhstan Holders**") are subject to Kazakhstan income taxation in accordance with generally applicable Kazakhstan tax legislation.

Under current Kazakhstan tax law, such interest income is generally subject to corporate income tax at a rate of 20% when received by legal entities, while individuals are generally exempt from income tax on such interest.

If the Notes are included in the official list of securities of the AIX, payments of interest on the Notes will be exempt from taxation in Kazakhstan (both in relation to interest received by Non-Kazakhstan Holders and Kazakhstan Holders) until 1 January 2066.

If the Notes are included in the official list of securities of the KASE (but not the AIX), Kazakhstan Holders will be exempt from taxation in Kazakhstan in relation to payments of interest on the Notes. Non-Kazakhstan Holders will be exempt if certain conditions established by the Government of Kazakhstan will be satisfied (currently, these conditions require the Notes to be publicly traded through the KASE in the amount of not less than KZT 1 billion).

Gains

Gains realised by Non-Kazakhstan Holders from the disposal, sale, exchange or transfer of the Notes are generally subject to Kazakhstan withholding tax at a rate of 15% unless an exemption is obtained under an applicable double taxation treaty.

Capital gains realised by Non-Kazakhstan Holders that are registered in jurisdictions included on a list of countries with a favourable tax regime published by the Government of Kazakhstan from time to time (which currently includes, among others, Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta and Aruba) are generally subject to Kazakhstan withholding tax at a rate of 20 unless an exemption is obtained under an applicable double taxation treaty.

Gains derived by Kazakhstan Holders in connection with the Notes are generally subject to Kazakhstan income tax at a rate of 20% for legal entities and 10% to 15% for individuals.

If the Notes are included in the official list of securities of the AIX, capital gains derived by holders of the Notes from the sale thereof are expected to be exempt from taxation in Kazakhstan until 1 January 2066, for both Kazakhstan Holders and Non-Kazakhstan Holders.

If the Notes are included in the official list of securities of the KASE (but not the AIX), Kazakhstan Holders (both individuals and companies) and Non-Kazakhstan Holders who are individuals will be exempt from taxation in Kazakhstan if they sell the Notes by open trades on the KASE. Non-Kazakhstan Holders, which are companies, will not be exempt in such case.

Payments under the Guarantee

The tax laws of Kazakhstan do not describe how payments under the Guarantee should be treated for tax purposes. From the standpoint of purchasers of the Notes, it can be interpreted that payments under

the Guarantee should be viewed as payments under the Notes. The below summary is based on this interpretation.

Payments of interest under the Guarantee to Non-Kazakhstan Holders are generally subject to Kazakhstan withholding tax at a rate of 10%.

Payments of interest under the Guarantee to Non-Kazakhstan Holders that are registered in jurisdictions included on a list of countries with a favourable tax regime published by the Government of Kazakhstan from time to time (which currently includes, among others, Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta and Aruba) are generally subject to Kazakhstan withholding tax at a rate of 20%, unless such rate is reduced under an applicable double taxation treaty.

Payments of interest under the Guarantee to Kazakhstan Holders that are legal entities are generally subject to Kazakhstan withholding tax at a rate of 15%, while Kazakhstan Holders that are individuals are generally exempt from Kazakhstan income tax on such interest.

If the Notes are included in the official list of securities of the AIX, payments of interest on the Notes under the Guarantee, under Kazakhstan law as presently in effect, will be exempt from taxation in Kazakhstan (both in relation to interest received by Non-Kazakhstan Holders and Kazakhstan Holders) until 1 January 2066.

If the Notes are included in the official list of securities of the KASE (but not the AIX), Kazakhstan Holders will be exempt from taxation in Kazakhstan in relation to payments of interest on the Notes. Non-Kazakhstan Holders will be exempt if certain conditions established by the Government of Kazakhstan will be satisfied (currently, these conditions require the Notes to be publicly placed through the KASE and be in circulation in the amount of not less than KZT 1 billion).

Certain ERISA Considerations

Subject to the following discussion, the Notes may be acquired by pension, profit-sharing or other employee benefit plans that are subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), individual retirement accounts, Keogh plans and other plans that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (each of the foregoing, "**Plans**") and entities deemed to hold the assets of Plans (collectively with Plans, each a "Benefit Plan"). Section 406 of ERISA and Section 4975 of the Code, which are among the various provisions of ERISA and the Code applicable to Benefit Plans, prohibit a Benefit Plan from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Benefit Plan. A violation of these "prohibited transaction" rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such persons or the fiduciaries of the Benefit Plan.

A regulation promulgated by the United States Department of Labor ("**DOL**") describes when the assets of an entity may be treated as the assets of Plans that invest in such entity. Under 29 C.F.R. Section 2510.3-101 of the Regulations issued by the DOL, as modified by Section 3(42) of ERISA (the "Plan Asset Regulation"), when a Plan acquires an equity interest in an entity, the Plan's assets include the interest in the entity and, unless one of certain exceptions in the Plan Asset Regulation applies, an undivided interest in each of the underlying assets of the entity in which the investment is made. The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. While there is no clear guidance as to the meaning of "equity interest" for purposes of ERISA, to the extent it is required to take a position, the Issuer intends to take the position that the Notes are characterised as debt for U.S. federal income tax purposes (see "*Taxation—United States*

Federal Income Taxation"). However, no assurance can be given as to the treatment of the Notes as indebtedness for purposes of ERISA and the Plan Asset Regulation.

The acquisition or holding of Notes by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Issuer, any Guarantor, the Trustee, the Dealers, the Registrar or any of their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan. Certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of Notes by a Benefit Plan depending on the type and circumstances of the plan fiduciary making the decision to acquire such Notes. Even if the conditions specified in one or more exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions. There can be no assurance that any exemption will be available with respect to any particular transaction involving the Notes and prospective purchasers that are Benefit Plans should consult with their own advisers regarding the applicability of any such exemption and the implications under ERISA, Section 4975 of the Code and other applicable laws of the acquisition and holding of Notes based on their specific circumstances.

This summary does not include a discussion of any laws that may apply to employee benefit plans that are not subject to ERISA or Section 4975 of the Code. Such plans (and entities in which they invest, as applicable) should consult their own professional advisors about any laws applicable thereto.

By its acquisition of the Notes, each Noteholder will be deemed to have represented and warranted that either (i) it is not acquiring or holding the Notes (or any interest herein) with any portion of the assets of any (a) employee benefit plan that is subject to Title I of ERISA, (b) plan, individual retirement account or other arrangement that is subject to section 4975 of the Code, or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the code (collectively, "**Similar Laws**"), or (c) entity whose underlying assets are considered to include the assets by reason of such employee benefit plan's investment in the entity, or a governmental, non-U.S., church or other plan or any of the foregoing described in clauses (a) and (b), pursuant to ERISA or otherwise, or (ii) the acquisition and holding of this security (or any interest herein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the code or a similar violation under any applicable Similar Laws.

No information herein or provided in connection herewith by the Issuer, the Guarantors, the Trustee, the Dealers, the Registrar or any of their respective affiliates (collectively, the "**Covered Parties**") is providing, or shall be considered to be providing, advice on which any Benefit Plan may rely for any investment decision. The Covered Parties have not made, and are not making, a recommendation, have not provided, and are not providing, investment advice of any kind whatsoever (whether impartial or otherwise), and are not otherwise acting in a fiduciary capacity in connection with any Benefit Plan's decision to purchase or hold Notes.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA IMPLICATIONS OF AN INVESTMENT IN THE NOTES AND DOES NOT PURPORT TO BE COMPLETE. PRIOR TO MAKING AN INVESTMENT IN NOTES, PROSPECTIVE INVESTORS THAT ARE BENEFIT PLANS SHOULD CONSULT WITH THEIR LEGAL AND OTHER ADVISORS CONCERNING THE IMPACT OF ERISA AND THE CODE (AND, PARTICULARLY IN THE CASE OF NON-ERISA PLANS AND ARRANGEMENTS, ANY ADDITIONAL LEGAL CONSIDERATIONS), AS APPLICABLE. THE SALE OF NOTES TO A BENEFIT PLAN IS NOT A REPRESENTATION THAT THE NOTES ARE A SUITABLE INVESTMENT FOR BENEFIT PLANS GENERALLY OR ANY PARTICULAR BENEFIT PLAN OR THAT THE NOTES SATISFY ALL LEGAL REQUIREMENTS APPLICABLE TO BENEFIT PLANS GENERALLY OR ANY PARTICULAR BENEFIT PLAN.

TRANSFER RESTRICTIONS

Rule 144A Notes

Each purchaser of a beneficial interest in a Rule 144A Note, by accepting delivery of this Base Offering Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) not a broker dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (c) not a participant directed employee plan, such as a 401(k) plan, (d) acquiring such interest for its own account or for the account of one or more QIBs, (e) not formed for the purpose of investing in the Notes and (f) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
2. It will (a) along with each account for which it is purchasing, hold and transfer beneficial interests in the relevant Rule 144A Note in a principal amount that is not less than U.S.\$200,000 and (b) provide notice of these transfer restrictions to any subsequent transferees. In addition, it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book entry depositories.
3. It understands that the Rule 144A Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIBs, each of which is purchasing not less than U.S.\$200,000 in principal amount of the Rule 144A Notes or (b) to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
4. It understands that the Issuer has the power to compel any beneficial owner of Rule 144A Notes that is a U.S. person and is not a QIB to sell its interest in the Rule 144A Notes or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honour the transfer of an interest in the Rule 144A Notes to a U.S. person who is not a QIB.
5. It understands that its purchase and holding of the Rule 144A Notes or any interest therein constitutes a representation and warranty by it that at the time of its purchase and throughout the period in which it holds such Notes or any interest therein that either (i) it is not acquiring or holding the Notes (or any interest herein) with any portion of the assets of any (a) employee benefit plan that is subject to Title I of ERISA, (b) plan, individual retirement account or other arrangement that is subject to section 4975 of the Code, or provisions under any other Similar Laws, or (c) entity whose underlying assets are considered to include the assets by reason of such employee benefit plan's investment in the entity, or a governmental, non-U.S., church or other plan or any of the foregoing described in clauses (a) and (b), pursuant to ERISA or otherwise, or (ii) the acquisition and holding of this security (or any interest herein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the code or a similar violation under any applicable Similar Laws.
6. It understands that the Rule 144A Notes (and any individual Definitive Notes issued in respect thereof), unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE AND THE GUARANTEE THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "QIB"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS AND IN AN AMOUNT FOR EACH ACCOUNT OF NOT LESS THAN U.S.\$200,000 PRINCIPAL AMOUNT OF NOTES WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) TO NON U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

EACH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN; (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THIS NOTE; (6) IT, AND EACH ACCOUNT FOR WHICH IT HOLDS RULE 144A NOTES, WILL HOLD AND TRANSFER AT LEAST U.S.\$200,000 IN PRINCIPAL AMOUNT OF RULE 144A NOTES; (7) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES AND (8) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES. THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A PERSON WHO IS NOT A QIB, THE ISSUER MAY (A) SELL ITS INTEREST IN THIS NOTE TO A PERSON (I) WHO IS A QIB AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) TO A NON U.S. PERSON PURCHASING THIS NOTE IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100% OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER

HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A U.S. PERSON WHO IS NOT A QIB.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN REPRESENTS AND WARRANTS THAT AT THE TIME OF PURCHASE OF THIS NOTE AND THROUGHOUT THE PERIOD IT HOLDS THIS NOTE OR ANY INTEREST HEREIN THAT EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, ("**CODE**"), APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY OR ANY OTHER PLAN SUBJECT TO A LAW, REGULATION OR RULE THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (B) THE ACQUISITION AND HOLDING OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW.

THE ISSUER MAY COMPEL EACH BENEFICIAL HOLDER HEREOF TO CERTIFY PERIODICALLY THAT SUCH HOLDER IS A QIB.

7. It acknowledges that the Issuer, the Guarantors, the Registrar, the Dealers and their respective affiliates and others will rely upon the trust and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer, the Guarantors and the Dealers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts who are QIBs, it represents that it has sole investment discretion with respect to each such account, and that it has full power to make the above acknowledgements, representations and agreements on behalf of each such account.
8. It understands that Rule 144A Notes will be evidenced by Rule 144A Global Note. Before any interest in Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
9. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Regulation S Notes outside the United States and each subsequent purchaser of Regulation S Notes in resales, throughout the period that it holds such Note, by accepting delivery of this Base Offering Memorandum and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) it is not a U.S. person and it is located outside the United States

(within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

2. It understands that the Regulation S Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIB, each of which is purchasing not less than U.S.\$200,000 (or the equivalent in another currency) in principal amount of the Rule 144A Notes or (b) to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
3. (3) It understands that Regulation S Notes will be evidenced by a Regulation S Global Note. Before any interest in a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
4. It acknowledges that the Issuer, the Guarantors, the Registrar, the Dealers and their respective affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer, the Guarantors and the Dealers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.
5. It understands that its purchase and holding of the Regulation S Notes or any interest therein constitutes a representation and warranty by it that at the time of its purchase and throughout the period in which it holds such Notes or any interest therein that either (i) it is not acquiring or holding the Notes (or any interest herein) with any portion of the assets of any (a) employee benefit plan that is subject to Title I of ERISA, (b) plan, individual retirement account or other arrangement that is subject to section 4975 of the Code, or provisions under any other Similar Laws, or (c) entity whose underlying assets are considered to include the assets by reason of such employee benefit plan's investment in the entity, or a governmental, non-U.S., church or other plan or any of the foregoing described in clauses (a) and (b), pursuant to ERISA or otherwise, or (ii) the acquisition and holding of this security (or any interest herein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the code or a similar violation under any applicable Similar Laws.

FORM OF THE NOTES

The Notes of each Series will be in registered form, without interest coupons attached. The Notes will be issued either outside the United States in reliance on Regulation S or both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

The Regulation S Notes of each Tranche will initially be represented by a Regulation S Global Note. Prior to expiry of the distribution compliance period (as defined in "*Summary of the Provisions Relating to the Notes in Global Form*") applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 4 (*Transfers of Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to QIBs. The Rule 144A Notes of any Tranche will initially be represented by a Rule 144A Global Note.

Global Notes will either be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Notes shall, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 11 (*Payments*)) as the registered holder of the Global Notes. None of the Issuer, the Guarantors, the Principal Paying Agent, the Transfer Agent, the Trustee or the Registrar shall have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form shall, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 11 (*Payments*)) immediately preceding the due date for payment in the manner provided in that Condition.

TRANSFER OF INTERESTS

Interests in a Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Notes are also subject to the restrictions on transfer set forth herein and will bear a legend regarding such restrictions. See "*Transfer Restrictions*".

GENERAL

Pursuant to the Agency Agreement (as defined in "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from

the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 13 (*Events of Default*).

SUBSCRIPTION AND SALE

*Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, J.P. Morgan Securities plc and Société Générale and any other Dealer (as the case may be) appointed under the terms of the Programme Agreement (as defined below). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a programme agreement dated 21 April 2026 (as from time to time supplemented, amended or restated, the "**Programme Agreement**"), and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.*

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that it will not offer, sell or deliver any Notes, (a) as part of their distribution at any time, or (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each Dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this and the preceding paragraph have the meanings given to them by Regulation S under the Securities Act. The Programme Agreement provides that the Dealers may directly or through their respective U.S. broker dealer affiliates only, arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject this Base Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom.

- (a) For these purposes the expression "**retail investor**" means a person who is either one (or both) of the following:
 - (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014, as it forms part of domestic law by virtue of the EUWA; or

- (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than a year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of any Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or any Guarantor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Kazakhstan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, with the Issuer, the Guarantors and each other Dealer that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Kazakhstan except in compliance with the laws of Kazakhstan.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to or for the benefit of any persons resident or having their usual residence at the AIFC and/or the Republic of Kazakhstan, or to any person located within the territory of the AIFC and/or the Republic of Kazakhstan who are not a professional client as defined in the AIFC COB 2.3

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Base Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, with the Issuer, the Guarantors and each other Dealer that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has

not circulated or distributed, nor will it circulate or distribute, this Base Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Dubai International Financial Centre (DIFC)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (Version 21/01-23) ("MKT") Module of the Dubai Financial Services Authority (the "DFSA") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, with the Issuer, the Guarantors and each other Dealer that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of the Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantors and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Base Offering Memorandum.

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) no action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of this Base Offering Memorandum, any Pricing Supplement or any other offering material, in any country or jurisdiction where action for that purpose is required and (ii) it will, to the best of its knowledge and belief, shall comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Offering Memorandum, any Pricing Supplement or any other offering material, and neither the Issuer, the Guarantors nor any other Dealer shall have responsibility therefor.

Other Relationships

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer,

the Guarantors and/or their respective affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their respective affiliates. Certain of the Dealers or their respective affiliates routinely hedge their credit exposures to the Issuer and the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Listing and Trading

Application has been made to the London Stock Exchange for Notes issued under the Programme during the 12 months from the date of this Base Offering Memorandum to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the FCA. The London Stock Exchange has not approved or verified the contents of this Base Offering Memorandum.

It is expected that each Tranche of Notes which is to be admitted for trading on the ISM will be admitted separately as and when issued, subject only to the issue of the Global Note(s) representing the Notes of that Tranche.

However, Notes may be issued pursuant to the Programme which will not be listed on the London Stock Exchange or any other stock exchange outside of Kazakhstan or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

In addition, unless otherwise agreed with the relevant Dealer(s) and provided for in the relevant Pricing Supplement, the Issuer will use its reasonable endeavours to cause all Notes issued under the Programme to be submitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE and/or to the official list of and be admitted to trading on the AIX.

Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 213800X9NVS4IWFKLS77.

The Legal Entity Identifier of Kaztemirtrans is 549300LDQLJ9VJX1Y231.

The Legal Entity Identifier of KTZ-FT is 549300RC1HLFXK4GB516.

Authorisations

The establishment of the Programme was authorised by a duly convened meeting of the Board of Directors of the Issuer held on 3 April 2026 and the giving of the Guarantee by the Guarantors was authorised by resolution of the Supervisory Board of KTZ-FT dated 26 March 2026, a resolution of the Board of Directors of Kaztemirtrans dated 30 March 2026 and a resolution of the Board of Directors of the Issuer dated 3 April 2026. The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and International Securities Identification Number and/or (where applicable) the CUSIP number in relation to the Notes of each Series allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L1855 Luxembourg.

Litigation

Neither the Issuer, the Guarantors nor any of their respective subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) during the 12 months preceding the date of this Base Offering Memorandum, which may have, or have in the recent past had, a significant effect on the financial position or profitability of the Issuer, the Guarantors or the Group.

Guarantor and Non-Guarantor Subsidiaries

The Financial Statements included in this Base Offering Memorandum include consolidated information for both the Guarantors and the Non-Guarantor Subsidiaries.

The below table reflects the monetary amounts and percentages of Group total assets, Group total revenue and Adjusted Group EBITDA for, respectively as more fully set out in the notes to the table, the Issuer, the Guarantors (on a combined basis) and the Non-Guarantor Subsidiaries (on a combined basis) as at and for the years ended 31 December 2025:

	<u>Assets</u>	<u>Share of Group total assets</u>	<u>Revenue</u>	<u>Share of Group total revenue</u>	<u>Adjusted EBITDA⁽¹⁾</u>	<u>Share of Adjusted Group EBITDA</u>
	<i>(KZT millions)</i>	<i>%</i>	<i>(KZT millions)</i>	<i>%</i>	<i>(KZT millions)</i>	<i>%</i>
Issuer	3,789,084	49.9	1,209,048	43.9	698,916	78.7
Guarantors	2,242,909	29.5	1,155,405	41.9	168,223	18.9
Non-Guarantor Subsidiaries	1,566,519	20.6	392,630	14.2	20,643	2.3

Note:

(1) This amount represents the aggregate combined total assets, total revenue and total Adjusted Issuer EBITDA, Adjusted Guarantor EBITDA (combined and for each individual Guarantor, which are determined separately and calculated on a stand-alone non-consolidated basis for each entity and without double counting, (with all intra-group items eliminated), and Adjusted Non-Guarantor EBITDA.

No Material Adverse or Significant Change

There has been no significant change in the financial performance or financial position of the Issuer, the Guarantors or the Group since 31 December 2025 and no material adverse change in the prospects of the Issuer, the Guarantors or the Group since 31 December 2025.

No Material Contracts

Neither the Issuer nor any of its subsidiaries, nor any of the Guarantors have entered into any material contracts outside the ordinary course of its business which could result in it being under an obligation or entitlement that is material to the Issuer's or any of the Guarantors' ability to make payments under the Notes.

Independent Auditors

The independent auditors of the Group for the years ended 31 December 2024 and 31 December 2023 were Deloitte, who act as auditors under State Licence № 0000015, dated 13 September 2006 issued by the Ministry of Finance of Kazakhstan. The current independent auditors of the Group, including for the year ended 31 December 2025 are E&Y, who act as auditors under State Licence № 0000003, dated 15 July 2005 issued by the Ministry of Finance of Kazakhstan. Each of E&Y and Deloitte are members of the Chamber of Auditors of Kazakhstan, the professional body which oversees audit firms in Kazakhstan.

The 2025 Financial Statements incorporated by reference into this Base Offering Memorandum have been prepared in accordance with IFRS Accounting Standards and E&Y have rendered unqualified audit reports in respect of the 2025 Financial Statements. The 2024 Financial Statements and the 2023 Financial Statements incorporated by reference into this Base Offering Memorandum have been prepared in accordance with IFRS Accounting Standards and Deloitte have rendered unqualified audit reports in respect of the 2024 Financial Statements and the 2023 Financial Statements.

Neither E&Y nor Deloitte have a material interest in the Group.

As the Notes have not been and will not be registered under the Securities Act, neither E&Y nor Deloitte have filed and will not be required to file a consent under the Securities Act.

Website

The website of the Issuer and the Guarantors is www.railways.kz. The information on www.railways.kz does not form part of this Base Offering Memorandum.

Documents Available for Inspection

For the period of 12 months following the date of this Base Offering Memorandum, and for so long as any Notes issued under the Programme remain outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Principal Paying and Transfer Agent or be accessed on the website of the Issuer at www.railways.kz:

- (a) the constitutional documents of the Issuer and each of the Guarantors;
- (b) the Financial Statements including, in each case, the audit opinions relating to such Financial Statements;
- (c) the Agency Agreement;
- (d) the Trust Deed (which contains the Guarantee and the forms of the Notes in global and definitive form);
- (e) a copy of this Base Offering Memorandum together with any supplements to this Base Offering Memorandum or any further offering memorandum; and
- (f) any Pricing Supplement relating to Notes which are listed on any stock exchange (in the case of any Notes which are not listed on any stock exchange outside of Kazakhstan, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders or otherwise in accordance with the rules of the KASE and/or the AIX).

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