fulfilling our promises

Air Astana Group integrated annual report 2024

fulfilling our promises

From the heart of Eurasia we are building one of the finest airlines in the world.

The Air Astana Group is the largest airline group in Central Asia and the Caucasus regions by revenue and fleet size, operating over 107 routes across 22 countries, through its two leading brands, Air Astana, our full-service airline, and FlyArystan, our low-cost carrier. We operate at the heart of one of the fastest-growing aviation markets in the world.

We employ over 6,000 people and have established a vibrant team culture that centres on excellence, operating with a great sense of pride and a strong sense of determination to maintain the high standards that our Group is founded upon. We have developed an award-winning level of service from an extremely efficient platform. Air Astana and FlyArystan carry out complementary roles within our family structure.

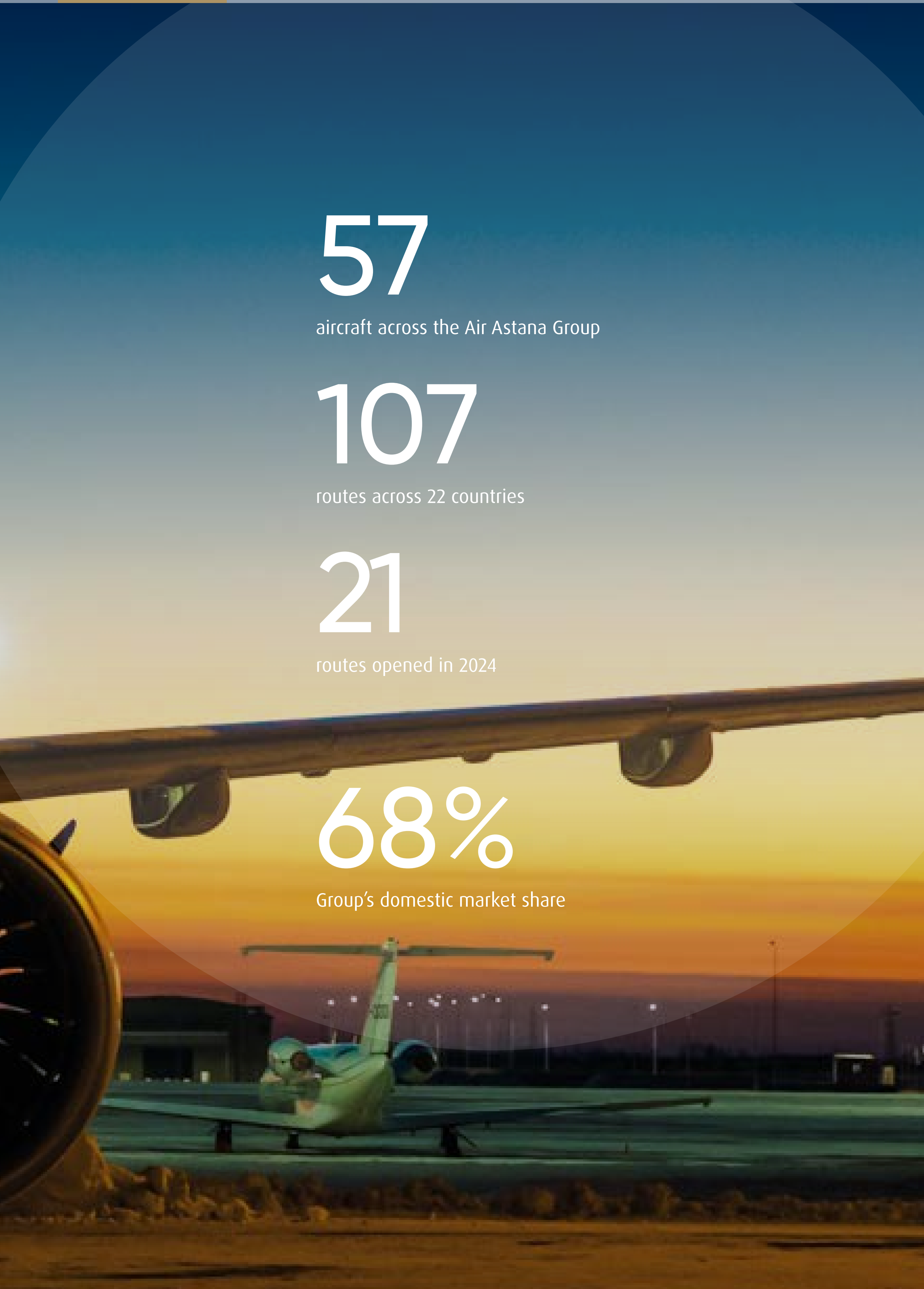
Underpinning our vision of growing from the heart of Eurasia to build one of the finest airline groups in the world, our strategy is built on three key pillars of **growth, efficiency and excellence**.

fulfilling our promises

growth

Making the most of strong demand and opportunities across growing domestic, regional and international markets

- Record dividends proposed and enhanced dividend policy going forward
- RASK growth largely offsetting CASK, positive quarter on quarter trend
- Effective yield management
- EBITDAR growing faster than capacity
- Improved average load factor
- Growth in passenger numbers
- Fleet expansion ahead of the plan
- Growing demand in domestic market and Asia/Middle East
- Expansion of the network

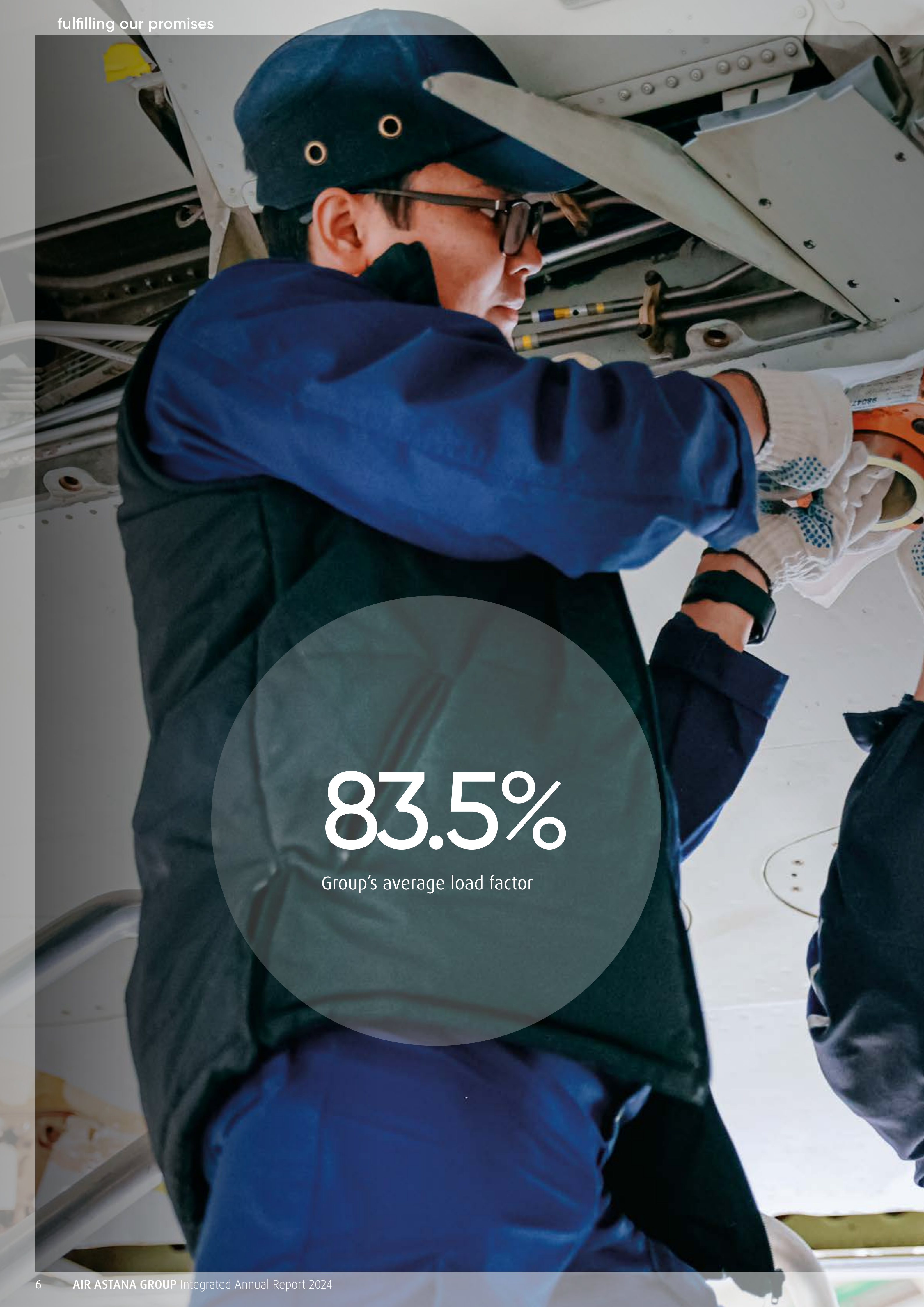


57
aircraft across the Air Astana Group

107
routes across 22 countries

21
routes opened in 2024

68%
Group’s domestic market share



83.5%

Group's average load factor

fulfilling our promises

efficiency

Proactive cost management and investment in operational facilities

- Invest in more fuel-efficient and modern aircraft to support our sustainability objectives and increase passenger comfort
- Continued improvements and expansion of in-house fleet maintenance and training facilities, plans to establish Air Astana Terminal Services
- Extended range of narrow-body aircraft
- Successful execution of Pratt & Whitney mitigation plan
- Dynamic capacity management to offset rises in unit costs
- Robust CASK performance

fulfilling our promises

excellence

Well positioned to achieve further growth

- Air Astana Group continues to expand its global network by establishing strategic partnership through codesharing and interline agreements with major airlines
- Continue enhancing award-winning customer experience with upgraded website, new app, improved loyalty programme, lounges in Almaty and Astana
- Air Astana is committed to updating its Low-Carbon Development Programme (LCDP) with credible near-term milestones and a target of net-zero emissions by 2050, aligned with the Paris Agreement
- FlyArystan received an Air Operator Certificate (AOC) and separate IATA code

Air Astana:

Best Airline in Central Asia & CIS by Skytrax for thirteen years running

Best Airline Staff Service in Central Asia & CIS award for the eighth time

APEX Best Overall Airline in Central Asia

APEX Five Star award in the 'Major Airlines' category in 2024

FlyArystan:

Best Low-Cost Carrier in Central Asia & CIS award for the second time

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Group financial highlights

Total revenue* (USD)
1,308m
+12.4% Year-on-year
2023: 1,164m

Adjusted EBITDAR* (USD)
338.6m
+16.1% Year-on-year
2023: 291.6m

Adjusted EBITDAR* margin
25.9%
+0.8pp Year-on-year
2023: 25.1%

RASK* (USCents)
6.75
+2.6% Year-on-year
2023: 6.58

CASK* (USCents)
6.02
+2.7% Year-on-year
2023: 5.86

Group operational highlights

ASK
19.3bn
+9.2% Year-on-year
2023: 17.7bn

RPK
16.1bn
+10.1% Year-on-year
2023: 14.6bn

Number of passengers
9.0m
+11.2% Year-on-year
2023: 8.1m

Load factor
83.5%
+0.7pp Year-on-year
2023: 82.8%

Fleet size
57
16.3% Year-on-year
2023: 49

* Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

Investment case

Two airlines – doubling the growth opportunity

One Group operating full-service and low-cost carriers, with differentiated strategies to grow profitably. Each airline targets different markets and customer needs: Air Astana, our full-service airline, focuses on business and lifestyle travel; FlyArystan, our low-cost brand, independently managed and scalable, bolsters demand for air travel.

Investment case continued

Operational efficiency

A young and modern, fuel-efficient fleet supports reliability and cost-effectiveness. Advanced in-house training resources include a Pilot ab-initio Cadet Programme to meet the need for a local supply of qualified pilots, and improved Airbus maintenance facilities in house avoid 'empty' miles and days travelling to other providers.

Clear market leader

Leading in the home market, Central Asia and the Caucasus, the Group is well positioned for untapped growth opportunities. Kazakhstan is the fastest-growing country in Central Asia, in the highest air-traffic growth region (IATA), and with easy access to extended home market and megamarkets.

Financial resilience

The combination of proactive route planning, cost leadership and operational agility provides a successful formula for promoting financial resilience throughout the cycle, demonstrated by the strong response to crises – Covid, the Russia-Ukraine war and recent industry challenges. The Group maintains a robust balance sheet and liquidity position.

Commitment to sustainability

With well defined ESG targets, the Group aims to become the most sustainable airline in the CIS and Central Asia. Priorities include the Low-Carbon Development Programme, the safety, health and wellbeing of employees, and funding community projects.

Strong management and governance

The business is supported by an experienced, proven Board of Directors, management team and sound governance practices. Relatively low turnover among management – an average tenure of 16 years – ensures a strong culture, industry experience and corporate memory.

The Group at a glance

At the heart of everywhere

The Air Astana Group continued to expand its network and, at the end of 2024, Air Astana operated on 63 routes and FlyArystan on 59.

This covers five geographical areas, increasing our share of both the domestic market and in the Central Asian and Caucasus region as well as on international routes to multiple locations across Europe (such as London, Amsterdam and Frankfurt), Saudi Arabia (such as Jeddah and Medina) and Asia (such as Beijing and Bangkok and lifestyle destinations in Asia). We are building our presence in the flourishing 'lifestyles' market and now fly to popular tourist destinations in Egypt, Georgia, Greece, Maldives, Montenegro, Thailand, Turkey and the UAE. In line with this broader geographic spread and increased flight availability, we also experienced strong passenger growth, carrying nine million passengers in 2024.

New routes and network expansion

As at 31 December 2024, the Group's passenger network covered 107 routes (74 international and 33 domestic), 45 destinations in 22 countries. The Group further expanded its network in 2024 with new routes and destinations to high-demand regions across Asia, including China, the Gulf, India and Vietnam.

air astana

Routes

63

Destinations

38

Passengers

4.8m

Full-service airline

- Primary focus on business and direct flights to lifestyle destinations
- Expanding regional and international network
- Modern fuel-efficient aircraft
- Two classes of cabin
- High aircraft utilisation compared with peers

FlyArystan

Routes

59

Destinations

23

Passengers

4.2m

Low-cost carrier

- Market disruptor
- Rapid network expansion in the domestic and nearby markets
- Focus on international destinations within five hours
- High-density single-class seating
- High aircraft utilisation compared with peers
- Diversified across three bases

The Group at a glance continued

107

Domestic and international routes in 2024

45

Destinations

The Group at a glance

Our journey

2024

- Successful IPO on three stock exchanges
- FlyArystan obtained AOC and separate IATA code
- All eligible employees were granted shares of Air Astana as a part of long term incentive programme
- FlyArystan completed a Skytrax Audit, reaffirming its four-star LCC status
- Air Astana Group is now a certified ACCA (Association of Chartered Certified Accountants) Approved Employer at Platinum level
- EASA – Part 145 and Part 147 renewal audits

2023

FlyArystan awarded four-star LCC
Inauguration of full-flight simulator

2022

First Heavy maintenance in-house C2-check completed

Delivery of first new Airbus aircraft - FlyArystan

2021

The Group is one of the first airlines to return to profitability in H1 2021

FlyArystan launched first international route Turkistan – Istanbul

2019

Launch of FlyArystan, the low-cost carrier in Central Asia

2018

Commissioning of the aviation technical centre in Astana

2016

Delivery of first A320neo aircraft and start of fleet simplification programme

2014

Air Astana became a Member of Association of Asia Pacific Airlines

2013

Skytrax award best airline in Central Asia and India and best airline service

2012

First in CIS four-star Skytrax rating

First own aircraft delivery

2008

Launch of ab-initio pilot training programme

Officially registered by IATA as an Operational Safety Audit (IOSA) - compliant carrier

2007

Launch of frequent flyer programme Nomad Club

2003

European Aviation Safety Agency's (EASA) Joint Aviation Requirements (JAR) 145 certification received for Engineering and Maintenance

2002

First flight Almaty – Astana

First International flight Almaty – Dubai

2001

Creation of Air Astana as a JV between the Republic of Kazakhstan and BAE Systems

The Group at a glance

Our growth

Building on a compelling historical growth trajectory, we achieved strong growth in our first year as a public company, fulfilling our promises set out at IPO despite the capacity and cost challenges that affected the wider industry. Underpinned by a growing fleet and expanded capacity, the Group added nearly a million passengers in 2024 with an increasing load factor, thanks to growing demand for air travel across Kazakhstan, our extended home market and nearby megamarkets.

2024

Air Astana
40%
market share
34
fleet

FlyArystan
28%
market share
23
fleet

68%
combined market share

9.0m
total passengers

57
Group fleet

2018

52%
market share

4.3m
total passengers

34
Air Astana fleet

2010

83%
market share

2.5m
total passengers

22
Air Astana fleet

Forecast 2029

84
Group fleet

54
Air Astana fleet

30
FlyArystan fleet

The Group at a glance

A future of opportunity

The Group is well positioned to achieve further growth across both brands in 2025. Our international passenger base has evolved significantly in recent years, with both Air Astana and FlyArystan expanding their networks. This opportunity is underpinned by a highly underserved domestic market, with a growing propensity to fly, a significantly under-served market in the Central Asia and Caucasus region where we can help improve air travel connectivity, and a strategic location with easy access to megamarkets.

A clear leader in our home market, well positioned for untapped growth opportunities

There are substantial opportunities for growth within this highly underserved market with a low propensity to fly.

Population of Kazakhstan

20.3m

Total domestic market in Kazakhstan

9.2m

Forecasted propensity to fly ratio by 2030

1.75

Significantly underserved market in Central Asia and the Caucasus region

Air Astana Group can help improve air travel connectivity in the significantly underserved market of the Central Asia and the Caucasus region.

Population of Central Asia and Caucasus

97m

Weekly frequencies: Air Astana

38

Weekly frequencies: FlyArystan

18

Ideally positioned to connect nearby megamarkets

Kazakhstan is strategically located with easy access to two of the largest aviation markets in the world, India and China, and close proximity to the Middle East and Europe.

Passengers: China and India

950m+

Passengers: Western Europe

1.4bn

Passengers: Middle East

402m

Chairman's statement

A platform for investment

Welcome to the Air Astana Group Annual Report for 2024. In the first quarter of 2024, Air Astana Group celebrated the major milestone of a successful USD 365 million IPO on the London Stock Exchange, Kazakhstan Stock Exchange and Astana International Exchange – becoming the first company, both domestically and internationally, to achieve a simultaneous listing on three stock exchanges.

This accomplishment demonstrates our remarkable success over the last two decades as one of the fastest-growing airline group's in the world, and is something of which we feel justifiably proud. It is a recognition of the long-running growth trajectory and strong foundations of the Air Astana Group, and the compelling prospect of increased air travel across our key markets.

The listing has been transformational for the Group's shareholder structure, going from having had only two shareholders for 22 years, to now having more than 60,000 shareholders including institutional and retail investors. It was the first privatisation in Kazakhstan, with the State share dropping below 50% after the public offering, although both foundational partners remain major shareholders. The listing creates the perfect platform both for local Kazakh investors and international investors to participate in our success story, as we continue to grow into one of the top international airline groups. I look forward to continuing Air Astana's journey with the Board and its Executive Management team, as we continue in defining and executing our strategy for growth.

By dynamic capacity reallocation to higher margin routes in Asia and the Gulf, we improved Revenue per Available Seat Kilometer (RASK) by 2.6%*, which largely offset the rise in unit costs. This resulted in a 12.4% increase in revenue, to USD 1.3 billion*, and a 16.1% improvement in adjusted EBITDAR to USD 338.6 million*, ahead of ASK growth of 9.2%.

Chairman's statement continued

Macro trends and performance

Central Asia continues to be one of the fastest-growing aviation markets in the world, a fact declared both by IATA as well as a recent Asian Development Bank report, and I believe Kazakhstan is the one of the region's most promising markets. Due to its strategic location, Kazakhstan is well positioned to serve as a link between Europe and East Asia, as well as being at a reasonable distance from the Middle East. The country is often regarded as the 'centre' of the world, or to borrow the aviation jargon, as a 'mid-way hub'. As the leading carrier of Kazakhstan, we are proud of our role in transforming connectivity across the region, which we believe has untapped growth potential, especially when we include our nearby megamarkets of China, India, the Gulf and Saudi Arabia. Passenger demand remains strong across both our full-service airline Air Astana and our low-cost carrier FlyArystan, and we are increasing capacity by expanding the fleet and optimising resources.

However, other challenges faced the airline industry in 2024. These included the Pratt & Whitney engine issue, as well as other supply-chain constraints, which put pressure on capacity.

There was also a significant increase in costs across the board – airports, navigation, maintenance, aircraft charges, and smaller ancillary costs. Another major global theme was that the significant post-Covid increase in yields experienced in 2022 and 2023 stalled to some extent, exacerbated by the cost of living.

Despite these ongoing headwinds across the broader aviation industry, I'm pleased to report a strong performance from the Group. Through our Pratt & Whitney mitigation plan, we rested engines during the low season in order to maximise availability during the summer peak. Our central geographical location and flexible, dual-brand model enabled us to optimise capacity by swiftly reallocating aircraft from lower-performing Western routes towards higher-margin routes in Asia and the Middle East. As a result, the Group has mitigated cost pressures and achieved a healthy adjusted EBITDAR margin* of 25.9% Our unit cost remains a strategic advantage, enabling us to expand short and long-haul routes while competing effectively with other airlines and outperforming the wider sector.

Dividend and share buyback

Our solid performance has led to a strong financial position and a healthy balance sheet. The Company has been very successful at generating cash in recent years and this continued in 2024, leading to a very sound cash position in comparison with other airlines, whether measured in cash to sales, cash to EBITDAR, or net debt to EBITDAR. This has allowed us to approach the question of dividends in that context.

The Board of Directors recommended to the Annual General Meeting of Shareholders (AGM) an ordinary dividend of KZT 17.7 per one common share (KZT 70.9 per GDR – of four shares), a total dividend of KZT 6.3 billion, earlier than the medium-term guidance set out at IPO. Additionally, in light of the Group's robust financial results for 2024 and strong balance sheet, the Board of Directors has recommended a special dividend of KZT 36.0 per one common share (KZT 143.9 per GDR), a total dividend of KZT 12.8 billion.

The total proposed dividend (ordinary and special dividend) amounts to KZT 53.7 per one common share and KZT 214.8 per GDR. The Board of Directors has approved an enhanced dividend policy stipulating a dividend of 30% to 50% of annual consolidated net income, ahead of the previous guidance of up to 20%.

In recognition of the hard work and commitment shown by our colleagues, on 30 April 2024 we began a share buyback programme to enable our long-term incentive plan. As at 31 December 2024, the Group had purchased in total 4,638,555 shares for a total consideration of USD 8.2 million. First vesting of shares and global depositary receipts (GDRs) to employees was made on 17 February 2025.

Strong governance

Our listing on three stock exchanges will undoubtedly increase the visibility of our business and attract investors' attention. I would like to assure all current and prospective investors that Air Astana Group has always had a strong commitment to corporate governance, integrity and compliance, and this will remain a priority throughout my tenure as Chairman of the Board. Our highly experienced senior management team has already proven its ability to maintain our financial objectives and growth trajectory throughout a variety of challenging macroeconomic and geopolitical environments, enabling both Air Astana and FlyArystan to outperform many of its peers and deliver results in line with market expectations.

* Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

Chairman's statement continued

As the flagship carrier of Kazakhstan, we are proud of our role in transforming connectivity across the region, which we believe has untapped growth potential.

Nurlan Zhakupov
Chairman of the Board of Directors

Board and management

At the AGM on 30 May 2024, as had been previously announced, Myles Westcott stepped down from the Board, while Diyas Assanov was appointed as an Independent Non-Executive Director, starting on 31 May 2024. Myles Westcott was a valuable member of the Board and I would like to thank him for his contribution to the success of the Group over the last six years. Diyas Assanov brings extensive experience in engineering, transport and communications, which will be instrumental in supporting the next stage of our development, particularly our ongoing digitalisation.

Colleagues and culture

We are the largest employer in Kazakhstan, providing interesting and motivating work for 6,546 colleagues, whose expertise and skills are invaluable assets for our business. We provide a positive and inclusive work environment based on our corporate values and a culture of recognition. In addition, I am proud that Air Astana was included in the ranking of the best IT employers in Kazakhstan according to People Consulting, confirming its attractiveness to industry specialists.

Excellence lies at the centre of all we do and, by establishing it throughout our culture, we are building an engaged and satisfied workforce. We believe this focus on excellence will play a key role in positioning ourselves as one of the finest airline groups in the world. It is one of the strategic pillars on which we have built our status as a major economic and social enabler within Kazakhstan. Our Group values underpin our ethos of recognition, professional development and, above all, equality of opportunity.

On this note, I would like to thank all my colleagues for their hard work throughout the year, and continued commitment to excellence and the highest levels of customer service, which is the foundation of our growth. Our strong competitive position in a growing aviation market provides a solid platform as we look to the future with confidence.

Embracing ESG

At Air Astana Group, we embrace sustainability as a fundamental part of our future success. Our comprehensive ESG Strategy for 2023–2032 is accompanied by a series of planned ESG initiatives aimed at reducing our consumption of resources, and our environmental impact. We have also developed a broad scope of activities that prioritise the safety, health and wellbeing of employees and contractors, along with projects that support the wider community.

The aviation industry as a whole is responsible for, and committed to, minimising its environmental impact, and we at Air Astana have pledged to become one of the most sustainable airlines in the CIS and Central Asia. We are exploring alternative energy sources and implementing fuel-efficient flight plans, as well as looking at the potential of producing and using sustainable aviation fuel (SAF) in Kazakhstan.

Outlook

For a variety of reasons, many airlines could suffer capacity shortages in 2025, yet we are well positioned due to investment in our fleet and facilities, our successful management of Pratt & Whitney engine issues by introducing an engine-resting programme, and our ability to realign capacity to ensure the highest margin and mitigate cost pressures. Additionally, although the whole sector is benefiting from growth in premium leisure traffic, we see significant opportunities to add services to our existing routes and expand into new geographic areas, aiming to realise our vision of growing from the heart of Eurasia to build one of the finest airline groups in the world.

Nurlan Zhakupov
Chairman of the Board of Directors

CEO's statement

In 2024, the Air Astana Group carried 9.0 million passengers, a growth of 11.2% year on year, generating USD 145.7 million operating profit on total revenues of USD 1.3 billion, an increase of 14.9% and 12.4% respectively on an underlying basis[1]. Profit after tax was USD 65.2 million, a growth of 6.0% excluding non-recurring items[1].

We achieved strong growth in our first year as a public company, fulfilling our promises set out at IPO, despite the capacity and cost challenges impacting the wider industry. The Group added nearly a million passengers in 2024, with an increasing load factor, driven by growing demand for air travel across Kazakhstan, our extended home market and nearby megamarkets. By allocating capacity to higher-margin routes in Asia and the Gulf, we improved RASK by 2.6% which largely offset the rise in unit costs. This resulted in a 16.1% improvement in adjusted EBITDAR to USD 338.6 million, ahead of ASK growth of 9.2%. The RASK-CASK index differential improved progressively over the quarters and turned positive in Q4, resulting in RASK growth almost fully offsetting CASK for the year and exceeding our guidance.

[1] Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

CEO's statement continued

We continue to proactively manage the fleet and add capacity in line with our growth strategy. Under our Pratt & Whitney mitigation plan, we took early action to rest engines in the low seasons, secure additional aircraft and spare engine capacity. We added eight (net) aircraft in 2024, ahead of guidance, the fleet has subsequently expanded to 60 and is expected to reach 63 aircraft by year end. The network continues to grow, with 21 new routes added in 2024, 14 of which launched in Q4. In 2025, we have already announced another eight new routes in key growth markets, including direct flights from Almaty to Frankfurt, Guangzhou, Mumbai, and Da Nang and Nha Trang in Vietnam. The installation of auxiliary fuel tanks on the Airbus A321LR has made new routes possible by extending cost-efficient narrow-body range on long-haul flights.

We are delighted to announce that we have signed an MoU with China Southern Airlines, China's powerhouse airline, for a comprehensive set of codeshares across China, Kazakhstan and, subject to third-country bilateral agreement, other countries in East Asia, Central Asia and the Caucasus. I cannot sufficiently emphasise that this key partnership, once the MoU has been translated into a concrete agreement, will accelerate our expansion into this neighbouring megamarket.

In addition, the new international terminal at Almaty airport has doubled capacity at our main hub, resolving a key constraint on the Group's future growth.

The Group's operational efficiency is underpinned by investment in our people and facilities. In 2024, our Advanced Technical Centre performed the most comprehensive 12 Year C-check on our Airbus fleet, and construction plans are progressing for new hangars in Almaty and Astana to further expand maintenance capacity. We are constantly looking at ways to make operations even more efficient and turn costs into profit centres. We have just received our second full flight simulator, which will be in service by the year end.

We are in the process of establishing our Ground Services subsidiary, Air Astana Terminal Services, to increase efficiency and potentially generate revenue by serving other airlines at our principal hubs at Almaty and Astana.

We have continued to focus on high-quality service delivery, reflected by the Skytrax award for Air Astana of Best Airline Central Asia and CIS, for the thirteenth year running, Best Airline Staff Service in Central Asia and CIS for the eighth year running, and for FlyArystan, Best Low-Cost Airline Central Asia and CIS for the second year running.

Our financial performance and robust balance sheet give us the confidence to recommend an ordinary dividend of KZT 6.3 billion (USD 13.0 million), sooner than guided, and an additional, special dividend of KZT 12.8 billion (USD 25.2 million). This is testament to the efforts of all our employees across Air Astana and FlyArystan, who last month became shareholders under the Employee Share Ownership Plan, a fitting reward for their commitment over several years.

Entering the new financial year, we are well positioned to deliver growth across both our brands, underpinned by strong demand and expanded capacity. While cost inflation and supply chain disruption across the wider industry are likely to remain for some time, we are among the best placed in the industry due to our low unit costs, high operating margins and dynamic approach to fleet management. As a result, we are confident in delivering our medium-term guidance.

I would like to conclude by thanking my fellow board directors, shareholders, business and government partners for their continued support, our customers for their continued loyalty, and my colleagues for their continued dedication and professionalism. All have contributed to a solid performance in 2024.

Peter Foster
Chief Executive Officer

We are delighted to announce that we have signed an MoU with China Southern Airlines, China's powerhouse airline, for a comprehensive set of codeshares across China, Kazakhstan and, subject to third country bilateral agreement, other countries in East Asia, Central Asia and Caucasus

The restoration of connectivity is powering the global economy as people travel to do business, further their education, take hard-earned vacations and much more. But to maximise the benefits of air travel in the post-pandemic world, governments need to take a strategic approach. That means providing cost-efficient infrastructure to meet demand, incentivising SAF production to meet our net-zero carbon emission goal by 2050 and adopting regulations that deliver a clear cost benefit.

Willie Walsh IATA Director General

External environment

In the middle of everywhere

Global markets

Over the past year, the global economy has been remarkably stable. Unemployment rates in Organisation for Economic Co-operation and Development (OECD) countries were below historical averages, global inflation rates continued to fall, and ticket prices moderated, fuelling demand. The passenger-market figures of the International Air Transport Association (IATA) for the full year 2024, showed demand at an all-time high. Total full-year traffic in the year (measured in revenue passenger kilometres or RPKs) rose 10.4% compared to 2023. This was 3.8% above pre-pandemic (2019) levels. Total capacity, measured in ASK, was up 8.7%. The overall load factor reached 83.5%, a record for full-year traffic.

International full-year traffic in 2024 increased 13.6% compared to 2023, and capacity rose 12.8%. Domestic full-year traffic rose 5.7% compared to the previous year, while capacity expanded by 2.5%.

December 2024 was a strong finish to the year with overall demand rising 8.6% year-on-year, and capacity grew by 5.6%. International demand rose by 10.6% and domestic demand by 5.5%. The December load factor reached a new record level of 84%.

As Willie Walsh, IATA's Director General, observed, *"2024 made it absolutely clear that people want to travel, and airlines met that strong demand with record efficiency. Aviation growth reverberates across societies and economies at all levels".*

With this growth comes the need to keep aviation as safe as possible, and to continue aiming for net zero. On the latter point, Walsh commented, *"Less than 0.5% of fuel needs were met with SAF in 2024. SAF is in short supply and costs must come down. Governments could fortify their national energy security and unblock this problem by prioritising the renewable fuel production from which SAF is derived".*

Regional variations

This year, all regions out-performed their pre-pandemic levels. Asia Pacific airlines led in annual growth by a large margin, achieving a 16.9% year-on-year increase in RPK. Africa also grew above the industry average, ranking second with 13.2% year-on-year. North American airlines tailed the regions, rising 4.6% from a higher base. On the supply side, ASK increases in all regions, except North America, were lower than the rise in RPK, leading to higher load factors across the board.

The Asia Pacific region contributed more than half of the net increase in passenger traffic over 2024. Northeast Asia led in passenger traffic growth, reflecting the ongoing ramp-up of international traffic from China to nearby sub-regions, along with a substantial increase in domestic tourism within the country. The two other largest airline regions, Europe and North America, contributed a third of total RPK growth. Conflicts and strained airspace continued to impact the free flow of air traffic in some parts of the world, leading more passengers to travel through Middle Eastern hubs than ever before. Between Europe and the Middle East, traffic was 11.9% higher than the pre-pandemic record of 2019 and increased 4.8% year-on-year. RPK also rose 10.1% year-on-year between the Middle East and Asia, surpassing 2019 levels by 3.1%.

Emerging aviation markets grew the most in 2024. Countries in Northern Africa, Eastern and Central Europe, and Central Asia have outpaced the industry average. Traffic in the Southwest Pacific also exceeded the global mean, reflecting a resurgence in travel within the broader Asia Pacific region. In contrast, while the Middle East has become a crucial part of global air traffic, the region saw only modest growth in international passengers in 2024.

External environment continued

Global affairs and industry trends

In 2024, Brent crude oil dropped by around 20% over the year, due to over-supply as the US affirmed its position as the world's leading oil producer, and to shifting demand for different energy products, especially in China. Lower oil prices will strengthen oil-importing countries' financial positions, offering an opportunity to redirect fossil-fuel subsidies towards renewable energy production, supporting aviation's energy transition. More immediately, airlines will benefit from lower crude oil prices as long as jet fuel prices decline in parallel. Fuel is their largest cost component, representing around 30% of total costs.

Another major influence on the industry is seasonal demand, with busier summers and quiet winters. This is due largely to leisure travel's increasing share of the total market – most pronounced in Europe, but affecting many regions. Airlines have responded by operating more routes at greater frequency during peak periods, and so earning a disproportionate amount of their revenue during the summer.

Kazakhstan and Central Asia

The domestic Kazakhstan market

Kazakhstan's air transportation market continues to break records. In 2024, Kazakhstani airlines carried a record 14.7 million passengers, 10.6% more than the previous year (13.3 million passengers in 2023), according to the Bureau of National Statistics of the Republic of Kazakhstan. Passenger traffic growth remains in double digits, which indicates a high demand for air transportation. According to the Ministry of Transport, Kazakhstan's airports handled 29.7 million passengers (+14% year-on-year), including international airlines, which hold about 50% of the market. Almaty airport has set a new record, serving 11.4 million passengers (+20% on 2023), 78% higher than the pre-pandemic figures. This makes it the largest aviation hub in the region of Central Asia, the Caspian Sea and Caucasus. The capital's airport in Astana handled 8.3 million passengers (+11% year-on-year).

The growth of passenger traffic continues to be stimulated by the extension of the Open Skies programme until 2027, as well as the increasing popularity of air transport in the country. In addition, there are many other signs of the potential of increased growth: the flight safety level rose from 74% to 82%; Kazakhstani airlines resumed flights to the European Union countries; and the domestic air fleet is growing, with the number of aircraft increasing by 13% year-on-year.

Six airlines currently operate 56 domestic routes, and international air traffic has expanded to 31 countries and 58 cities, with flights on 119 routes. The sector requires 500-600 new specialist workers each year, to add to its current workforce of 23,000. The industry is rapidly transforming digitally, with an electronic document-management system for cargo, an e-identity card system for passengers, and biometric identification. By 2030, Kazakhstan aims to increase passenger traffic from 14.7 million to 26 million and cargo volumes from 170,000 to 500,000 tonnes, plus expand the aircraft fleet from 104 to 221, and grow international routes from 119 to 200.

External environment continued

Importantly for growth, Kazakhstani citizens' propensity to travel, while increasing, remains low in comparison to peer countries with similar levels of GDP per capita. For example, the penetration figure (seats sold divided by population) for Kazakhstan was 0.23 before the launch of FlyArystan, and thereafter doubled to 0.46. Now, the combined domestic and international propensity of Kazakhstan is 0.6, but still low compared to similar countries such as Malaysia (1.1), Turkey (1.2) and Mexico (0.8). As an example of this in practice, the strong demand within Kazakhstan for leisure destinations in foreign countries, which boomed during the pandemic, has shown no signs of abating – and according to the IATA forecast, propensity for air travel in Kazakhstan should reach 1.75 by 2030, based on Kazakhstan's 2030 GDP per capita forecast.

Kazakhstan began its visa-free programme in 2014, starting with 19 countries. This initial liberalisation brought an approximate 50% increase in visitor numbers. Since then, the list has significantly expanded, and in 2024, Macao, Morocco, Sri Lanka, Thailand and Vietnam were added with a stay period of up to 60 days. Additionally, visa-free programmes exceeded 101 countries, and e-visas are offered for another 109 countries. Every year the list of visa-free countries for Kazakhstan expands, providing citizens with more opportunities for travelling. Open-skies agreements foster competition and flexibility in international air travel by allowing airlines from different countries the right to fly in and out of each other's nations. In October 2024, the Kazakh Government included Kostanay and Uralsk airports in its open-skies policy, and then Atyrau and Kyzylorda airports in January 2025, making a total of 24 airports. Open-skies agreements on a mutual basis were fixed with Malaysia, Qatar, UAE, USA and Vietnam, while a draft of Horizontal Agreement with the EU was initialled on 16 October 2024, which will allow every European airline to fly from anywhere in Europe to all cities in Kazakhstan.

External environment continued

Growing connectivity

Kazakhstan is strategically located within easy access of two of the largest aviation markets in the world, India and China, and relatively close to the Middle East and Europe.

Flights to Europe have not yet reached pre-pandemic levels owing to several contributing factors: restricted traffic from Russia; increased flying time due to avoiding Russian airspace; and reduced labour traffic due to the completion of a major domestic oil project. However, non-stop Air Astana flights from Almaty to Frankfurt and Heathrow have been made possible by installing a third fuel tank in the aircraft.

The drop in European traffic has been more than compensated by strong growth in the Middle East, Southeast Asia and India, as Kazakhstan and Central Asia became attractive destinations for many airlines. In addition, it has been helped by the return of the Chinese market, facilitated by the visa-free regime introduced in 2024. According to IATA, the overall number of airline seats offered to Kazakhstan in the first six months of 2024 compared with the same period in 2019 increased by 143%, and the number of passengers by 155%.

The scheduled capacity between China and Kazakhstan in 2024 increased 140% from 2023, demonstrating an interest in Kazakhstan as a destination by Chinese airlines. This was boosted by strengthening Government and business relationships, and mutual tourism campaigns between the two countries, which will continue throughout 2025. Air Astana also resumed its Astana – Seoul passenger flight in mid-2024 after more than a four year pause. In addition, total capacity between Kazakhstan and India has increased 57% from 2023 and 125% from 2019, reflecting the recent growth of the Indian economy. The flight time between Delhi and Almaty is only 3.5 hours, making Almaty a desirable destination as it offers a comfortable climate for Indian tourists. Indian citizens are now among the top three foreign passport holders on all Air Astana flights, the others being Russian and Chinese.

Opportunity in Central Asia

IATA has stated that Central Asia and the Caucasus region, with its population of 97 million, will be the fastest-growing aviation region in the world in the coming five to ten years. It is a significantly underserved market where the Air Astana Group can help improve air-travel connectivity alongside new market entrants, who will serve to increase the popularity of travel in the region.

Low-cost carriers growth in Central Asia

A 2024 Asian Development Bank study on the CAREC region highlights the astounding growth in LCCs in recent years. The CAREC region includes the five Central Asian countries – Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan – as well as Azerbaijan, Georgia, Mongolia and Pakistan (the Inner Mongolia and Xinjiang regions of China are also part of CAREC, but not included in the study). It states the overall LCC market in Central Asia more than tripled in size from 2019 to 2022, making it the fastest-growing low-cost travel market in the world. In the wider CAREC region, the LCC market grew by 60% from 2019 to 2022. The rapid LCC growth during the pandemic helped a quick recovery of the CAREC air transport market, and Central Asia was the only region in the world with seat capacity above 2019 levels by 2022. FlyArystan is the largest LCC in CAREC, with a significant share of the region's LCC seat capacity as of the latest available data. Pakistan's Airblue had about a 13% share, while Uzbekistan Express and Buta Airways had 4% each. Over half the market was controlled by foreign LCCs, led by Flydubai with about a 17% share and Air Arabia with a 10% share.

The report concludes that *"rapid LCC growth over the remainder of this decade is critical for CAREC to achieve aspirations to improve connectivity – within and outside the region – and further grow tourism in the region. LCCs generate massive economic benefits as lower fares make air travel more affordable, stimulating demand in both the domestic and international markets. With higher volumes of traffic, there are more tourists staying in hotels, eating out, and visiting local attractions. More passenger traffic also supports expansion of airports and the overall aviation ecosystem, creating jobs".*

It also points out that LCCs cannot thrive without a supportive regulatory environment of more-liberal open-skies policies, common in other regions, which would ensure airlines are always able to operate between their home country and another country, or between two countries, neither of which is their home country. High airport costs are another major impediment to LCC growth in CAREC, as most CAREC airports have charges, fees and taxes for international flights well above global averages. Lower airport costs would enable lower fares, lead to higher volumes of traffic, and attract more LCCs.

The drop in European traffic has been more than compensated by strong growth in the Middle East, Southeast Asia and India, as Kazakhstan and Central Asia became attractive destinations for many airlines.

External environment continued

Cargo

Global overview

In 2024, airlines moved more air cargo than ever before, boosted by healthy cross-border e-commerce, capacity limitations in ocean shipping and an overall global trade in goods that grew by 3.6% in the year. Full-year demand for 2024, measured in cargo tonne-kilometres (CTK), increased 11.3% from 2023 (12.2% for international operations), exceeding the record volumes set in 2021. In fact, December 2024 marked 17 months of consecutive growth in demand. According to Brendan Sullivan, IATA's Head of Cargo: *"It does appear that there has been a structural change for the better since the pandemic"*.

Importantly, it was a year of profitable growth, with airspace restrictions limiting capacity on some key long-haul routes to Asia, which helped to keep yields at exceptionally high levels, on average 39% higher than 2019. Thus, the cargo market provided significant support to airline success in 2024. The sector now comprises 15.6% of industry revenues compared with 12% in 2019. Full-year capacity in 2024, measured in available cargo tonne-kilometres (ACTK), increased 7.4% from 2023 (9.6% for international operations). Average Cargo Load Factor (CLF) for the year ended at 45.9%.

Regional variations

The market has grown across all regions and principal routes, with most major trade lanes experiencing growth. Within Asia, cargo trade grew 11% year-on-year and has grown for 14 consecutive months. The Asia-North America trade lane, the largest in cargo volume, saw an 8% annual rise in cargo demand. The Europe-Asia corridor grew 10.3%, marking 22 months of uninterrupted growth, with 2024 consistently in double digits. The 'within Europe' route posted a 9.1% increase, and the Europe- North America lane grew by 5.5%. The Europe-Middle East route saw a remarkable 26% year-on-year surge.

Trends and issues

E-commerce will represent a growing portion of air cargo business. Currently at about 20% of cargo business worldwide, it is expected to grow to at least a third of all cargo shipments. By 2027, e-commerce generally is expected to be an USD 8 trillion market, so airlines could reap a significant reward if it can prove its speed and transparency. Brendan Sullivan observes: *"Shippers and their customers need the goods to travel quickly and safely, and to know where those goods are every step of the way"*. Success will come through digitalisation, and air cargo's efforts here are gaining momentum, with ONE Record, an open-source messaging standard that replaces legacy methods. Companies must have ONE Record in use from 1 January 2026, and many are involved in trials at an advanced stage. Artificial intelligence (AI) is also beginning to replace manual processes, and can help with the safety and speed of decisions, and so improve productivity. IATA set up the Air Cargo Digitalisation Leadership Charter in 2024, currently with 17 signatories. The North Asia Digital Cargo Alliance supports this, and IATA is working with airlines in the region to see how ONE Record might perform in the Chinese market, among other matters. Digitalisation will also help the sector's sustainability efforts, for example by saving paper. In addition, more-efficient use of packaging space will make air cargo more productive and more sustainable.

Outlook

The outlook for 2025 remains positive, given the ongoing challenges in maritime shipping, and with oil prices on a downward trajectory and global trade continuing to grow. However, IATA estimates growth will reduce to 5.8%, which would mean revenues could reach USD 157 billion. Also, the air cargo industry will surely be challenged to adapt to unfolding geopolitical shifts. The threat of trade tariffs being imposed by the US would affect the amount of goods carried in the long term. Tariffs also need to be seen as part of the bigger customs regulation picture, with clearance for shipments a sector pain point. It could be that new tariffs promote fresh discussions, greater digitalisation, and a speedier process. *"The industry is more resilient and adaptable than ever"*, says Brendan Sullivan, *"so, whether it is geopolitical tensions, trade tariffs or maritime cargo volatility, air cargo will be able to respond appropriately"*.

Global aviation outlook

As at 2024, the airline industry can turn its back on the Covid-induced crisis.

According to IATA, over the next two decades, the number of global passengers is projected to increase at an average annual rate of 3.8%, leading to a net addition of over 4.1 billion passenger journeys by 2043 compared to 2023. This would bring the total global number of passenger journeys to 7.9 billion in 2043. While the European and North American markets are expected to see modest increases in demand, the Asia Pacific region is forecast to record the most significant rise in passenger numbers, contributing more than half of the net increase in global passenger numbers by 2043, with an average yearly growth rate of 5.1%. Economic expansion, improved living standards, and favourable demographic trends are expected to contribute to this increase.

Business model

Building strong brands and lasting stakeholder trust

RESOURCES AND INPUTS

Brand and reputation
With over 20 years' experience and major investment in both our reputation and brands, Air Astana and FlyArystan, the Air Astana Group has established positive brand recognition. This translates into significant commercial value and helps foster good relationships with our stakeholders.

Financial resources
We have demonstrated operational and financial resilience throughout Covid, the Russia-Ukraine conflict, industry challenges with Pratt & Whitney engine issues, and supply-chain constraints. Through proactive management and financial discipline, we have built an efficient cost structure that enables our airlines to outperform most of their peers.

People and culture
Our focus on equal opportunities, training and development helps retain and attract new employees. Through our corporate values and promotion of a culture of recognition, we have created a positive work environment for our 6,546 employees.

Modern fleet
We are simplifying our fleet structure by focusing on the Airbus family. The fleet had an average age of 5.9 years at the end of 2024. We benefit from reduced maintenance costs, optimised fuel consumption and reduced CO_2-emission levels, which positions us competitively among comparable international network and LCC carriers.

Service excellence
We are known for outstanding excellence in customer service. In 2024, the Air Astana airline was, for the thirteenth year running, acknowledged as the Best Airline in Central Asia and CIS in the Skytrax World Airline Awards, and FlyArystan was for the second time awarded best Low-Cost Carrier in Central Asia and CIS.

Partnerships
Our partnership strategy is to expand co-operation through codesharing and interline arrangements, to extend the reach of our airlines and enrich our passenger offering through reciprocal initiatives, such as loyalty programmes and benefits, and enhanced airport services.

WHAT WE DO

The Air Astana Group is the largest airline group in Central Asia and the Caucasus by revenue and fleet size. We provide scheduled, point-to-point and transit, short-haul and long-haul air travel and cargo on domestic, intra-regional and international routes across Central Asia, the Caucasus, the Gulf, Europe (including Turkey), the Middle East and Asia (including India and China). Targeting different regions and customer markets, our two differentiated, but complementary, brands – Air Astana and FlyArystan together have a domestic market share of 68% and international market share of 38%.

ALL UNDERPINNED BY OUR VALUES

Hospitable We treat every person with whom we come into contact, customer or colleague, as a guest. We are warm, friendly and tactful, always willing to help.

Efficient We are professional people who produce high-quality results with knowledge and style. We maximise our skills and use our time efficiently.

Active We anticipate and respond to the needs of customers and colleagues. We do things to the very best of our ability and are always looking for ways to improve.

Reliable We produce reliable and consistent quality in all of our activities. We always keep our promises.

Trustworthy We are honest people who never compromise our integrity. Customers and colleagues can trust us.

Business model continued

HOW WE DO IT

A strategy to achieve our vision

Our ambition is for the Air Astana Group to establish a position as one of the finest airline groups in the world. Our strategy to achieve this is built on three key pillars: growth, efficiency and excellence.

Maximising opportunity

Air travel between the 24 commercial airports in Kazakhstan offers a compelling alternative to road and rail travel across the country's vast land mass, and will be a significant contributor to the Group's future growth. Outside the borders of Kazakhstan, we are already serving the neighbouring Central Asia and Caucasus region, with its large populations and developing economies. Further afield, we now focus on less price-sensitive, lifestyle destinations, including Georgia, Greece, the Maldives, Montenegro, the Red Sea, Thailand, Turkey and Vietnam.

Strong financial discipline

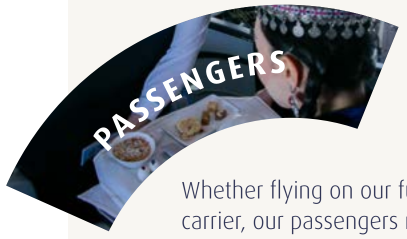
With operational efficiency and excellence at its heart, we maintain rigorous financial management, which is key to achieving one of the lowest unit-cost performances (measured by CASK) among both of our airlines' international competitors. This enables us to compete effectively on air fares, stimulating market demand and supporting growth in market share. Our strong balance sheet is a source of confidence and provides assurance to weather any crisis.

DELIVERING VALUE FOR OUR...

Dividends proposed for 2024

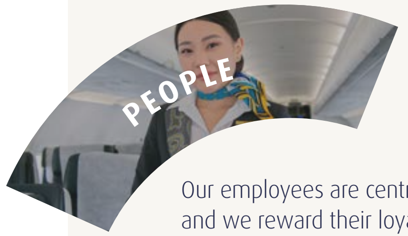
USD 38.2m

The total proposed dividend of USD 38.2 million (ordinary dividend of USD 13.0 million and special dividend of USD 25.2million).



Air Astana CSAT Rating for 2024	FlyArystan CSAT Rating for 2024
75	**84**

Whether flying on our full-service or low-cost carrier, our passengers receive the award-winning standards of hospitality, comfort and safety we are renowned for.



Investments in training in 2024

USD 5.7m

Our employees are central to the Group's success and we reward their loyalty and dedication by offering competitive salary packages and professional development, as well as providing for their wellbeing.

Percentage of purchases from local suppliers for 2024

32%

Mutual respect for our suppliers and business partners is key to developing positive, long-term relationships, with beneficial outcomes for all parties.

Taxes paid in 2024

USD 102.3m

We create employment and support the development of local social and economic infrastructures in Kazakhstan, while ensuring we meet all relevant legislative and regulatory requirements.

Strategy

Achieving sustainable growth

Our ambition is to establish the Air Astana Group as one of the finest airline groups in the world. To achieve this, our strategy is built on three pillars – growth, efficiency and excellence – and supported by our focus on fleet expansion, advanced technical resources and world-leading training facilities. Working with this strategy and focus in mind enhances both our airlines, full-service Air Astana and low-cost FlyArystan, which combine to offer the widest range of growth opportunities in domestic, intra-region and international markets.

Growth | Efficiency | Excellence

Growth

Building our network

As we expand our fleet, we are extending the reach of our flights to make the most of growth opportunities across domestic, regional and international routes. We are also adding to the frequency of our schedules, as well as developing non-core growth avenues such as cargo and charter.

2024 HIGHLIGHTS

Continuing fleet expansion
In July 2024, an agreement for the operating lease of seven Airbus A321neo LR was signed with deliveries starting from 2026 – our largest-ever single order – we are also expecting three 787-9 Dreamliners, bringing us closer to our target of 84 by 2029.

Effective yield management
The Group's dual-brand model provides flexibility in allocating resources to higher RASK routes. This, combined with its unique geographical location, allows the Group to continue to balance passenger growth with a relentless focus on operational cost efficiency, growing largely in higher margin international routes.

Demand from developing markets
In growing aviation markets – our domestic market, Asia and the Middle East – we experienced particularly strong demand, which we were able to meet, again due to our unique geographical location.

Adding new services
We announced new lifestyle services to destinations in Asia, while further boosting our presence in the Middle East and additional services to Saudi Arabia.

2025 priorities

- We plan to expend our fleet to 63 aircraft by the end of 2025. We plan to expand our route network even further, in domestic, near-home and adjacent international markets, and to increase density on existing high-demand routes
- Significant opportunities will continue to arise due to untapped potential for air travel in Kazakhstan, and to growing demand in the rest of Central Asia and the Caucasus. We also have easy access to the megamarkets of India and China. We will make the most of all these opportunities

Efficiency

Strengthening resources and expertise

To improve our outstanding operational efficiency yet further, we are investing in young, modern and fuel-efficient aircraft, expanding our in-house maintenance capabilities, enhancing our training facilities, establishing our own Ground Services subsidiary, and implementing new technologies across the business including installation of a third fuel tank on the Group's fleet of A321LR, at its own technical facilities, which widened network capabilities and brought new destinations within extended range.

2024 HIGHLIGHTS

Flight simulator training

The Group's A320 Full-Flight Simulator – one of the first in Central Asia – is currently at full utilisation. We received a second Full Flight Simulator in February 2025, which should be commissioned by the end of the year increasing capacity, extending operational efficiency and potentially generating revenue from external pilot training.

Benefiting from in-house C-check operations

Air Astana covers all C-checks for the Airbus fleet, bringing many benefits other than saving costs. It brings enhanced control over our maintenance work and scheduling, and makes more-efficient use of the maintenance centre. It also improves staff skills through hands-on experience and training, as well as creating new job opportunities and contributing to the development of Kazakhstan's aviation industry.

Successful execution of the mitigation plan for Pratt & Whitney engine issues

The Group recognised the Pratt & Whitney issue early and took proactive action ahead of the wider industry, successfully implementing an engine resting programme during the low season, performing 93 engine replacements in 2024, therefore ensuring high fleet utilisation during peak season and reducing the impact on overall performance.

2025 priorities

- Expand our internal maintenance capability with investment in second hangar at Astana and a new hangar at Almaty airport
- Commission the second Full Flight Simulator
- Continue our Pilot ab-initio Cadet Programme, aiming to increase the total intake to around 40
- Continue to establish a Ground Services subsidiary, Air Astana Terminal Services, to ensure a high-quality customer service and manage key costs
- Implement solutions for fuel consumption and reduced carbon emissions.
- Implement a crew rostering pairing optimiser

Excellence

Enhancing the customer experience

We continue to review the customer experience regularly. Besides making inflight and ground experience improvements based on customer feedback, we launched an upgraded website, providing a more intuitive experience for customers. We will launch a new app in the first half of 2025. We revamped the Nomad Club frequent flyer programme and integrated it with the new website. We also opened our Shanyraq business lounge at Almaty International Airport and revamped our lounge at Astana Airport.

2024 HIGHLIGHTS

Excellence recognised

In 2024, Air Astana was named by Skytrax the Best Airline in Central Asia & CIS for the thirteenth year running and received the Best Airline Staff Service in Central Asia & CIS award for the eighth time. Plus the Airline Passenger Experience Association (APEX) award for Best Overall Airline in Central Asia, and an APEX Five Star award in the Major Airlines category. FlyArystan won the Best Low-Cost Carrier in Central Asia & CIS award for the second time and completed a Skytrax Audit in November 2024, retaining its four-star LCC status. Air Astana Group is now a certified ACCA (Association of Chartered Certified Accountants) Approved Employer at Platinum level.

Exceeding passenger expectations

We also enhance the passenger experience through our use of modern aircraft and advanced booking systems. And for us, excellence depends on building sustainability into our business.

Committed to our ESG agenda

Our Low-Carbon Development Programme (LCDP) for 2023–2032 is consistent with Kazakhstan's aim to achieve carbon neutrality by 2060. We are updating the LCDP to reflect our new commitment to achieve net-zero emissions by 2050, and have set credible near-term targets for the next five years. We also participated in a comprehensive research study to assess the potential for SAF production in Kazakhstan. After year end, we became the first airline in Central Asia and the CIS to join IATA CO_2 Connect, and will provide operational data to enhance the accuracy of emissions calculations.

2025 priorities

- Continue to establish strategic partnerships and expand into the neighbouring megamarket. We signed an MoU with China's powerhouse airline – China Southern Airlines – for codeshares across China, Kazakhstan and, with agreement, other countries in East Asia, Central Asia and the Caucasus
- Launch the new app
- Lobby for Jet-A1 production in Kazakhstan and conversion of key airports
- Participate in IATA's Integrated Sustainability Programme – Sustainable Procurement Pilot – to enhance procurement practices and ensure they also support environmental conservation and social responsibility

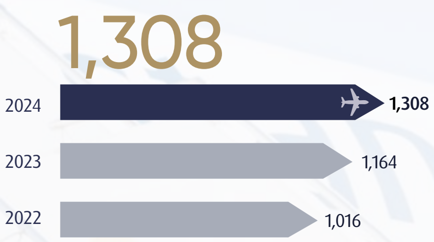
Key performance indicators

Measuring our performance

We believe that our KPIs are an invaluable tool for tracking our performance over a three-year period, both for us as a business and to give stakeholders an accurate picture of our development.

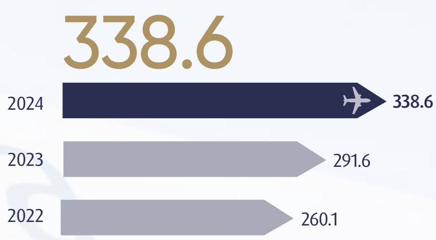
FINANCIAL KPI's*

TOTAL REVENUE (USDm)



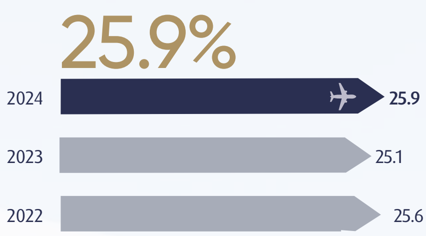
Strong revenue growth over the years resulted from proactive capacity management through its allocation to higher margin routes. Revenue and other income* in 2024 increased by 12.4% from 2023 and by 28.7% from 2022.

ADJUSTED EBITDAR (USDm)



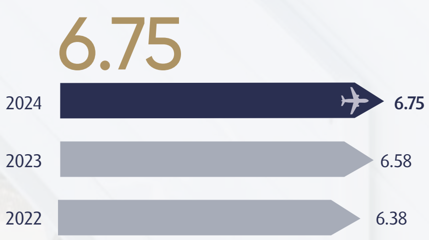
In 2024 Adjusted EBITDAR* increased from 2023 and 2022 by 16.1% and 30.2% respectively. This was a result of proactive work early in the year to manage industry-wide cost and revenue pressures as well as capacity constraints.

ADJUSTED EBITDAR MARGIN (%)



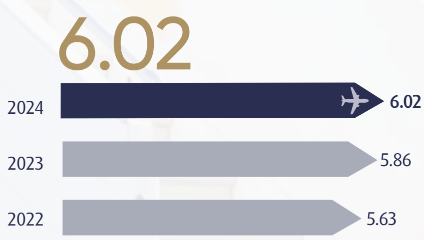
The Group's Adjusted EBITDAR margin is among the highest in the industry. The Group remains on track to meet its medium-term expectation of a mid-to-high 20s EBITDAR margin.

RASK (US cents)



Group RASK* improved progressively throughout the year, growing by 2.6% during 2024 (and 5.8% from 2022), due to proactive capacity management at both airline brands.

CASK (US cents)



The Group is constantly reviewing initiatives and new technologies to achieve operational cost efficiencies (referenced above in Operational Efficiency), support margin growth and keep unit costs at a very competitive industry level. The Group's highly effective cost-management programme ensured only a moderate increase in full-year CASK* of 2.7%, which was broadly offset by the growth in RASK by 2.6%. The RASK-CASK index differential improved progressively over the quarters from negative 1.9pp in Q1 2024 to positive 4pp in Q4, resulting in a broadly neutral RASK-CASK differential for the year, ahead of guidance.

* Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

Key performance indicators continued

Link to strategy

Growth Efficiency Excellence

NON-FINANCIAL KPI's

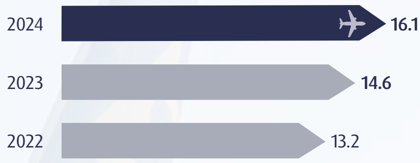
ASK (bn)

19.3

Stable capacity growth over the years. Capacity continues to be allocated to ensure achieving the highest margin and mitigate industry-wide cost inflation.

RPK (bn)

16.1



Growing demand in 2024 for air travel across Kazakhstan, China and Far East, Middle East, India.

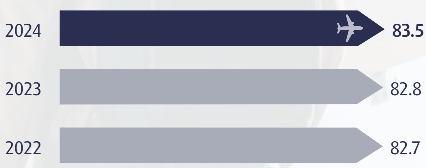
PASSENGERS (m)

9.0

The Group added nearly a million passengers in 2024 and about 750,000 in 2023 with an increasing load factor, thanks to growing demand for air travel across Kazakhstan, our extended home market and nearby megamarkets.

LOAD FACTOR (%)

83.5



Higher RPK growth than ASK growth over the years resulted in improved load factor by 0.7 of a percentage point in 2024.

FLEET SIZE

57

Fleet expansion aligns with long-term growth objectives, enabling increased route coverage, operational flexibility, and improved service reliability.

Sustainable resources and relationships

Understanding what matters to our stakeholders

With all our stakeholders – whether they are affected by our operations or influence our long-term objectives – understanding their needs and expectations is essential to sustaining our licence to operate and ensuring our continued success. By encouraging open communication, we have built strong and trusting relationships with all our stakeholders.

Our people

Overview

The expertise, dedication and skills of our workforce are vital to our success. Recognising their importance, we provide a safe and healthy work environment, offering competitive pay and ensuring equal opportunities for all. We support our employees' professional growth through extensive training programmes and tailored development plans, with strong business ethics and corporate values underpinning our approach to employee wellbeing.

Material needs

- Remuneration
- Equal opportunities for all genders, different ages and nationalities
- Growth and personal development
- Training and learning opportunities
- Safe and healthy environment
- Wellbeing and mental health
- Business ethics
- Corporate values

How we engaged in 2024

- Employee pulse surveys (to measure emotional concerns and identify worries)
- Management conference with YouTube broadcast for all employees
- Team-building activities
- Face-to-face communication with management
- Employee Recognition Programme
- Talents Programme
- Internal mobile app
- Corporate magazine
- Performance reviews
- Whistleblowing line for reporting violations of legislation and the Code of Conduct
- Feedback platform for mutual recognition among employees

Outcome of our engagement

- In 2024, our employee engagement level was 4.02 out of 5 with a record high number of respondents – 3,071
- The engagement ratio, which is the second most important indicator, was 4.17 engaged employees for each actively disengaged

Link to strategy

Growth Efficiency Excellence

Shareholders

Overview

Our relationship with our shareholders is built on a foundation of trust and long-term collaboration, strengthened by their support for the sustainable and steady growth of our business. We focus on increasing the Group's value while considering environmental, social and human factors. As a publicly listed company on three stock exchanges, we uphold the highest standards of disclosure and transparency, ensuring all shareholders have equal access to the Group's information.

Material needs

- Financial and sustainable performance and growth
- Transparency
- Corporate values and business ethics
- ESG performance

How we engaged in 2024

- Shareholders meeting(s)
- Attending industry conferences and forums
- Quarterly earnings reports and publications
- Publications on stock exchanges
- Presentations to existing investors
- Conference calls and webcasts
- Direct communication

Outcome of our engagement

- There were five General Meetings of Shareholders in 2024. For more information, please refer to pages 102-103
- Our numerous engagement with capital market participants, including existing investors and analysts allows to keep the market updated on recent Group's developments

Link to strategy

Growth Efficiency

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

Suppliers and business partners

Overview

Our network includes a diverse range of suppliers and business partners – from innovative start-ups and small enterprises to large multinational corporations. By maintaining an open and efficient procurement process, and establishing mutually beneficial agreements, we have built strong, lasting relationships with our suppliers and partners.

Material needs

- Long-term positive relationships
- Business ethics
- Compliance with regulations
- Procurement practices

How we engaged in 2024

- Code of Conduct (Code of Ethics)
- Direct correspondence
- Social media
- Website
- Whistleblowing line for reporting violations of legislation and the Code of Conduct
- Visit to Maintenance, Repair, Overhaul (MRO) conferences and industry exhibitions
- Feedback surveys
- ESG awards
- Inviting core suppliers to Company events (such as new aircraft presentations)

Outcome of our engagement

- Flexible supply-chain processes enabled us to re-route major supplies to comply with UK, EU and US sanctions and make sure our operations were not jeopardised
- Continued control of expenses and overheads within the whole supply chain to support profitability. Monitoring of all processes and those of freight forwarders to keep the supply chain as lean as possible
- We keep engaging with our strategic service suppliers to stay abreast of trends and changes in the industry
- Air Astana Group's ESG awards aimed at recognising the merits of partners in various nominations as well as raising awareness of the Group's ESG initiatives

Link to strategy

Growth Efficiency

Government, regulators and local authorities

Overview

Our partnerships with government bodies, regulatory agencies and local authorities are essential to fulfilling our operational mandate. We contribute to national and local tax revenues while supporting social and economic development by creating jobs and enhancing infrastructure.

Material needs

- Compliance with legislation and regulatory requirements
- Compliance with the anti-corruption legislation of the Republic of Kazakhstan
- Business ethics
- Safety during flights
- Health and safety of employees
- Sustainability

How we engaged in 2024

- Face-to-face communication
- Working groups
- Direct correspondence
- Phone calls
- Industry conferences and forums
- Audits
- Reports

Outcome of our engagement

- As part of the Interdepartmental Working Group under the Aviation Administration of Kazakhstan, we continued implementing the Strategic Concept for Development of Transport and Logistics Potential of the Republic of Kazakhstan until 2030
- We contributed to the development and modification legislation and standards based on the best international practice
- Protecting the Company's interests through active engagement on national and Eurasian-level aviation and airport infrastructure matters
- We achieved successful results in negotiations with South Korea, Vietnam, China and other countries, allowing us to significantly expand our international route network
- Simplifying legislative procedures related to the requirement for sanitary certificates for the entry of new aircraft into service

Link to strategy

Growth Efficiency

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

Passengers

Overview

Our customers are at the heart of our business. As we expand our network and operations through our 'Going Global' strategy, we continue to provide an outstanding travel experience that reflects Kazakhstan's unique identity while incorporating the best international service standards. Our focus is on safety, comfort and seamless service across every customer touchpoint – on the ground, in the air and through digital platforms.

Material needs

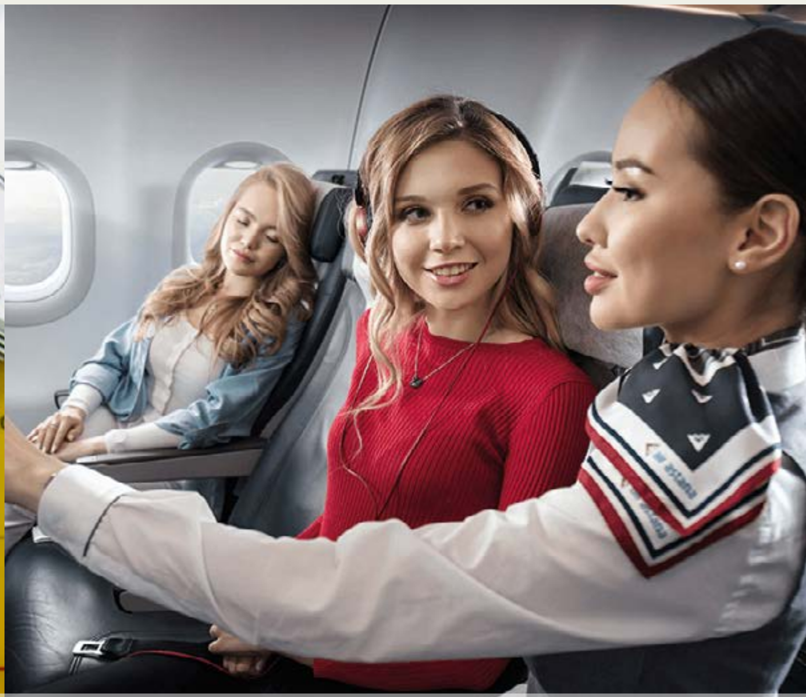
- Safety
- On-time performance
- High-quality services
- Sustainability
- Affordability
- Availability of ticketing offices at airports and in cities
- Accessibility
- Enhanced digital experience through an upgraded website and app
- Revamped Nomad Club frequent flyer programme with a spend-based accrual
- Ancillary services
- In November 2024, Air Astana opened its dedicated Shanyraq business lounge in the new terminal at Almaty International Airport
- Revamping of The Shanyraq business lounge at Astana Airport which resumed welcoming customers in July

How we engaged in 2024

- 24/7 call centre
- Digital channels like Web Chat, and an automated WhatsApp chat-bot with live-consultant options
- The Customer Help Centre
- Service recovery Unit for elite Nomad Club members
- Customer-experience evaluation surveys
- Enhancing codeshare and interline partnerships
- Extended inflight entertainment content
- 'Tengri' inflight magazine
- Social media
- Whistleblowing line for reporting violations of legislation and the Code of Conduct
- Quality and standards monitoring by Inflight Coaching team

FlyArystan keeps improving customer experience through digital transformation:

- Self-service kiosks iJan at all domestic airports
- Self-service bag drop launched in Almaty airport
- Telegram bot
- QR stickers to collect passengers' feedback onboard and at boarding
- Free podcasts, FlyArystan travel vlog and cartoons in inflight entertainment system, FlyAndFun
- Contact centre digitalisation, with a voice-bot independently processing 13-15% of all calls



Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

Outcome of our engagement

The Group remains committed to the highest levels of customer service. In 2024, we undertook a series of initiatives to improve services for our passengers while reinforcing our leadership in innovating for customers. The customer experience continues to be regularly reviewed, driven by the CXG (Customer Experience Group) chaired by the CEO. Besides the in-flight and ground experience improvements based on customer feedback, most notably, the upgraded website was launched in 2024, providing a more intuitive experience for customers. Followed by the launch of the new app in the first half of 2025.

Benchmark research: strengthening our global identity

As part of our 'Going Global' strategy and ambitious network-expansion plan, we conducted a comprehensive airline benchmark study to ensure we continue to thrive as Kazakhstan's flagship carrier while integrating world-class hospitality tailored to diverse customer profiles and route-specific needs.

Summer taskforce volunteer project: enhancing the customer journey

For the second consecutive year, we successfully ran the Summer Taskforce Volunteer Project, aimed at enhancing passenger experiences during the peak travel season. This year, the project held even greater significance, coinciding with the transition period at Almaty International Airport – our largest hub – following the launch of its new terminal. To ensure a smooth and seamless travel experience, 65 non-operational employees worked as volunteers, providing around-the-clock assistance to passengers.

Piloting the Best Airport Service Project: Raising Industry Standards

We contributed to the Best Airport Service Project, initiated by the Aviation Administration of Kazakhstan and piloted at Aktau International Airport in 2024. Our customer experience and service training team led a series of training workshops for over 70 professionals – including passenger handling staff, border and customs control officers, police, and aviation security teams – covering the essential skills to enhance service efficiency and passenger interactions.

We also ran a specialist training workshop for over 30 Border Control Officers at Almaty International Airport, teaching interpersonal communication, customer focus and service excellence.

These initiatives reflect our desire to raise service standards across our country's aviation industry. We want to help shape the future of air travel in Kazakhstan, enhancing passenger satisfaction and strengthening our partnerships with industry authorities, service providers and customers.

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

As we refine our customer-experience strategy, we continue to build on three key principles:

Meaningful experience

Creating a meaningful customer journey means going beyond transactions to establish emotional connections through personalisation, convenience, responsiveness and service excellence. In 2024, we focused on 'total experience' as a strategic direction. This involves integrating customer interactions with employee engagement and process transformation to enhance loyalty and satisfaction among all stakeholders. This approach will not only improve service quality but also increase the efficiency of internal processes, giving us competitive advantages. We paid particular attention to the importance of digital transformation, simplification and optimisation, which will be key factors in the successful development of future improvements. We will implement advanced technologies to enhance operational efficiency and improve the customer experience.

We aim to provide a world-class travel experience that blends comfort, innovation and cultural authenticity. As part of this, we embarked on a holistic product-development journey in late 2024, setting the stage for a transformative year ahead in 2025. We will be making comprehensive enhancements across key areas that directly affect customer satisfaction and service quality. Sustainability and ESG principles also remain at the heart of our strategy, as we integrate eco-conscious practices into every aspect of our operations, from reducing waste to sourcing sustainable products.

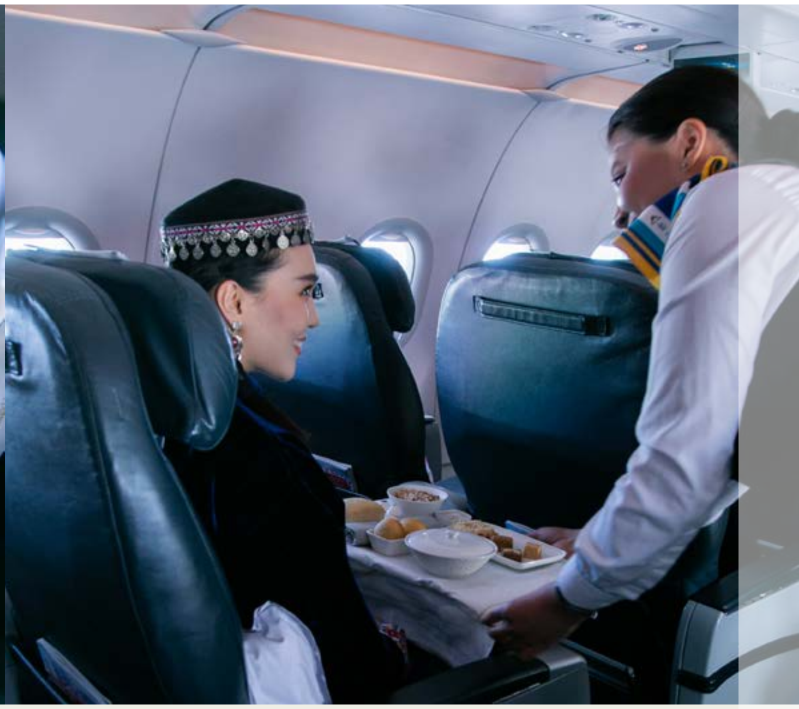
Measurable experience

Offering a measurable experience allows us to gain deeper insights into our current and future customers, their needs, and their perception of the Air Astana brand. Through regular service-quality assessments and customer-experience surveys, we gather invaluable feedback that informs continuous improvement.

In 2024, we expanded our onboard in-seat survey to include six additional languages (nine languages in total), making inflight feedback more accessible for more passengers.

Several advances in data collection and analysis, using automation and Artificial Intelligence, have given us a more comprehensive segmentation and understanding of customer preferences and expectations. More importantly, the insights are systematically communicated to all departments at all management levels, ensuring that both strengths and areas for improvement are identified.

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued



Measurable experience insights:

- Air Astana achieved a net promoter score (NPS) of 41 and a customer-satisfaction score (CSAT) of 75, based on more than 17,300 responses from our passengers. We are pleased to note that, in this score range, we have more promoters than passives and detractors, and these customers are loyal to us and willing to recommend our brand to others
- In its post-flight survey, FlyArystan covered more than 37,000 passengers in 2024. Based on the rates obtained, NPS was 32 and CSAT was 83. Again, in this score range, the airline has more promoters than passives and detractors, and these loyal customers are willing to recommend our brand
- Our Mystery Shopper project evaluated service consistency with existing standards, helping us to objectively assess how service quality aligns with the stated standards, and to uncover the actual customer experience we provide

Memorable experience

A memorable journey leaves a lasting impression – through outstanding service, surprising moments of delight, and a commitment to exceeding expectations. As we continue to grow, we will keep providing an exceptional customer experience, based on listening to our customers, developing new and improved services and products, and maintaining the highest industry standards.

In 2024, Air Astana and FlyArystan received several prestigious awards, recognising our exceptional service:

- Air Astana is rated a 4-Star Airline by Skytrax
- Air Astana was awarded Best Airline in Central Asia and CIS at the Skytrax World Airline Awards, for the thirteenth year running
- Air Astana was recognised as a Five Star Major Airline by APEX at a ceremony in California, marking the fifth time in seven years the airline has received this distinction
- Air Astana secured 38th position in the World's Top 100 Airlines list, underscoring its global reputation for quality and service
- Air Astana received Best Airline Staff Service in Central Asia and CIS for the eighth time, reflecting the dedication and professionalism of its team
- FlyArystan is rated a 4-Star Low-Cost Airline by Skytrax
- FlyArystan was awarded Best Low-Cost Airline in Central Asia and CIS at the Skytrax World Airline Awards, for the second consecutive year

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

Key projects and initiatives

Simplifying processes and improving communication with passengers

We have digitised the way we handle passenger complaints, by offering passengers information sheets with a QR code, so they can complete an online claim for missing or damaged baggage, or personal belongings left onboard, among other issues.

Our Lost & Found staff are available to help passengers in the airports of Almaty, Astana, Atyrau, Aktau, Uralsk and Shymkent. Also, in Almaty, Astana and Shymkent, we offer home delivery of baggage.

We have set target customer-satisfaction ratings (CSAT) at 80 for both airlines. These improvements will influence our CSAT score for the post-flight experience, where 85% of passengers report satisfaction for baggage handling.

FlyArystan AOC

As at 1 April 2024, FlyArystan has operated under its own AOC. This enables the brand, which previously operated under the Air Astana AOC, to align operations more effectively with its LCC model and pursue additional growth opportunities with its own IATA code (FS). FlyArystan remains a wholly owned subsidiary of the Air Astana JSC.

FlyArystan's Low-cost Travel Vlog

In 2024, FlyArystan introduced the Low-cost Travel Vlog on YouTube, showing people how to travel more easily the low-cost way. The vlog is proving a popular way of communicating, promoting destinations in a friendly, inspiring style while educating viewers about the low-cost model.

New international terminal in Almaty

The new International Terminal at Almaty airport was inaugurated on 31 May 2024. This has tripled the terminal area, increasing annual capacity at the airport from 8 to 14 million passengers per year. The new terminal resolves the capacity bottleneck at the Group's main base and provides additional capacity for further growth in the future.

Sustainable resources and relationships **Understanding what matters to our stakeholders** continued

Sustainable resources and relationships

Sustainable growth

We recognise the significant impact our operations have on the environment, and aim to minimise this to support a sustainable future for the aviation industry.

As global challenges evolve, sustainability remains a fundamental part of our corporate strategy. We acknowledge the importance of balancing business growth with environmental responsibility by reducing our carbon footprint, as well as contributing positively to the communities we serve. Throughout 2024, we maintained a strong focus on environmental stewardship, prioritising fuel efficiency, technological advancements and sustainable practices. These efforts have not only improved our operational performance, but have also strengthened our commitment to sustainable aviation. Our commitment to reducing environmental impact is evident in our exploration of alternative energy sources and the implementation of fuel-efficient flight strategies.

Beyond operational initiatives, we work with employees, partners and stakeholders to cultivate a culture of sustainability and environmental responsibility. Through awareness programmes and educational efforts, we strive to inspire positive changes within and beyond our airline. In collaboration with business partners and regulatory authorities, we completed research into the feasibility of producing and using SAF in Kazakhstan. The study confirmed that SAF can be produced locally, but that successful integration requires collaboration among airlines, fuel producers, airports, government bodies and regulators. A unified approach will be key to advancing adoption of SAF, supporting sustainable aviation in Kazakhstan and beyond.

In December 2024, Air Astana Group held the ESG awards ceremony, which recognised through a variety of nominations the partners who help us implement ESG principles, as well as raising awareness of our ESG initiatives.

Air Astana became the first airline in Central Asia and the CIS to join IATA CO_2 Connect, and will provide operational data to enhance the accuracy of CO_2 emissions calculations, contributing to the industry's commitment to achieving net-zero carbon emissions by 2050.

In 2025, Air Astana will be participating in IATA's Integrated Sustainability Programme (ISP) – Sustainable Procurement Pilot. By joining this programme, we aim to enhance our procurement practices, ensuring they support not only economic efficiency but also environmental conservation and social responsibility. This step is part of our broader strategy to achieve net-zero emissions by 2050.

Our achievements over the past year reflect our ongoing commitment to sustainability. We remain focused on innovation, seeking forward-thinking solutions and collaborations that will help us progress further. For us, building a sustainable future is more than a goal – it is a responsibility we embrace with determination.

Sustainable resources and relationships **Sustainable growth** continued

Our approach to sustainability

The Air Astana Group aims to become the leading environmentally sustainable and socially responsible airline in the CIS and Central Asia. To mitigate the impact of our operations on the environment and the communities we serve, we adopt a comprehensive sustainability strategy. This includes reducing emissions, managing waste efficiently, conserving vital resources such as energy and supporting local communities.

ESG Strategy

We continue to implement our comprehensive ESG Strategy, covering 2023-2032, which is aligned with international best practices and standards. It builds upon our existing and planned sustainability initiatives while aligning with the United Nations' Sustainable Development Goals (SDGs). We identified six key SDGs as priorities: Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10), Climate Action (SDG 13), and Partnerships for the Goals (SDG 17).

By focusing on these specific SDGs, our ESG Strategy is both targeted and impactful, addressing the unique challenges and opportunities within the aviation industry. While these six SDGs are our primary focus, we recognise the importance of all 17 SDGs in achieving a sustainable future. Our strategic approach ensures we concentrate our efforts where they align most closely with our operations and where we can be most meaningful.

The ESG Strategy's Action Plan includes short-, medium- and long-term initiatives that target:

- Addressing environmental and social concerns in a proactive and transparent manner
- Providing a systematic approach to managing ESG issues
- Providing measurable and understandable data to investors
- Complying with international requirements for sustainable development
- Monitoring the ESG agenda
- Long-term financial wellbeing

Our six priority UN SDGs

Low-Carbon Development Programme (LCDP)

Our LCDP for 2023–2032 establishes clear goals for reducing greenhouse gas (GHG) emissions, and is integrated into our broader ESG Strategy. It aligns with Kazakhstan's commitment to achieving carbon neutrality by 2060. A key component involves phasing out older Airbus aircraft and moving to new-generation A320 and A321neo models, which Airbus reports can reduce fuel consumption and CO_2 (NO_x) emissions by up to 20%, while also cutting aircraft noise by 50% compared with previous-generation A320ceo aircraft.

We have already made significant progress in reducing our CO_2 emissions per revenue passenger kilometre (RPK), decreasing from 0.122 in 2016 to 0.078 in 2024, a 36% reduction. This compares favourably with international network carriers and low-cost airlines.

In 2024, the Air Astana Group revised its net-zero commitment, moving its target from 2060 to 2050 in alignment with the global aviation industry's goals, rather than Kazakhstan's national target. Following this decision, we recognised the need to update the LCDP accordingly, and began this work in 2024. It now incorporates a structured decarbonisation roadmap with near-term targets for the next five years.

These targets will be independently verified, ensuring alignment with the Paris Agreement's climate mitigation objectives. Additionally, in accordance with the Association of Asia Pacific Airlines' (AAPA) resolution, we have committed to achieving at least 5% SAF blending by 2030, subject to market availability.

Sustainable resources and relationships **Sustainable growth** continued

BOARD OF DIRECTORS OF AIR ASTANA

The Board is taking ultimate responsibility and providing oversight of management actions. The Board receives quarterly updates on ESG matters.

ESG COMMITTEE

Is responsible for overseeing all ESG-related matters, providing recommendations to the Board on the development and approval of ESG Strategy, as well as assessing and evaluating its implementation.

AUDIT COMMITTEE

Reviews ESG-related financial information and disclosures, ensures ESG risks are effectively integrated into the risk management system, and oversees the whistleblower mechanism for reporting any violations or concerns related to ESG practices.

NOMINATION AND REMUNERATION COMMITTEE

Ensures the remuneration policy and practices are structured to align with the ESG Strategy and lead to long-term sustainable success.

SENIOR MANAGEMENT TEAM

Implements the sustainability principles, ensures stakeholder engagement plans are in place, and oversees the advancement of sustainability initiatives.

SUSTAINABILITY DEPARTMENT

Oversees the development and execution of sustainability objectives, while implementing the initiatives is assigned to department heads.

DIVISIONAL HEADS OF BUSINESS AREAS

Develop and implement initiatives.

Sustainability governance

The Board of Directors holds ultimate responsibility for the Group's sustainable development and entrusts the ESG Committee with overseeing ESG-related risks and issues. When ESG matters overlap with other areas, the ESG Committee collaborates with relevant Board Committees, such as the Audit Committee on ESG risks and the Nomination and Remuneration Committee.

Day-to-day ESG accountability falls to the CEO, while the Sustainability Department oversees the development and execution of sustainability objectives. Implementing specific initiatives is further delegated to department heads.

The Group's strategic development and decision-making processes are guided by key sustainability principles, including transparency, accountability, ethical conduct, stakeholder engagement, fairness, respect for human rights and a zero-tolerance policy towards corruption. These principles are integrated into our risk management, strategic planning, human-resource management, investment decisions, reporting and overall operations, ensuring a responsible and sustainable approach to business.

Sustainable resources and relationships **Sustainable growth** continued

Sustainability risks

The ESG Committee is responsible for all aspects of ESG risk management, implemented through the Risk Management Policy. This policy is based on international best practices and aligns with the COSO Enterprise Risk Management framework – Integrating with Strategy and Performance. It is implemented across the business through our Corporate Risk Management System (CRMS). The CRMS key to governance, performance management and internal controls, as well as to minimising risks to sustainability, resilience and agility. This is vital in helping us adapt to fluctuating business situations by mitigating negative outcomes. During 2024, we paid particular attention to ESG and climate-related risks during our standard risk identification and assessment process. You can find full details of our climate-related risks and opportunities in the TCFD section on pages 188-195.

Materiality

Having carried out our initial materiality assessment in 2020, in 2023, we updated our list of material topics, not requiring any changes to remain aligned with our ESG Strategy.

Following the Group's IPO in 2024, we carried out an additional materiality assessment to ensure alignment with evolving stakeholder expectations and market requirements. This update reaffirmed the relevance of our existing material topics while strengthening our focus on transparency and long-term value creation.

The assessment involves a comprehensive analysis of external and internal resources, including an online survey, reviewing peer company reports, analysing publications, and considering global megatrends. We identified 20 topics as most important to both the Group and its stakeholders, as shown in the table, alongside how these topics align with our ESG Strategy priorities and current status.

Ethics and compliance

The sustainable development of our business is based on the principles of openness, accountability, transparency, ethical behaviour, justice, respect for human rights and zero tolerance for corruption. We operate our business with integrity, promoting a culture of ethical behaviour and compliance through our HEART (Hospitable, Efficient, Active, Reliable, Trustworthy) and CHARM (Creative, Happy, Agile, Reliable, Modern) values in Air Astana and FlyArystan, respectively. This approach has helped us foster longstanding and trusted relationships with our clients and business partners.

Recognising the new status of Air Astana JSC as a listed company (KASE, LSE and AIX) and the importance of proactive risk management, the Board of Directors approved a strategic reorganisation of the Compliance and Sustainability Department in June 2024. This resulted in the establishment of an independent Compliance Service within Air Astana Group. This move signifies the Board of Directors' continued dedication to fostering a strong compliance culture and mitigating potential risks associated with ethical conduct and regulatory adherence.

Our ethics and compliance framework includes these key policies:

- Code of Conduct
- Speak-Up Policy
- Anti-Corruption Policy
- Policy for Prevention and Resolution of Conflicts of Interest
- Corporate Fraud Prevention Policy

The Compliance Service provides the Board of Directors and Audit Committee with quarterly reports on all activities related to these policies.

The Group online Code of Conduct training is an integral part of mandatory induction course for all new employees. 488 employees successfully completed Code of Conduct training online in 2024, which included sections on anti-corruption practices.

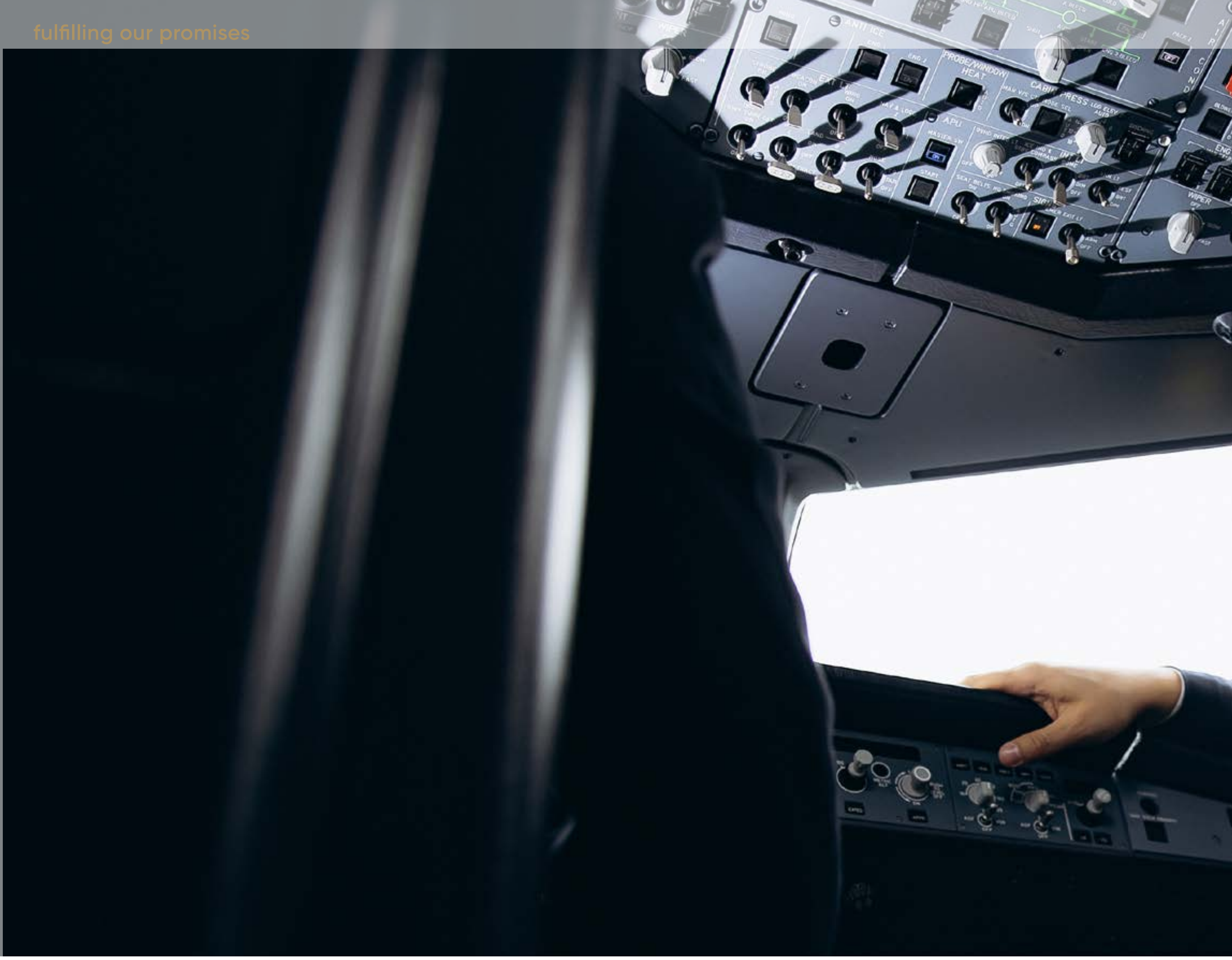
Of these participants, 475 were based in Kazakhstan, while 13 were stationed at international locations. Anti-corruption training sessions (both in person and online) were conducted by the Compliance Service for 80 FlyArystan employees.

In October 2024, the Compliance Service conducted specialised training for the Recruitment team of the Human Resources and Administration Department, on preventing conflicts of interest at the recruitment stage. 17 recruiters participated, gaining both theoretical knowledge and practical insights into identifying and mitigating potential conflicts of interest. To reinforce the key principles covered, the Compliance Service formalised them into the guidelines, providing the team with a practical tool for daily use.

Sanctions compliance

In light of UK, EU and US sanctions related to Russia, the Group implemented a multi-faceted approach to compliance. This involved continuous monitoring of sanctions updates and manual screening of counterparties and their banks for potential exposures. In 2024, we issued a revised edition of the Sanctions Policy, to ensure ongoing compliance with the latest international sanctions regulations. This provided specific instructions for Group departments, and detailed guidance for employees, on identifying sanctioned entities and goods. The Compliance Service role extended beyond sanctions compliance to include examining, evaluating and mitigating a wider range of compliance risks by conducting thorough due diligence on third-party relationships. We complement this broader compliance effort with the revised Know Your Customer (KYC) form, which now includes more comprehensive due diligence on shareholder structure, company officials, conflict of interest assessments, sanctions compliance, anti-corruption measures, and adherence to the UK Modern Slavery Act 2015.

A total of 5,029 Air Astana Group employees have been made familiar with the restated Sanctions Policy. This equips them with necessary skills to more effectively identify red flags and potential violations, enabling proactive mitigation of sanctions-related risks.



Reinforcing a compliance culture

Whistleblowing channels

Recognising the importance of proactive prevention and early detection, we maintain a comprehensive whistleblowing facility (Hotline) open to employees, customers, business partners and other stakeholders. This serves as a crucial mechanism for reporting potential instances of fraud, corruption, discrimination, unethical behaviour and other breaches related to our operations. To guarantee confidentiality and anonymity, the independent external operator processes all reports received from multiple reporting channels. The Hotline accommodates reports in Kazakh, English and Russian languages. Actionable reports are then directed to the Compliance Service for further investigation, facilitating the timely identification and remediation of any regulatory or Code of Conduct infringements.

The Group whistleblowing channels functioned effectively in 2024, supporting the reporting of concerns, all of which were duly processed by Compliance Service, with major cases communicated to the Board of Directors. None of these concerns were deemed critical, demonstrating the maturity of our governance framework and proactive issue resolution. This reflects our commitment to maintaining a culture of transparency and ethical conduct.

As part of its ongoing commitment to ethical conduct and transparency, the Compliance Service launched a comprehensive campaign in Q3 2024 to increase employees' awareness of available whistleblowing channels. The initiative involved deploying monthly screensavers for one week on all computers, prominently displaying the Hotline contact information, and emphasised the 24/7 availability of anonymous reporting, as well as posters around Company premises.

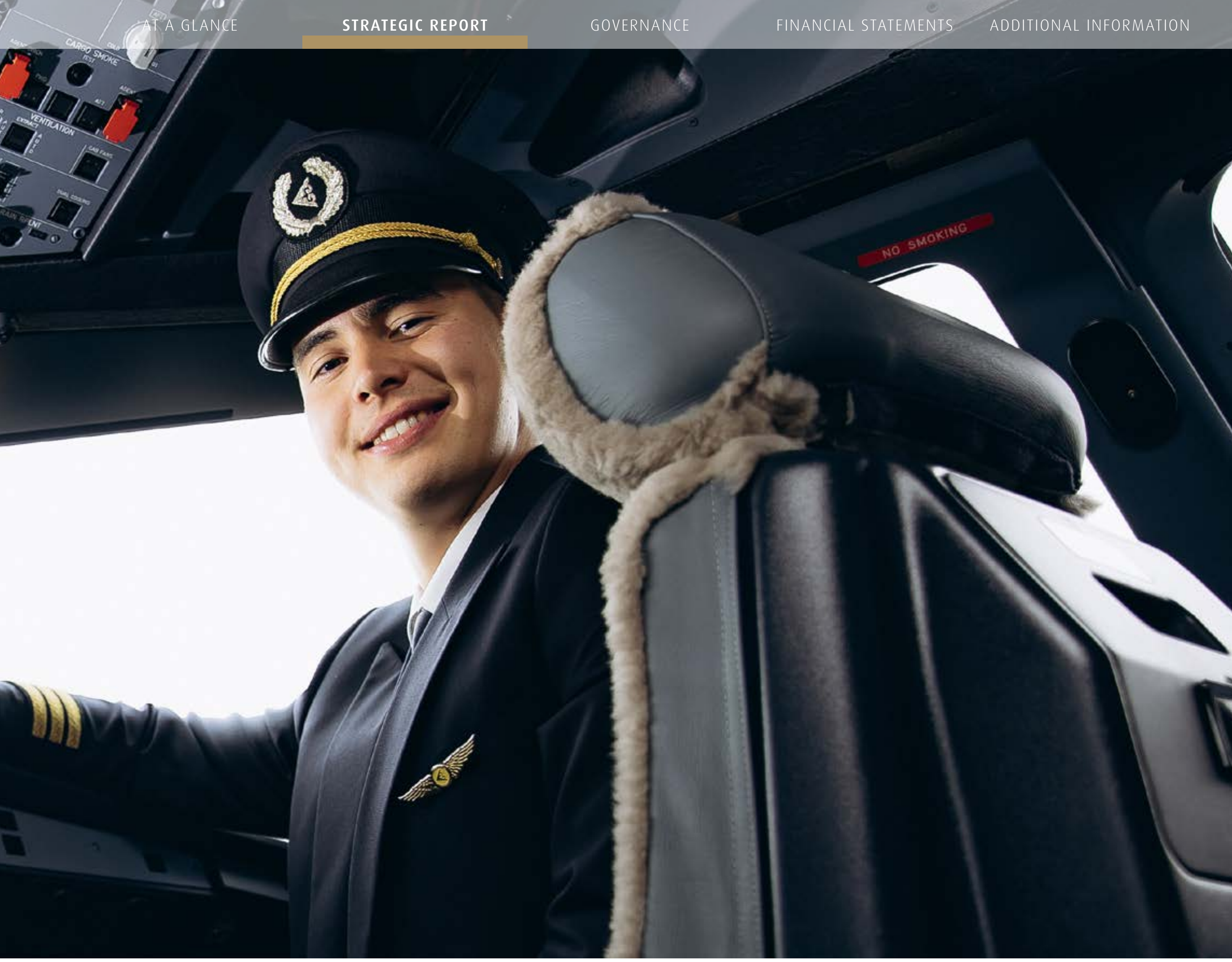
Whistleblowing Handbook

In Q4 2024, we introduced the Whistleblowing Handbook to support the Speak-Up Policy and further promote ethical conduct. This document establishes clear and consistent processes for handling all whistleblowing reports, ensuring transparent investigation and appropriate action. It equips the Compliance Service with practical procedures for receiving, analysing, categorising and reporting on whistleblowing activity and its overall system performance.

The Handbook also outlines measures to ensure the thorough review and analysis of all reports, considering their significance, potential risks and available resources. Crucially, it provides safeguards to protect whistleblowers from retaliation, fostering a safe environment for raising concerns.

Annual assessment of corruption risks

In Q4 2024, the Compliance Service conducted an annual corruption risk assessment, as mandated by Kazakhstani anti-corruption legislation. This scrutinised operational activities in all departments with inherent corruption risks, with a specific focus on vulnerable business processes such as procurement, finance, recruitment and corporate governance. This assessment, based on the methodology outlined in the Risk Management section of this report, covered 77 top and middle managers.



The results categorised the majority of corruption risks within Group operations as ‘very low’ to ‘low’. Furthermore, the assessment process included briefings on relevant anti-corruption legislation and policies, ensuring understanding and consistent implementation of the anti-corruption framework at all levels.

In our commitment to transparency and ethical conduct, in 2024, there were two reported and confirmed incidents of petty corruption related to misappropriating fees from extra services charged at the airport and upgrade of passengers to business class for financial reward. In line with our zero-tolerance policy towards corruption and our dedication to uphold the highest standards of integrity, the employees involved were either dismissed or subject to disciplinary action.

It is noteworthy that during the reporting period there were no instances where contracts with business partners were terminated or not renewed due to violations related to corruption.

Annual Declaration of Conflict of Interest

As part of our commitment to effective risk management and ethical governance, we require all employees to declare potential conflicts of interest at the recruitment stage, when changing roles, or when personal circumstances change. This process is automated for ease of use and efficiency.

In October 2024, the Compliance Service launched the Annual Declaration of Conflict of Interest (CoI) for Air Astana employees and members of the Board of Directors, as mandated by the revised in Q3 2024 Policy for Prevention and Resolution of Conflicts of Interest. By year end, 5,396 of employees had completed their declarations, indicating a strong culture of compliance and proactive risk identification. The Compliance Service will finalise its analysis of the CoI declarations in Q1 2025 and present its findings to the Board of Directors.

Customer privacy

The Group is committed to safeguarding customer privacy, recognising the critical role of data protection in the aviation industry. We collect personal data for specific, legitimate purposes, including ticket booking, baggage handling, the provision of benefits for Nomad Club members, and regulatory compliance. Customers are informed about data-processing activities, and we apply consent mechanisms in accordance with the Law of the Republic of Kazakhstan On Personal Data and Its Protection and relevant international privacy legislation. We collect only the necessary data, ensuring personal information is relevant and not excessive. To protect passenger data from unauthorised access and breaches, we employ security measures, including encryption, access controls and regular information security audits. Our focus on data security and compliance led to continued enhancements of our privacy framework in 2024, and we observed no evidence of customer privacy being compromised.

Sustainable resources and relationships **Sustainable growth** continued

Priorities and main initiatives of the ESG Strategy

Priority area and material issues	Related SDGs	Commitments[1]	Status update
Environmental impact management	13, 17	**Medium-term initiatives**	
▸ Energy (Read on page 56)		▸ Develop an Environmental Policy	▸ Implemented
▸ Emissions (Read on page 56)		▸ Develop a cabin-waste management programme	▸ In progress
▸ Waste management (Read on page 57)			
▸ Environmental compliance (Read on page 58)			
Reduction of greenhouse gas emissions	13, 17	**Short-term initiatives**	
▸ Emissions		▸ Reduce CO_2 emissions in accordance with the LCDP	▸ In progress
		▸ Conduct research independently or in co-operation with local or international organisations on the possibility of producing and using SAF in Kazakhstan	▸ Implemented
		Medium-term initiatives	
		▸ Feasibility analysis on launching a programme under a carbon offsetting mechanism	▸ In progress
		Long-term initiatives	
		▸ Calculate Scope 3 indirect GHG emissions	▸ In progress
		▸ Achieve the GHG emission-reduction target by 2032, in line with the LCDP	▸ In progress
Corporate social responsibility	10	**Long-term initiatives**	
		▸ Increase the annual volume of financial resources allocated for charity	▸ In progress
		▸ Ensure an increase in the number of cities covered under the programme for the socio-economic development of regions and the local community	▸ In progress
Human rights	5, 8, 10	**Short-term initiatives**	
▸ Employment (Read on pages 63-66)		▸ Develop a Human Rights Policy in line with the International Bill of Human Rights	▸ Implemented
		▸ Make a statement about Modern Slavery	▸ Implemented
		▸ Develop a policy to counter gender inequality and harassment within the Group, as well as an employee-grievance mechanism to address labour issues and gender-based violence	▸ Implemented
		▸ Develop a Sexual Harassment Policy	▸ Implemented
		▸ Develop a policy to support freedom of association and workforce diversification	▸ Implemented
		Medium-term initiatives	
		▸ Develop a Diversity, Equity and Inclusion (DEI) Policy	▸ In progress
Health and Safety practices	8	**Medium-term initiatives**	
▸ Occupational health and safety (Read on pages 59-60)		▸ Develop a policy for the safe operation of ground transport	▸ Implemented
▸ Aviation safety management systems (Read on pages 61-62)		**Long-term initiatives**	
		▸ Ensure a reduction in the total accident rate (TAR) per 1,000 employees annually – 3.8 by 2025, 3.7 by 2026, 3.6 by 2027	▸ In progress
		▸ Increase the number of behavioural observations (BO) – 250 by 2025, 300 by 2026, 250 by 2027	▸ In progress

[1] The timeframe used equates to: Short - 1 year (2024), Medium - from 2025 to 2027, Long - from 2028 to 2032

Sustainable resources and relationships **Sustainable growth** continued

Priority area and material issues	Related SDGs	Commitments[1]	Status update
Human-resource management ▸ Employment ▸ Training and development (Read on page 67-70)	4, 5, 8, 10	**Medium-term initiatives** ▸ Conduct ESG training for employees ▸ Conduct ESG training for the Company's Board of Directors and top management ▸ Ensure the availability of a certified GRI specialist ▸ Ensure the availability of a certified professional responsible for disclosing information on climate risk management **Long-term initiatives** ▸ Support the annual increase in the number of employees with disabilities recruited ▸ Reduce staff turnover to 10% from 12%	 ▸ Implemented ▸ Implemented ▸ In progress ▸ In progress ▸ In progress ▸ In progress
Product safety and quality ▸ Innovation and digitalisation (Read on pages 82-92) ▸ Service quality (Read on pages 82-92) ▸ On-time flight performance (Read on page 82-92) ▸ Fleet technological improvements (Read on pages82-92)	8	**Long-term initiatives** ▸ 83%-85% On-time performance (OTP)	 ▸ In progress
International ESG maturity assessment	17	**Medium-term initiatives** ▸ Receive an ESG rating ▸ Disclose information according to the Climate Disclosure Project (CDP) climate questionnaire	 ▸ In progress ▸ In progress
Maturity of ESG reporting practices	17	**Short-term initiatives** ▸ Develop the sustainability part of the Integrated Report in accordance with the updated GRI standard (2021) ▸ Update the materiality assessment ▸ Integrate priority SDGs into reporting practices ▸ Verify the sustainability section of the Integrated Report by an independent party (annually) **Medium-term initiatives** ▸ Devise standard preparation procedure for the developing the sustainability section of the Integrated Report as well as the ESG data-collection system ▸ Ensure compliance of information disclosure with the recommendations of stock exchanges (KASE/AIX/LSE) ▸ Ensure corporate governance disclosures comply with MSCI and Sustainalytics recommendations **Long-term initiatives** ▸ Disclose information in accordance with the SASB industry standard for aviation	 ▸ Implemented ▸ Implemented ▸ Implemented ▸ Implemented ▸ In progress ▸ Implemented ▸ In progress ▸ In progress
Climate change risks ▸ Emissions ▸ Environmental compliance	17	**Short-term initiatives** ▸ Conduct an initial disclosure of information on climate-risk management in accordance with the TCFD **Medium-term initiatives** ▸ Information disclosure on climate-risk management improved in accordance with the TCFD recommendations ▸ Integrate climate risks into the corporate risk register, business strategy and financial plan of the Group	 ▸ Implemented ▸ Implemented ▸ Implemented
Supply chain ▸ Procurement practices (Read on page 71)	10, 13, 17	**Long-term initiatives** ▸ Develop and approve the Supplier Code in relation to ESG	 ▸ In progress

[1] The timeframe used equates to: Short - 1 year (2024), Medium - from 2025 to 2027, Long - from 2028 to 2032

Sustainable resources and relationships **Sustainable growth** continued

Priority area and material issues	Related SDGs	Commitments[1]	Status update
Ensuring data privacy	8	**Medium-term initiatives**	
▸ Customer privacy (Read on page 51)		▸ Obtain certification in for the management and protection of personal data – ISO 27701	▸ In progress
		Long-term initiatives	
		▸ Initiate and ensure the implementation of initiatives aimed at improving the privacy of personal data	▸ In progress
Corporate governance	8	**Short-term initiatives**	
▸ Corporate governance (Read on page 98)		▸ Develop a policy or statement about political neutrality	▸ Implemented
▸ Ethics and compliance (Read on pages 49-51)		**Medium-term initiatives**	
		▸ Align the composition of Board of Directors with the best international ESG practice (for example: MSCI)	▸ In progress
Strategic management	8	**Short-term initiatives•**	
▸ Strategy (Read on page 34)		▸ Initiate revisions of the ESG Strategy implementation plan regularly, to take account of changes in the external and internal environment	▸ Implemented
▸ Economic performance (Read on page 182)		**Medium-term initiatives**	
▸ Passenger turnover (Read on page 14)		▸ Integrate the essential SDGs into strategic planning	▸ In progress
		Long-term initiatives	
		▸ Approve the ESG Strategy for the period 2033–2060	▸ In progress
Stakeholder engagement	17	**Short-term initiatives**	
▸ Stakeholder engagement (Read on pages 38-44)		▸ Develop an ESG section on the website	▸ In progress
		▸ Consider joining local associations/international ESG communities	▸ In progress
		▸ Consider the possibilities of developing co-operation with partners	▸ In progress
		▸ Develop a stakeholder engagement plan	▸ In progress
		Medium-term initiatives	
		▸ Develop an initiative for interaction between top management and employees	▸ In progress
		Long-term initiatives:	
		▸ Ensure an increase in the number of joint sustainable development projects with partners and stakeholders	▸ In progress

[1] The timeframe used equates to: Short - 1 year (2024), Medium - from 2025 to 2027, Long - from 2028 to 2032

Sustainable resources and relationships

Environment

2024 highlights

- Conducted analysis of physical climate risks and transitional climate risks
- Compliance with the requirements of the Ecological Code of the Republic of Kazakhstan
- Internal auditors for occupational health and safety completed training on the ISO 14001 Environment management systems standard
- Air Astana has been enhancing sustainability across inflight products by reducing plastic waste, using eco-friendly packaging, and changing to recyclable and biodegradable materials
- FlyArystan launched onboard sales of shopping bags made from repurposed expired life vests as part of a charity programme

Material issues

- Energy
- Emissions
- Effluents and waste
- Environmental compliance

Guidelines we follow

Republic of Kazakhstan legislation:

Ecological Code 2021; Directive 2003/87/EC, Law No. 588 'On electric power' (9 July 2004); Order of the Minister of Energy No. 230 'On approval of the rules for the installation of electrical installations' (20 March 2015); Order of the Minister for Investments and Development No. 406 'On establishing requirements for the energy efficiency of buildings, structures and their elements' (31 March 2015).

Other

Health, Safety and Environmental Protection Policy; TCFD; ICAO Annex 16, Volume IV CORSIA.

Approach

We aim to reduce our environmental impact and develop initiatives to avoid or reduce man-made climate change. We have invested significantly in developing our environmental protection management system following best practice local and international standards. Through this, we are better able to make efficient use of resources, to control and monitor the impact of our activities.

Our Low-Carbon Development Programme (LCDP) for 2023–2032, which is part of our ESG Strategy, outlines clear objectives for reducing greenhouse gas (GHG) emissions. While originally supporting Kazakhstan's national goal of carbon neutrality by 2060, we revised our commitment in 2024, accelerating our net-zero target to 2050 in line with the ICAO Assembly goal. This shift prompted a comprehensive update of the LCDP, which began in 2024 to reflect our enhanced ambition.

We encourage the efficient use of resources in our offices and in flight. Our fuel-efficiency procedures optimise jet fuel use and minimise GHG emissions. We regularly communicate about our operations and emissions to underline the importance of environmental responsibility to the business. We also involve employees in environmental initiatives to raise their levels of awareness. We incorporate various aspects of our ESG agenda into employee ESG training.

Emissions

Air travel contributes to the accelerating climate change by releasing GHGs. We aim to reduce carbon emissions classified as either direct (Scope 1) or indirect (Scopes 2 and 3) under the Greenhouse Gas Protocol. Scope 1 are GHG emissions from sources we own or operate. Indirect emissions are emissions that result from our activities but are emitted from sources owned or controlled by another company.

Sustainable resources and relationships **Environment** continued

In addition to continuously monitoring our GHG emissions, our efforts to reduce them include safely increasing fuel efficiency, making technological improvements, and using fuel-efficient aircraft that emit less CO_2 . We also use operational methods such as route planning, reducing aircraft weight and training pilots in fuel-efficient flying.

Scope 1 direct emissions constitute the majority of the Group's total GHG emissions, mainly from the combustion of jet fuel. We have developed CO_2 Emissions Monitoring and Reporting Instructions that prescribe how we account for this.

We comply with the following CO_2 monitoring schemes, with emissions verified by an independent environmental accredited verification, certification and auditing body:

- EU ETS – European Union Emission Trading Scheme (includes all flights within the European Union)
- CORSIA – Carbon Offsetting and Reduction Scheme for International Aviation (includes international flights)

Emission factors and global warming potential (GWP) rates are applied from methodologies of the EU ETS and CORSIA frameworks. The Group applies the operational control approach to consolidate GHG emissions.

Currently, Air Astana Group accounts for Scope 1 and Scope 2 GHG emissions, and will report Scope 3 emissions from 2025. Our LCDP for 2023–2032 sets targets for minimising CO_2 emissions from our operations, and we have updated it this year, with a goal of attaining net zero by 2050.

As fuel combustion is such a major contributor to our direct emissions, we worked with the European Bank for Reconstruction and Development (EBRD) and KazMunaiGas to research the potential for producing and using SAF in Kazakhstan.

We are also closely monitoring industry standards, trends and stakeholder demands since the future use of SAF may be mandated for arrivals and departures by certain countries. Aligning with recent Association of Asia Pacific Airlines resolution, we will aim for 5% SAF blending by 2030 and incorporate this into the updated LCDP.

GHG emissions

An increase in both domestic and international flights in 2024 inevitably also led to an overall increase in our CO_2 emissions – by 12%. The slight increase in RPK and ASK CO_2 emissions intensity is associated with the updated coefficient of CO_2 emissions calculation. However, we still contribute to aircraft modernisation, route optimisation and various pilot techniques to reduce fuel consumption and CO_2 emissions.

	2024	2023	2022
CO_2 emissions intensity (tonnes CO_2 per RPK)[1]	0.078	0.076	0.077
CO_2 emissions intensity (tonnes CO_2 per ASK)[1]	0.065	0.063	0.064
Scope 1 GHG emissions (tonnes of CO_2)	1,252,773	1,115,142	1,015,507
Company-specific metric (seat kilometres)	19,322,854	17,689,651	15,921,347
Company-specific metric (revenue kilometres)	16,128,485	14,646, 227	13,159,168

[1] The intensity ratio includes only Scope 1 emissions.

The total volume of direct emissions of greenhouse gases and other pollutants into the atmosphere from other sources owned by the Group

Pollutants	2024	2023	2022
Sulphate oxides, tonnes	4.39	3.96	3.17
Nitrogen oxides, tonnes	10.58	9.68	8.39
Hydrocarbons, tonnes	2.63	2.44	2.16
Carbon oxides, tonnes	13.03	11.63	9.22
Other substances, tonnes	0.11	1.61	11.06

Particulate matter (PM)

	2024	2023	2022
Particulate matter	1.03	1.51	0.21

Emissions of greenhouse gases and other pollutants are categorized and reported in line with the Ecological Code of the Republic of Kazakhstan, using nationally approved calculation and reporting methodologies.

The main source of the Group's indirect greenhouse gas emissions is the consumption of purchased electricity and heating, which does not make a significant contribution to the Group's overall emissions. The total volume of Scope 2 GHG emissions is 5,120 tonnes.

Energy

The total energy consumption of the Group in 2024 was 17,181 thousand GJ. This includes aviation fuel, diesel, heating, electricity and other. Calculations of energy consumption are based on methodologies aligned with the Intergovernmental Panel on Climate Change (IPCC) Guidelines. Conversion factors for each energy source are derived from IPCC and internationally recognized standards to ensure accuracy and consistency.

While we do not currently use renewable energy, we are looking at alternative energy resources, in particular, we will study in detail the possibility of converting the heating of the aviation technical centre in Astana to gas rather than diesel fuel.

Energy consumption

	2024	2023	2022
Electricity (GJ)	15,473	14,958	11,282
Heating (GJ)	6,803	28,615	16,130

Sustainable resources and relationships **Environment** continued

Waste management

The Group's waste-management programme is based on reduction, recycling and disposal, using third parties as necessary. By involving employees and customers in initiatives to reduce and recycle waste, we have helped raise awareness and increase such activity, both on our aircraft and in our offices.

As part of its waste reduction efforts during flights, Air Astana has integrated its in-flight entertainment program (IFE), KCTV, into its onboard magazine, Tengri. Previously, the KCTV program was published as a separate printed guide. However, in an effort to optimise costs and reduce the volume of printed materials, it has now become an integral part of the main magazine. Copies of this are available in seat pockets without any plastic packaging. Since 2020, we have used biodegradable materials for inflight products, including switching from plastic to wood for drink stirrers, replacing onboard cups with recyclable cups, using paper bands instead of plastic bags for blankets, and packing most of our amenity kits in bamboo and paper. We are also encouraging onboard teams and passengers to think about waste. We encourage passengers to use our MyPress service, which offers a wide range of newspapers and magazines in various languages and helps reduce the number of paper copies onboard.

We have launched several recycling initiatives, including safe disposal of PET bottles and used batteries, and using wastewater to wash wheels and brakes. By embracing digitalisation, we have also reduced the volume of paper we use. We have developed social projects linked to waste management to raise awareness among all stakeholders.

We also began Upcycling for the Future, a project to creates sculptures from decommissioned parts of Boeing 767 and Airbus A320 aircraft.

We continue to recycle waste generated from aircraft after C-checks, using metal and plastic parts in making Kazoku robots in Almaty, and we work with people who repurpose these materials, giving them a second life.

Inflight product sustainability updates:

- We use eco-friendly packaging wherever possible
- Cleaning-product bottles have changed to recyclable materials
- Amenity kits now feature small plastic security seals instead of individual packaging. For example, the economy class travel kit includes a pillow that passengers can take with them and use on their return flight
- Headphones are packed in biodegradable packaging
- Blankets are secured with paper bands instead of plastic bags

FlyArystan has also introduced an initiative to transform expired life jackets into shopping bags, with proceeds from sales donated to charity. Production began in 2023, and onboard sales started in 2024. The environmental page in the FlyArystan inflight menu for 2024 and 2025 aims to raise awareness among passengers and stakeholders about conscious consumption and sustainable living. Launched in May 2023, we continued FlyAndFun, FlyArystan's digital platform, in 2024, reducing paper consumption through electronic magazines, newspapers and books. E-receipts save approximately 7 km of thermal paper annually. The IFE system without built-in screens lowers aircraft weight, reducing fuel consumption and CO_2 emissions, as traditional seatback screens can add 700 to 1,700 kg, while the server weighs only 3 kg.

In 2024, FlyArystan continued the sale and use of ready-to-drink tea in cups, reducing disposable cup use 40% from 2023 while enhancing passenger comfort and safety.

FlyArystan continued its forest restoration project, Semey Ormany State Forest Nature Reserve in Abay region,, aimed at preserving ecosystems and increasing forested areas.

Waste disposal in Group's sites (Almaty, Astana, Aktau)

Type of waste / unit	Disposal method	2024	2023	2022
Hazardous waste				
Hazardous waste[1], tonnes	Total	17.87	11.8	8.2
	Third-party disposal	5.34	-	-
	Waste dumping	12.53	-	-
Non-hazardous waste, tonnes	Total	2,924.69	2,984.2	2,823.32
	Recycling Other batteries and accumulators	0.26	-	-
	Recycling Used tyres	1.60	-	-
	Recycling paper, PET	33.16	39.1	30.7
	Recycling Scrap metal	1.82	0.4	3.2
	Waste dumping Solid household	2,887.85	2,944.8	2,789.4
Total, tonnes[2]		**2,941.56**	**2,996.02**	**2,831.5**

[1] The amount of hazardous waste is due to the increased number of C-checks conducted in Astana, as well as the higher disposal rate per kilogram. All hazardous and non-hazardous waste disposal operations, are fully managed by third-party services provided offsite, in accordance with applicable environmental regulations.

[2] Waste data has been compiled in accordance with the Group's internal waste management procedures, ensuring consistency with applicable regulatory requirements and operational practices.

Sustainable resources and relationships **Environment** continued

Environmental compliance

Air Astana Group complies with environmental laws and regulations. The requirements of the Ecological Code came into force in 2021 and we have incorporated them into our environmental protection management system. No significant fines or penalties were issued for non-compliance with environmental laws and regulations during 2024, nor during the previous four years.

In December 2024, the Department of Ecology and Environment of Almaty city confirmed that FlyArystan is classified as a Category IV environmental hazard, indicating minimal negative impact on the environment.

Total expenses for environmental protection

Expenses (USD)	2024	2023	2022
Environmental protection	142,734	129,178	43,529
Negative impact on the environment	2,166	379,925	299,298
Hazardous waste disposal	11,981	1,951	918
Transfer of household waste	90,011	86,831	82,092

The increase in payment for hazardous waste occurred due to the increase in the number of C-checks, which, in turn, led to an increase in the volume of hazardous waste being sent for disposal. Also, the service provider for the collecting and disposing of hazardous waste increased their fee. Another reason for the increase in cost was the conclusion of a contract for the disposal of hazardous waste in Aktau, and waste removal was carried out from Aktau.

Sustainable resources and relationships

Health and safety

2024 highlights

- Re-certification audit for ISO 45001:2018
- Since AOC was granted to FlyArystan LCC in 2024, we have applied standardised operational and management systems within the Group
- Successfully passed the annual on-site EASA Part 145 audit in Almaty, Aktau and Atyrau bases
- Renewed our EASA Part 147 (Maintenance Training Organisation)

Material issues

Occupational health and safety, Safety Management System (SMS).

Guidelines we follow

Republic of Kazakhstan legislation:

Labour Code; Law 'On use of airspace', as well as relevant Ministers' Orders.

Other

Health, Safety and Environmental Protection Policy; Certificate of Registration for Occupational Health and Safety Management System; Safety Management Manual; Compliance Monitoring Manual; Manual on Prevention of Use of Unauthorised Substances; ISO 45001:2018; ICAO Annex 19 and Doc 9859; EASA Part TCO, Part 145/147; Part CAMO; IOSA ISARPS; Aviation Safety Compliance Policy.

Approach

Safety is a key objective for the Group, and we adhere to high standards and aim for continuous improvement in all our daily business activities. Our Occupational Health and Safety (OHS) system is based on best practice and international standards, and complies with all aspects of the Labour Code of the Republic of Kazakhstan and other legislative documents.

Occupational health and safety

Our OHS is re-certified to ISO 45001:2018. In July 2024, Air Astana passed the audit conducted by the Intertek International Kazakhstan certification body, certificate number: 0182178, in Almaty, Astana, Aktau, Atyrau, Pavlodar, Shymkent company representative. This included extending the certification area to cover FlyArystan. The audit team concluded that the top management process is generally working well. Compliance with ISO 45001:2018 is generally confirmed.

We carried out a range of other health and safety activities during the year: 115 employees undertook certified online training in health and safety; 629 employees were trained in industrial safety, included 92 managers. We organised annual professional health check-ups for employees working in harmful or hazardous conditions; and we updated health and safety instructions by occupation and type of activity.

We continue to work on improving the quality of special clothing. In 2024, we started providing updated summer suits to all operational employees, improving the fabric wear resistance and ergonomic design.

We conducted alcohol and drug checks aimed at preventing use of unauthorised substances in the workplace by operational departments, including flight and cabin crew members, engineering and maintenance, and ground operations staff – in all Kazakhstan regions and at international stations. In 2024, the total number of tests we conducted was 5,513: 1,045 drug tests and 4,468 alcohol tests.

Fire safety

All newly hired employees complete an introductory fire-safety briefing and, subsequently, receive an initial fire-safety briefing at their workplace. We repeat these briefings annually, supplemented by targeted ad hoc sessions as necessary.

We conducted a minimum fire-safety course and issued certificates valid for three years to 141 employees, and conducted 17 fire evacuation drills at our facilities. All our facilities are equipped with automatic fire alarms and have primary fire-extinguishing equipment such as powder and carbon dioxide portable fire extinguishers, fire shields and fire hydrants. In addition, automatic fire-extinguishing systems, including gas, foam, deluge, sprinkler and powder, are installed in various premises such as hangars, server rooms, archives and warehouses. We exercise control over contractors who perform maintenance of primary fire-extinguishing equipment and automatic fire-safety systems, and carry out maintenance in accordance with approved schedules. We passed external fire-safety audits in Astana in May, and in Almaty in October.

In 2022, we joined the global Vision Zero initiative, emphasising our commitment to employee safety, health, and well-being. In 2023–2024, we conducted a survey among managers on compliance with the concept and successfully apply its practices in our work, ensuring the highest occupational safety standards and safe working conditions.

Seven golden rules of Vision Zero

1 Take leadership – demonstrate commitment

2 Identify hazards – control risks

3 Define targets – develop programmes

4 Ensure a safe and healthy system – be well organised

5 Ensure safety and health in machines, equipment and workplaces

6 Improve qualifications – develop competence

7 Invest in people – motivate by participation

Sustainable resources and relationships **Health and safety** continued

OHS leadership is demonstrated through discussions on health and safety issues at monthly management meetings chaired by the CEO.

Risk control comes through regular updates of the hazard register and risk assessment, taking into account changes in procedures, work processes, and introduction of new or modernisation of old equipment. An important part of identifying risk is to analyse incidents and accidents at workplaces.

A Working Group on OHS continues its work in the Inflight Services Department. The group consists of flight attendants who have extensive work experience and a desire to maintain an organised OHS management system. The members observe the work of flight attendants during the flight, send their suggestions for improving internal processes, and share their experience with newcomers.

Our annual safety awards, including OHS Recognition, once again honored employees who made outstanding contributions to enhancing safety culture, knowledge, and skills. This award celebrates those who have demonstrated dedication and enthusiasm for health and safety throughout the year. In 2024, two nominees were recognised for their exceptional commitment at the annual awards ceremony.

We held safety forums for employee in Ground Services and Inflight Services, including speakers from other departments. This familiarises employees with the activities of related departments and broadens their horizons, which has a positive effect on increasing their competence and efficiency. In addition, we held meetings for drivers of the motor transport service to maintain awareness of safety in different weather conditions, to increase employee motivation through participation, and to familiarise them with the innovations introduced during 2024 in procedures and equipment.

Reported accidents

In 2024, Health, Safety and Environment (HSE) received 234 OHS reports summarising incidents, hazardous working conditions, dangerous actions and near misses. The most common types of work-related injuries reported were occupational bruises and physical traumas. These incidents primarily occurred during core operational activities, including ground handling, aircraft maintenance, and in-flight cabin services.

	2024	2023	2022
Number of incidents	47	41	112
Recordable work-related injuries	30	29	17
Number of employees	6,546	6,499	6,184
Total accident rate (TAR)	4.58	4.46	2.75
Lost time injury frequency rate (LTIFR)	3.28	3.24	2.78
Fatal injury rate (FIFR)	-	-	-
Number of hours worked	9,138,297	8,950,617	6,115,108
Accident severity ratio	39.39	40.17	25.40
High-consequence work-related injuries (excluding fatalities)	-	-	-
Occupational morbidity ratio	-	-	-

The Group's OHS Committee includes all employees at CEO-1,-2,-3 levels due to their high level of responsibility in decision-making. Employees at other levels contribute to the decisions made by the Committee by completing health and safety surveys. In addition, they take part in internal audit procedures for the occupational health and safety management system.

We have implemented an IQSMS to process occupational health and safety requests instantly, while more-significant requests are discussed at the OHS Committee meetings. The Committee holds monthly sessions with a primary focus on discussing working conditions. The Group's management pays considerable attention to improving the working conditions of employees.

Sustainable resources and relationships **Health and safety** continued

Mental health

Mental health support through the services provided by psychologists, launched in 2021, is highly appreciated by our employees. Sessions are conducted by practising analytical psychologists and psychotherapists. In 2024, more than 1,500 sessions were held, an increase of 66% over 2023. Providing access to psychological support helps employees deal effectively with stress, conflict and other emotional issues and is directly related to their productivity, motivation and overall wellbeing. In addition, we recognise work can be demanding, so our approach helps create a healthy and supportive work environment where employees can achieve their professional goals. This is very much part of our role as a caring employer, helping strengthen the bond with our employees.

We promote the services in a number of ways, and employees are guaranteed confidentiality. Our managers recommend these services and emphasise their importance for wellbeing and professional development. We are planning anonymous surveys to assess the effectiveness of the services, to see whether we can improve them.

Safety Management System (SMS)

Maintaining the highest safety standards is vital, and our approach goes beyond simple compliance with requirements: we cultivate a culture of safety, and look to continuously improve and embrace international best practice. Our SMS aims to identify the potential hazards connected with aviation operations and mitigate these risks to acceptable levels. It covers all levels of the organisation, with specific safety programmes for flight operations, cabin crew, engineering and maintenance, and ground services. Since it started in May 2002, we have carried 83 million passengers safely, with no accident during passenger or cargo operations.

Compliance monitoring programme

We have had the EASA Part 145 approval to maintain our fleet in accordance with EASA requirements since 2003. The on-site renewal audit took place in Almaty, Aktau and Atyrau in September 2024. As a holder of an EASA Part 145 certificate, we carry out full maintenance services on our own aircraft and, additionally, provide line maintenance services to 26 other air carriers. We have also been certified as an EASA Part 147 Maintenance Training Organisation since 2015; the renewal audit was carried out in October 2024.

We were the first operator audited under the EASA Third Country Operations (TCO) certification, in December 2015. The authorisation complies with EASA Part-TCO, as well as with UK TCO authorisation, obtained in 2022.

Our operations comply with appropriate standards of safety and security regulated by the Aviation Administration of Kazakhstan (AAK) as state of operator and, under International Civil Aviation Organisation (ICAO) Article 83bis agreement, the Irish Aviation Authority (IAA) as state of registry responsible for overseeing airworthiness.

During 2024, Air Astana underwent a number of external regulatory inspections or renewals:

- AAK – FlyArystan's Initial AOC certification, Air Astana's AOC renewal audit, certification inspection of Maintenance Repair Organisation, inspection of Continuing Airworthiness Management Organisation (CAMO), scheduled and unscheduled inspections of Maintenance Organisation
- Air Astana underwent AMO renewal approvals from 6 external aviation authorities
- Irish Aviation Authorities – conducted Aircraft Certificate of Airworthiness renewals for 48 aircraft
- EASA – Part 145 and Part 147 renewals audits
- Ramp Inspections – Air Astana Group operations and aircraft underwent 23 European Civil Aviation Conference (ECAC) SAFA (Safety Assessment of Foreign Aircraft) and eight ramp (non-ECAC) inspections

Within the internal compliance monitoring programme, we conducted nearly 240 compliance audits based on IOSA SARPS and national regulations. Compliance monitoring is also supported by membership of the IATA Fuel Quality Pool (IFQP).

Sustainable resources and relationships **Health and safety** continued

Safety programmes

In 2024, our flight-data monitoring analysed more than 99% of flights. This is to identify and assess existing operational risks and take relevant action based on trends and root causes. We have incorporated elements of evidence-based training (i.e. data and lessons learnt from both the flight management system and safety investigations reports) into the training system for pilots, with positive results.

We continue to encourage operational staff to report hazards and errors as an important element of our safety culture. Over the year, more than 4,000 safety reports were registered, enabling us to maintain an accurate perception of risk.

The Prevention of Use of Unauthorised Substances programme for safety-sensitive aviation activity staff (SSAA) continued in 2024. Pilot drug checks were expanded with a campaign starting in May 2024 that includes drug tests during induction training, before and after flights, and on any other available days according to their roster - 326 pilots were tested.

The Group's Fatigue Risk Management (FRM) programme enables Crew Planning & Control to estimate the alertness of crews and make necessary adjustments to rostering based on trends. In addition, flight and cabin crew increasingly used the self-assessment tool, Crew Strain Application (CSA) to provide feedback on fatigue levels, workload, roster and rest conditions, particularly during the busy summer months. Biomathematical threshold was set in April 2024 using in crew rostering at the planning stage. This measure helped pre-emptively reduce fatigue risk.

We continued a process of efficient communication between departments and stakeholders on the management of change and relevant risk assessment (RA). The most common RAs carried out in 2024 related to aerodrome changes, conflict zones, regulatory changes and specific changes related to FlyArystan operator certification, as well as for new routes or destinations including charter and scheduled flights.

We made further progress enhancing the Wildlife Hazard Management Plan in 2024, focusing on Almaty and Astana airports. The experts reports gave recommendations for each airport on habitat control and data management.

Having stated this, the birdstrike rate increased 33% from 2023 and although the season is over, the high incident rate remains a concern. A related project with UK experts will continue at Astana and regional airports in 2025.

We are a major contributor to a number of international safety organisations and programmes, set up to enhance safety and operational efficiency, including IATA Global Aviation Data Management. Through our membership of the Association of Asia Pacific Airlines, we participate in safety and security workgroups, which allows us to stay abreast of the latest technology, innovations and processes, while also ensuring our safety programme managers interact with leading professionals. Similarly, membership of Flight Safety Foundation (since 2004) stimulates an environment conducive to improvement.

In October 2024, we hosted our 8th Regional Safety Seminar, to promote and encourage safety within the region. Entitled Proactive Safety: Resilient and robust safety culture, the seminar aimed to share knowledge, experience and best practice within the aviation industry. It was attended by representatives from eight countries, with 20 speakers and over 200 participants from other airlines, aircraft manufacturers, international organisations and regulators.

Sustainable resources and relationships

Our people

Highlights

- As part of the IPO launch, management developed an employee share option programme. All employees who met the programme's criteria became shareholders in February 2025
- Ten years ago, in 2014, the Group introduced the HEART values and held our first awards ceremony to recognise the best employees
- Since 2010, and up until 2024, 75% of KC Talents programme graduates have been promoted within Air Astana Group

Material issues

Employment, Training and development, Procurement practices

Guidelines we follow

Republic of Kazakhstan legislation:

Labour Code; Customs Law; National Economics Ministry rules and orders; Customs Union Committee resolutions; authorised permits of the National Security Committee, the Ministries of Digital Development, Defense and Aerospace Industry (Committee of Telecommunication), the Committee of Industrial Development and Industrial Safety of the Ministry of Investment and Development, the Committee of State Income of the Ministry of Finance; Tax Law.

Other:

Group strategy; Corporate goals and values; Conditions of service; Code of Ethics; Anti-corruption Policy; Policy for Prevention and Settlement of Conflicts of Interest; regulations of the Procurement and Supply Department; labour codes of countries where we base our employees; Collective agreements with trade unions; IATA Standards; EASA regulations; National standards; ICAO regulations; Incoterms 2020; Dangerous Goods Regulations of IATA; Rules of Cargo Insurance; Eurasian Economic Union Treaty; Customs Clearance Procedure.

As one of the major employers in Kazakhstan, we pride ourselves on attracting and retaining some of the best talent, thanks to our strong focus on recognition, development and equality. In 2024, we continued to improve operational excellence through investing in our people – particularly in our training programmes and employee engagement, underpinning our continued success in providing best-in-class services.

Employees

Approach

The long-term sustainable success of the Group's business depends on the expertise, skills and motivation of our employees. As a socially responsible organisation, we recruit, appraise and reward employees based on merit and help them develop to their maximum potential. Our workplace environment – based on our corporate HEART (Air Astana) and CHARM (FlyArystan) values – is one where recognition, development and equality all thrive to ensure that we attract and retain talented people. We operate our business with the highest standards of integrity and ethics, which is also reflected in the transparency and fairness of our recruitment process.

Employment

We are one of the few non-accounting firms in Kazakhstan to receive the prestigious Platinum status award from the Association of Chartered Certified Accountants (ACCA) in their Employer – Trainee Development programme. Being recognised as an ACCA-approved employer reflects our commitment to meeting the highest standards in training and developing financial professionals.

In 2024 we maintained a strong focus on recruiting for key operational roles, including pilots, engineering and ground service staff. The recruitment process for cadets in ab-initio pilot and apprentice aviation technician training programmes continued, while we also revived the selection process for flight attendant candidates.

As part of our Employer brand enhancement efforts, we successfully launched an internship programme, welcoming almost 400 interns to various departments. The largest group of interns went to Ground Services, with additional placements in departments such as Finance, IT, HR, Marketing, and many others. This initiative provided valuable experience and helped build a strong pipeline of future talent.

Sustainable resources and relationships **Our people** continued

To further enhance awareness and attract talent to aviation professions, we fostered close partnerships with educational institutions across Kazakhstan. We organised more than 200 online and offline events, significantly increasing the number of applications for pilot and aviation technician training programmes, as well as ensuring a steady inflow of candidates for other operational roles.

In pilot recruitment, the Group continued its global recruitment strategy, with 2024 seeing the addition of new pilots from beyond the local market. Alongside candidates from Kazakhstan, pilots from the CIS countries, Europe, Latin America and other regions joined the airline, strengthening its global team.

These efforts reflect our ongoing commitment to attracting and developing top talent, ensuring the continued growth and success of the Group.

Apprentices from 2023 intake are now promoted to Junior mechanics as at September 2024.

In 2024, the Group employed 6,546 people (2023: 6,499). We hired a total of 818 new employees during the year (in 2023: 1,077): 596 at Almaty (in 2023: 725); 216 across other Kazakhstan cities (in 2023: 344); and 6 at international stations (in 2023: 8). The gender split across new employees was 421 women (in 2023: 543) and 397 men (in 2023: 534). The age group breakdown was: 582 employees under 30 (in 2023: 742), 215 aged 30-50 (in 2023: 306), 21 aged over 50 (in 2023: 29). The rate of hire in 2024 was 12% (in 2023: 17%).

The age profile of the Group remains relatively young, with more than 70% younger than 40: aged under 30 – 2,568; aged 30–50 – 3,455; aged over 50 – 523 employees. The turnover rate from the total number of employees is 12.31% (2023: 11.96%), which is within the normal range. In 2024, we updated the approach for the turnover rate calculation to ensure greater alignment with best practices.

A total of 806 employees left the company during the year (in 2023: 777): 529 from Almaty (in 2023: 459), 271 from other Kazakhstan cities (in 2023: 296), and 6 from international stations (in 2023: 22). The turnover included 449 women (in 2023: 442) and 357 men (in 2023: 335), with 413 aged under 30 (in 2023: 407), 326 aged 30–50 (in 2023: 311), and 67 aged over 50 (in 2023: 59).

Pilot training programme

Total number of graduates since the start of the programme

282

Number of cadets in 2024

30

Growth in the number of cadets in 2024

11

Planned number of cadets in 2025

40

Apprentice programme

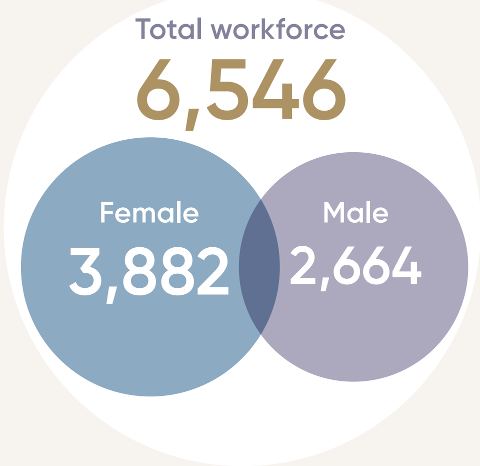
Total number of apprentices since the start of the programme

18

Diversity and equal opportunities

We promote diversity and equal opportunity in the workplace, believing every employee should be able to fulfil their potential, regardless of gender, age, nationality, religion or physical characteristics. We consider that cultural diversity and success go hand in hand: different nationalities bring different perspectives and experiences, broadening our thinking and ideas, which are valuable assets to the Group.

We provide equal opportunities for men and women regardless of age or nationality, creating a truly diverse workforce of highly skilled people in many countries and continents. We employ 3,882 women and 2,664 men, from different nationalities and ethnic groups, with diverse backgrounds, faiths and beliefs. This provides a stimulating and fair working environment for everyone. We believe strongly that gender and diversity should not be barriers to career progression within the Group. At the senior management level, comprising 45 people, the gender split currently is 49% female and 51% male.



Remuneration for each category of employees is set regardless of gender

All employees, regardless of gender, are entitled to parental leave in accordance with the Labor Code of the Republic of Kazakhstan.

Our position on equality also includes entitlement to parental leave regardless of gender although, in practice, more women than men exercise this right. In 2024, 256 employees took parental leave (15 men and 241 women). In 2023, 231 employees took parental leave (17 men and 214 women).

Sustainable resources and relationships **Our people** continued

This year, we revised our approach to reporting parental leave, disclosing only employees who took leave during the reporting period, rather than the accumulated total from previous years. The total number of employees who returned to work in the reporting period after parental leave ended was 207 (in 2023: 186): male – 20, (in 2023: 15), female – 187, (in 2023: 171). Return to work in 2024 was 74% (in 2023: 67%): male – 67%, (in 2023: 68%), female – 75%, (in 2023: 67%). We believe professional growth and development should be the right of all our employees, including those with disabilities.

The total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work in 2024 was 170 (in 2023: 233): male - 14 (in 2023: 14), female - 156 (in 2023: 219). Retention rate in 2024 was 91% (in 2023: 69%): male - 93% (in 2023: 67%), female - 91% (in 2023: 69%).

We continue to look for opportunities, and in June 2023, a person with a disability joined us as an intern and continues to work successfully.

We are proud to have created an inclusive and friendly work environment, which has also led to improved team productivity and provided equal opportunities now and in the future.

In 2024 there were no registered cases of discrimination.

Freedom of association

The Group acknowledges the right of employees to join trade unions, which protect and support their interests, and conducts negotiations with three trade unions:

1. A non-governmental organisation (NGO) «Local Labor Union of Aviation workers of Kazakhstan»

2. «Local Air Astana Pilot Labour Union»

3. «AVIATOR Pilot» Labour Union of Air Astana JSC

We aim always to prevent labour disputes before they arise. The internal labour regulations outline the procedures for employees to address grievances about working conditions, make recommendations or address other issues within the Group. Direct supervisors, department heads and overseeing business partners are involved in resolving problems.

Additionally, we engage internal mediators to facilitate the resolution of employee problems. Trade unions exist to balance the opinions of employee representatives and participate in committees within the framework of labour legislation. We inform every employee they may join a trade union at any time.

In 2023, a collective three-year term agreement between employee and employer representatives and the Agreement on the Conciliation Commission for the Resolution of Individual Labour Disputes was also signed.

Competitive salaries and benefits

To attract and retain a highly skilled and motivated workforce, the Group provides fixed and variable pay as well as short-term and long-term benefits that are competitive and merit-based. All employees undergo an annual performance appraisal and, as a result, have their salaries reviewed.

Following the principles of responsible management, we closely monitor the economic dynamics of the market and support the welfare of our employees.

To enhance competitiveness and improve working conditions for employees, in 2024 we took measures to review and significantly increase the hourly flight-time rate for cabin crew.

Air Astana's IPO in February was a landmark event in the Company's history, made possible by all employees. The pursuit of high standards, hard work and dedication of each employee has played a significant role in its success.

As part of the IPO launch, management developed an employee share option plan for Air Astana. All employees who met the criteria became shareholders of the Company in February 2025.

This is a special gift on behalf of the first shareholders of the Company, as well as the result of the management's efforts that led to the creation and implementation of this programme, unique in Kazakhstan, for employee participation in the company's capital.

Our benefits package is available to all employees, whether permanent, temporary or part-time. However, some benefits are only available after passing the probation period. Our employee benefits package includes:

- Corporate pension plan
- Health and medical insurance
- Loss-of-licence insurance for pilots
- Mental health support through the services of psychologists
- Discounts on flights with Group or partner airlines
- Shuttle bus for commuting to and from work
- Discounts for gym membership and in restaurants, bars and hotels
- Support for various sporting activities (football and volleyball teams, etc)

In line with national labour legislation, we pay compensation to employees when they reach retirement age and their contract is terminated, the amount paid depending on the length of service:

- Two months' salary for up to 10 years' uninterrupted service
- Three months' salary for employment of more than 10 years' uninterrupted service

If an employee participates in the corporate pension plan and reaches pension age in accordance with the labour legislation of the Republic of Kazakhstan and upon dismissal of an employee aged 58 years or more, the employee receives the full payment provided by the terms of the plan. The interest rate is 14.05% per annum; the annual effective interest rate was 15.2% in 2024.

Sustainable resources and relationships **Our people** continued

Employee engagement

The HEART Way

In 2014, Air Astana launched a project to define and promote the Company's core values. At that time, the airline's leaders came together to identify the key aspects of our work and encapsulated them in a single, meaningful word – HEART. Each value was already an integral part of our daily operations: Hospitality, Efficiency, Activity, Reliability, and Trustworthy.

For the past ten years, the phrase *"I'm part of HEART"* has symbolised being part of aviation and Air Astana.

Since then, HEART values have been deeply embedded in the our HR processes. Each value represents competencies and skills our employees embody. Based on the HEART competency model, we evaluate candidates during the hiring process, select top employees, and incorporate HEART into annual performance assessments. Training materials from our Training Academy are carefully designed to strengthen skills in alignment with the HEART model.

HEART values have become a living reflection of the Company's corporate culture and continue to serve as guiding principles for employees, setting expectations for their daily work. We firmly believe that adhering to these values will help us remain a strong team of professionals.

Recognition culture

In the same year we presented the HEART values, 2014, we held our first awards ceremony to recognise the best employees. 2024 continued the theme, as we once again celebrated the achievements of 150 top employees across the Company. As per tradition, we selected the 20 best of the best and presented them with a special Company award – a seven-day trip for them and their families.

To foster a culture of recognition and feedback, the Company operates the KC Recognition system, through which employees sent over 26,000 messages of appreciation in 2024. These messages are public, while private feedback is sent through KC Feedback, visible only to the employee and their manager.

An annual event, Breakfast with the CEO, serves as an opportunity to honour employees for their years of service. In 2024, over 170 employees who have been with the Company for ten years, and nearly 80 employees with 20 years of service, received awards.

Human rights

We promote and uphold human rights, including the eradication of slavery in all its forms. We truly believe that slavery, forced or compulsory labour, and human trafficking, are serious violations of human rights that have no place in our operations. We operate in a responsible and ethical manner, and ensure our business practices do not contribute to any form of modern slavery. We have not identified any instances of slavery, forced or compulsory labour, or human trafficking, in our operations.

Talent management

Talent management is a strategic and systematic process of identifying, attracting and planning for employees with high potential and leadership aspirations. The developing and improving their skills is a prerequisite for the Group's sustainable development. Our talent management programme focuses on search and selection, talent development and retention, people performance management, succession planning and leadership development, and culture and values.

KC Talents Programme: Developing future leaders

Since its launch in 2010, the 'KC Talents' programme has played a key role in identifying and developing future leaders within the Air Astana Group. Designed to identify and nurture high-potential employees, the programme prepares them for managerial roles through strategic learning, mentorship, and real business challenges.

The mid-term development programme is launched by Air Astana Training Academy with leading business school De Montfort University KZ. It includes leadership development modules, covering topics such as Strategic Planning, Financial Intelligence, and Managing Change, workshops, masterclasses and mentorship with the Group's leaders, coaching, practical assignments and cross-functional projects.

Since 2010, and up until 2024, 75% of programme graduates have been promoted within Air Astana Group. In 2024, 14 participants successfully completed the programme.

Sustainable resources and relationships **Our people** continued

Training and development

People development – corporate training

During 2024, we continued to focus on developing our management teams, in particular as they move into a supervisory or managerial role. As such, we launched a new In-boarding Orientation workshop to equip newly promoted employees with an essence of the core skills needed as a leader, and to provide practical strategies to be effective in their new roles, address new challenges and align team goals with Company objectives. The focus on our Leadership Essentials programme continued, aiming to provide new and current managers with skills in managing people. More than 500 participants are in progress and 277 completed the course in 2024.

In addition, the Academy ran four skill-development modules, based on business demands for different levels of employees. These were Conflict Management, Stress Management, Peer Feedback and Building High-Performing Teams, attended by more than 500 employees.

We developed a newly updated OJT (on-the-job training) programme and completed ten sessions with attendance of more than 100 Ground Services and Ticketing & Reservation (T&R) employees.

To improve linguistic ability, we offered language training in English (333 employees completed) and Kazakh (38 employees completed). To focus on our new joiners to the Group, our Orientation Welcome day ran 62 times, covering more than 1,000 newcomers.

The average number of training hours per employee was **50.43 hours (in 2023: 6.32 hours)**. The significant increase in the hours of training per employee is due to the improvement of the training hours accounting process. The collection of gender-specific data was not feasible for prior year, as the system did not support this functionality. The breakdown by employee category is as follows:

- **Per female employee:** 37.34 hours
- **Per male employee:** 69.50 hours
- **Per employee from operational category:** 57.96 hours (in 2023: 8.5 hours)
- **Per employee from administrative category:** 14.57 hours (in 2023: 4.9 hours)

In 2024, a total of **155,262 hours** were dedicated to skill-enhancement programmes, accounting for **47.03% of all training, 330,124 hours**.

We do not provide transition assistance programmes.

Sustainable resources and relationships **Our people** continued

E-learning – corporate training

Our online library provides access to high-quality self-learning courses, books and materials. These are all aligned to the HEART values and corporate skills, aiming for a culture of self-development across the company. We continued with a blended-learning approach in our training, with a mix of e-learning, webinars and classroom programmes. In addition to the already extensive library of online courses, we have 42 new external CBTs, 40 Harvard Business Review articles and 53 summary books. This accounts for a 20% increase in Computer Based Training (CBT) and 32% in reading materials in 2024. All these self-learning materials in LMS are available for Air Astana and FlyArystan employees free of charge. Our investment in the Training Resource Management System (TRMS) cloud application resulted in three new releases, with more than 250 business tasks implemented and all historical training data for 2023-2024 now uploaded into the system. All data about training planning (both for Air Astana and FlyArystan), which are delivered by the Training Academy, are now in the one system. This helps with reports and issues, and invoicing training for FlyArystan.

Operational training

Cabin-safety training

A key achievement in 2024 was acquiring and installing new safety mock-ups at the Air Astana Flight Training Centre in Astana. The Cabin Emergency Evacuation Trainer (CEET) and Real Fire Fighting Trainer (RFFT) have significantly reduced crew training costs previously incurred by sending pilots and cabin crew to foreign training centres. Both simulators are leading-edge, and can simulate different types of emergency procedures and fire fighting in a realistic environment.

Ground Services safety training

A key achievement recognised at the Annual Safety awards was the development of a specialised training programme on the safe transport of radiopharmaceuticals for the Ground Services department. This initiative ensures the rapid air transport of critical medications, improving recovery chances for seriously ill patients. Another recognition at the ceremony for 2024 was the impact de-escalation training had on front-line employees' ability to deal with conflict, aggressive behaviour and physical violence, which occurs, albeit rarely. This course was developed jointing by the Academy team, with Ground Services, Corporate Trainers and the E-learning team, and has resulted in a decrease in safety reports on this topic.

Training courses conducted included 54 initial training sessions for new agents and cadets in passenger, baggage and ramp handling. This programme, as with all our courses, complies with IATA standards and national regulations, guaranteeing the highest levels of safety and professionalism. We conducted 153 aviation security courses and 108 dangerous goods courses for various personnel categories across the Group, ensuring strict compliance with safety protocols. We also conducted 20 load-control courses, ensuring precise application of aircraft weight and balance principles during loading procedures.

Sustainable resources and relationships **Our people** continued

Engineering and maintenance training

Engineering and Maintenance (E&M) is highly regulated under the key authority bodies, including EASA Part-147/145, ICAO, and AAK, undergoing regular audits, as do all operational departments. This year, we successfully completed audits from EASA, Qatar Airways, FlyDubai and Turkish Airlines. For specific training initiatives, the team conducted six A320 Part-147-type training courses, totalling 101 training days, with 67 participants. Additionally, we delivered 90 Approved Training Organisation (ATO) training sessions covering 17 subjects (including Module 10, Part-145, SAFA, EWIS, ETOPS, FTS and mandatory continuation training) in over 301 training days, with a total of 963 engineering employees.

In 2024, we launched a Part-66 training programme for our current engineering employees, with 16 participants, which is scheduled to be completed in April 2025. The course consists of 15 theoretical modules that must be passed, allowing individuals to proceed toward obtaining an EASA B1.1/B2 licence. Additionally, the Apprenticeship Part-66 project, which began in September 2024, focuses on both theoretical and practical components. This programme is designed for ten students with a two-year training duration.

We trained over 400 engineers within our current maintenance providers, at multiple locations in our procedural agreements, including all international stations. Training was arranged for new customers: EAT, EgyptAir, FlyArystan, Indigo and VietJet. Air Astana's maintenance now also serves FlyArystan as a customer.

As part of our strategy to increase our external customer base for maintenance, we organised B737, A330 and B777-type training to improve our capacity and extend aircraft licences. The goal is for our in-house trainers to conduct type training for the B787, B767 and B737 aircraft once the necessary approvals are obtained.

Ticketing and Reservations training

A core focus in Ticketing and Reservations (T&R) in 2024 was to develop a Flight Disruption course, a need highlighted by our customer experience (CX) data. The main objectives were to train agents to independently navigate schedule changes and to be able to rebook in accordance with procedures, and to think more widely about rebooking options, including routes on partner airlines – all of which will speed up managing customer disruptions.

The T&R team collaborated effectively with key departments such as CX, Service Recovery and Delay units, demonstrating a unified approach to training and to what customers need in these situations. The final course is a two-day blended learning course: an online pre-course and two days of classroom training, and over 16.5% of T&R employees attended in 2024. Based on feedback (4.9 out of 5) and positive reviews from training participants, it was decided to include this course as a mandatory part of the learning pathway for new employees in T&R. This emphasises our commitment to continuous professional development.

Flight operations training

The flight operations training department continues to provide training in accordance with Kazakhstan regulatory requirements and ICAO standards, as well as IATA requirements. All 588 current pilots completed annual-recurring ground and simulator training in accordance with Operational Manual Part D (OM-D). During 2024, we recruited and trained 82 new pilots, and two new type rating examiners, six type rating instructors and eight line-training instructors successfully completed qualifying training courses. For other groups in 2024, three ab initio cadets graduated, 18 First Officers attended Command Upgrade Training (promotion from First Officer to Captain) and 53 pilots completed initial type rating courses on A320 and B767. The total number of cadet graduates since the start of the programme is 282, total growth of ab initio was 11 in 2024, and the planned number in 2025 is 40 cadets.

We launched our new programme, Running the Show, in May 2023 to prepare First Officers for future commander roles, with 115 participating in 2024. Since we launched the L3 Harris A320 Full Flight Simulator Training at the Flight Training Centre in Astana in summer 2023, all pilots have attended training and checking, and completed 7,300 simulator hours during 2,039 simulator sessions.

Sustainable resources and relationships **Our people** continued

Customer service training

In 2024, the Customer Service Training Unit provided sales and service promotion programmes for both front-line and back-office support employee, as well as for external clients, aimed at improving service quality, operational efficiency, and workforce development and engagement. Initial training is 48% of the total unit training activities and is aimed at new hires and role-specific skill development. In total, we completed 38 courses covering over 500 people for Ground Services, T&R and Cabin Crew and ran graduation ceremonies for all uniformed employees, to congratulate them on passing initial training for both safety and service.

Recurrent training covers 36% of the total unit training activities, focusing on refreshing skills for experienced employees and maintaining service standards. In total we run 45 courses covering more than 850 Air Astana cabin crew in service and standards, and more than 70 in sales for FlyArystan crew.

Promotion training covers 6% of the unit training courses, designed to prepare employees for leadership roles and collectively IFS/PU/FJ courses covered 85 employees..

Training for specialised roles accounts for 5% of the unit training activities and is aimed at enhancing customer experience and operational efficiency. Courses completed in 2024 include: Lounge The Shanyraq Agents: two courses, 15 trainees; HR and Crew Service Centres: four courses, 36 trainees; Outstation Supervisors: one course, four trainees and; Summer Taskforce Volunteers: three courses, 64 trainees.

Training external clients take up 5% of training. We conducted six external courses with 76 participants, which included Border Control of Almaty airport, Committee of National Security and L'Occitane cosmetics.

Training Academy – in summary

The Academy continues to focus on aligning customer experience and training with our core business objectives of efficiency, excellence and growth. Our blended-training approach continues to promote efficiency and productivity with self-learning education growth, and our continual focus on benchmarking our training in technical, operational safety and customer service as well as our leadership development, improves excellence and supports growth.

Our brand is further enhanced with our training to external clients, including, but not limited, to Prime Aviation, Comlux, Lufthansa, Kazaviaspas, Global Express Limited, JSC Almaty International Airport, MED Invest Group. Our E&M, Operational and Customer Service teams were involved in delivering programmes, both to airlines and non-airlines. The ability to train external clients in both commercial and other sectors demonstrates our credibility as a training leader beyond aviation, and makes the unit a fully-fledged revenue-generating department. In 2024, we beat our revenue target by 25%.

Finally, in 2024 we were awarded by American Chamber of Commerce, the Most Innovative Education Training Programme, and by Global Brands Magazine based in the UK, Best International Airline Brand in Central Asia & CIS and Best Aviation Training Centre in Central Asia & CIS.

Suppliers

To meet our operational need for high-quality goods and services delivered in a timely manner, we have maintained and expanded our broad-based supply chain. We continue to build long-term relationships with suppliers of all sizes, from small businesses to multinational corporations, while integrating sustainability principles into our procurement strategy.

Procurement practices

Our procurement process follows international best practice, ensuring transparency and equal opportunity for all potential suppliers. Our framework includes procurement procedures, management standards and strict compliance rules.

Key advances in 2024

We approved our Procurement Standard, incorporating sustainability criteria for suppliers. This includes supporting human rights, combatting modern slavery, embracing diversity and inclusion, preventing corruption, and minimising environmental impact. We continued our commitment to including organisations that employ disabled people. In 2024, we secured agreements for stickers for salt and pepper shakers, business-class blankets, protective gloves, and knitted gloves from organisations who employ people with disabilities. We made preparations for the Sustainable Supply Chain Finance (SSCF) Programme in collaboration with the EBRD. This initiative strengthens suppliers and aligns them with the sustainability goals of their buyers, fostering a resilient and eco-friendly supply-chain ecosystem.

	2024	2023	2022
Percentage of the procurement budget used for significant locations of operation* that is spent on suppliers local to operations (percentage of products and services purchased locally)	32%	31%	26%

* The territory of the Republic of Kazakhstan.

Overcoming challenges

Our agile supply-chain processes enabled us to re-route major supplies in compliance with UK, EU, and US sanctions, ensuring uninterrupted operations. Logistics teams closely monitor internal processes, freight forwarders, optimal routes and delivery methods to maintain a lean and agile supply chain, reducing overheads and improving profitability.

Purchases from local suppliers

We remain committed to sourcing goods and services from local suppliers within Kazakhstan. By prioritising partnerships with local businesses, we contribute to the socio-economic growth of the country while ensuring cost-efficient procurement. Our 2024 initiatives reinforce our long-term ESG commitments, creating a more sustainable, responsible and resilient supply chain that supports both operational excellence and corporate sustainability goals.

Sustainable resources and relationships

Communities

We believe it is important to nurture strong relationships with the communities where we operate. We focus on initiatives that can deliver a meaningful community impact through sustainability, inclusivity and long-term positive outcomes.

Our approach and methodology have remained consistent since we established a formal social projects framework in 2022:

- Long-term corporate social and environmental projects
- Cooperating with local and national charities and other not-for-profit organisations
- Providing targeted support to groups most in need of assistance, including sick children, persons with disabilities and veterans of the Great Patriotic War
- Employee involvement in charitable activities through fundraising and volunteering opportunities

The criteria we use to identify and select charities and funding projects are based on the value they bring to communities and their alignment with our ESG goals and corporate values.

Projects implemented in 2024

Project	Description
Humanitarian aid during floods in Western Kazakhstan	In response to the severe spring flooding in several regions of the country, the Air Astana Group took the initiative to provide humanitarian aid. A total of 75,000 kg of essential supplies from non-governmental organisations and initiative groups were delivered to the affected areas. 41 extra relief flights from the region were performed. Additionally, Air Astana donated USD 2.7 million to support recovery efforts in the flood-affected regions. Furthermore, our employees initiated a fundraising campaign and collected essential supplies, which were then sent as humanitarian aid.
Zhas Kyran programme	Through our Zhas Kyran programme, 56 gifted children from Aksai, Almaty, Astana, Atyrau, Ekibastuz, Karaganda, Taraz, Oskemen along with their accompanying guardians, received free airline tickets to participate in international academic, sport and art competitions and Olympiads across Europe, the US, the UAE, Japan, and other countries. This initiative enabled talented Kazakhstani children to fulfil their dreams and represent Kazakhstan on the global stage.
Support for socially significant projects	Throughout 2024, we contributed to a number of social projects and initiatives, including support for the presentation of Leonardo da Vinci's painting La Bella Principessa in Astana, fostering cultural exchange. Additionally, Air Astana enriched the library collections of five Kazakh-language schools in Almaty by donating 855 modern illustrated books, fostering educational growth and cultural identity. These efforts reflect the company's ongoing commitment to advancing cultural and educational development in Kazakhstan.
World Knowledge Day – library initiative	To mark World Knowledge Day on 1 September 2024, we enriched the library collections of five Kazakh-language schools in the Turksib district of Almaty by donating 855 modern illustrated books, fostering educational growth and cultural identity.
Medical transport for critically ill children	Providing air transport for critically ill children remains a key priority. In 2024, four children were able to access life-saving medical care abroad through our support. We also assisted the Scientific Center for Pediatrics and Pediatric Surgery by transporting stem cells for a child's bone marrow transplant.
Sustainable development initiative	To promote sustainable development and highlight our commitment to environmental responsibility, in June 2024 we donated upcycled furniture made from Airbus A321 fuselage materials and Boeing B767 interior structures to the new international terminal at the Almaty International Airport.
New Year charity event	Ahead of the New Year, we organised a charity event for children with special educational needs from the Turksib District Psychological, Medical, and Pedagogical Consultation and the Psychology-Pedagogical Correction Room, providing 190 holiday gifts and childrens' travel kits.
Employee-led initiatives	Volunteers from the IT department took the initiative to collect and refurbish 20 decommissioned system units and 20 monitors, which were donated to children in need through Connected-ED, a Kazakhstani public foundation focused on bridging the digital divide. Additionally, 12 decommissioned system units and 12 monitors were refurbished and donated to the Public Foundation Volunteer Society Miloserdie, in response to a request from the Bolashak Association, further demonstrating the team's commitment to community support.

Sustainable resources and relationships **Communities** continued

Projects implemented in 2024 (continued)

Project	Description
Semey Ormany	FlyArystan provided financial support to the Semey Ormany reserve by purchasing and delivering 570 briquettes, or 159,600 litres of peat substrate, for growing common pine seedlings. This is equivalent to nearly three greenhouses, capable of growing 1,325,000 seedlings with a closed root system, intended for planting on 315 hectares. Thanks to FlyArystan's sponsorship, more than a million common pine seedlings were grown in the greenhouses. As part of the project's final phase, Semey Ormany employees decided to plant the seedlings on the forest cultivation land in the Morozov branch, which is expected to improve the region's ecosystem recovery.
Support of master classes for doctors in the regions as part of the Heart Center Foundation project	FlyArystan worked with the Heart Center Foundation in an initiative aimed at improving medical care quality and the professional level of doctors in Kazakhstan's regions. The airline provided free flights for leading specialists from the UMC Heart Center in Astana to various Kazakh cities to share their expertise. The joint project between the airline and the Heart Center Foundation began in autumn 2024. Continuing their mission, UMC Heart Center specialists, supported by FlyArystan, visited Kostanay. The final stage involved a trip to the Kyzylorda region, where the doctors participated in a scientific and practical conference on Innovative Methods in the Diagnosis and Treatment of Cardiovascular Diseases. Support for these medical master classes in Kazakhstan's regions is planned to continue in 2025.
Support of an inclusive project aimed at the rehabilitation of children	FlyArystan supported the Territory of Success public association, which is involved in the rehabilitation of people with disabilities, including cerebral palsy and Down syndrome. FlyArystan supported an inclusive project aimed at the rehabilitation of children. This innovative device plays a crucial role in the lives of people with disabilities, enabling them to communicate effectively with the outside world. For children and adults with significant speech and motor impairments, this device serves as a vital 'bridge' to full communication, offering a path to independence, productivity, and active participation in professional and social life.
Project Komek	FlyArystan's corporate social responsibility project Komek has been in operation, officially launched on 1 February 2024. The project's main goal is to support vulnerable segments of the population by providing discounts on commercial flights. In 204 total of 554 passengers benefited from the project, including 304 discounted passengers and 250 accompanying persons.

Principal risks and uncertainties

Successful risk management is fundamental to business longevity and sustainability

Our risk management processes help promote a corporate culture underpinned by risk-averse behaviour.

Risk management is integral to ensuring the long-term resilience and sustainability of our business, as well as providing a platform that enables us to respond quickly to changing circumstances. Our Corporate Risk Management System (CRMS) defines our daily operational activities, encompassing governance, performance management and internal control practices. The CRMS is also a valuable tool for enabling both the Board of Directors and management to evaluate our options for creating, enhancing and realising value for our shareholders.

We developed the CRMS in line with, and incorporating, international best practices in risk management. Our adoption of the 'COSO Enterprise Risk Management framework – Integrating with Strategy and Performance' as the basis for our Risk Management Policy further strengthens this alignment. In addition to the integration of risk management across all internal processes and functions, the policy ensures we always consider risks when setting strategies and improving performance.

Risk management framework

To support the development and implementation of efficient risk management practices and procedures, the CRMS sets out clearly defined roles and responsibilities for the Board of Directors, Audit Committee, Air Astana Group Management and each employee. This also helps to reinforce a culture underpinned by risk-averse behaviour.

Board of Directors

Primary responsibility for overseeing risk in the Group and risk management functions.

- Sets short- and long-term goals/objectives
- Approves the Risk Management Policy
- Approves other policies for managing specific risks
- Analyses the external auditor's reports for improving internal control and risk management
- Reviews and approves the quarterly Risk Register and Risk Map
- Approves the Group's risk appetite and tolerance to risk
- Reviews reports from the head of the structural unit responsible for risk management with description and analysis of the Group's risks
- Reviews reports on the efficiency of the CRMS

Audit Committee

Acts in the interests of shareholders and helps the Board oversee the reliability and efficiency of the CRMS.

- Reviews quarterly reports on changes to the Risk Map
- Reviews changes to the Risk Register
- Reviews reports on risks
- Reviews risk appetite annually
- Reviews quarterly reports on realised risks
- Reviews reports on any significant deviations from the standard risk management process
- Reviews reports on non-compliance with regulatory risk management requirements as necessary

Risk Committee

An advisory-consultative body to the CEO, providing preliminary reviews and recommendations for decision-making on risk management issues. Also responsible for the integrity and efficient functioning of the CRMS and the development of a risk control structure that ensures performance and compliance with our policies.

- Approves the annual strategic plan for the CRMS
- Organises an efficient CRMS to enable the identification and assessment of potential risks
- Reviews and approves the quarterly Risk Register and Risk Map
- Reviews and provides preliminary approval of the annual risk appetite
- Reviews quarterly reports on realised risks
- Reviews and approves the Key Risk Indicator (KRI) panel annually and considers the status of KRIs
- Reviews and approves risk management action plans on risks deemed only partially effective or not effective
- Reviews risk management reports and considers whether adequate measures have been adopted
- Improves internal risk management procedures

Principal risks and uncertainties continued

Risk responsibilities

To provide a balanced approach to managing risk, we have adopted the Three Lines of Accountability model within our operating structure. The three lines collaborate and communicate regularly to ensure a comprehensive understanding of risks and controls.

First Line: Air Astana Group structural units and all employees

Structural units and all employees participate in identifying, assessing and managing risk within their areas of responsibility.

Control implementation: Designing, implementing and maintaining day-to-day internal controls to manage risks within the scope of supervised or performed operations.

Monitoring and reporting: Continuously monitoring operational performance and reporting risk-related issues and control failures to the Risk Management unit.

Issue resolution: Taking corrective action to address control deficiencies and mitigate risk.

Second Line: Risk management, internal control and compliance functions, including corporate safety compliance and aviation security

The second line oversees and supports the first line. It includes specialists of risk management and compliance functions that oversee and facilitate effective risk management practices.

The main functions of the Risk Management Unit include, but are not limited to:

- **Policy development:** Establishing risk management policies, regulations, manuals and procedures
- **Guidance and training:** Providing guidance and training to the first line on risk management and compliance requirements. Developing a risk culture within the Group
- **Overseeing risk:** Coordinating corporate risk-management activities and ensuring the first line adheres to policies and procedures
- **Monitoring compliance and effectiveness:** Assessing compliance with regulatory requirements and internal policies, and monitoring the effectiveness of risk management actions
- **Reporting:** Providing independent risk management and compliance reporting to the Risk Committee, Audit Committee and Board of Directors

Third Line: Internal Audit Service

Internal audit assesses the adequacy and effectiveness of our risk management system, and develops recommendations (including involving external independent consultants).

Risk-based audits: Conducting independent assessments of risk management, control processes and governance practices.

Evaluating controls: Reviewing the adequacy and effectiveness of the CRMS implemented by the first and second lines.

Reporting and recommendations: Providing findings, insights and recommendations to improve the control environment and risk management practices.

Follow-up: Monitoring the implementation of audit recommendations and corrective actions.

Principal risks and uncertainties continued

Risk level

Very high · High · Moderate · Low

Risk exposure trend

No change · Decrease · Increase · New risk

Link to strategy

Growth · Efficiency · Excellence

Risk name	Description	Mitigation
Safety risk		
Risk level: Moderate Risk exposure trend: No change Link to strategy: Excellence	Effective safety management is critical to minimise the potential for incidents or accidents. The resulting effects of such events could have a significant adverse impact on us.	To mitigate risks related to flight safety, we have established a safety-management and compliance-monitoring system, through which we conduct compliance and performance-monitoring audits, and set and monitor safety-performance indicators. We have a human-factors training programme, and place specific emphasis on procedural compliance. Specifically in the area of flight-operations training, we have invested significantly in training instructors with a strong emphasis on standardisation. There are regular independent assessments by regulatory authorities, EASA, and CAC Kazakhstan, as well as industry assessments IOSA.
Aviation-security risk		
Risk level: Moderate Risk exposure trend: Decrease Link to strategy: Excellence	Consequences of aviation-security risk could adversely affect any airline's performance and reputation. Effective management of aviation security risk is, therefore, essential to us.	We have all the required policies and procedures for managing aviation security. The Aviation Security Division reviews these policies regularly. We provide training on aviation security to all required employees and for those whose duties involve access to the airport restricted area. We carry out airport audits for compliance on a regular basis, ensuring aviation security. We also ensure resilience on all operational fronts, with safety and security being the top priority at all times. The aviation-security risk level has been reduced due to enhanced security measures, regular risk assessment and improved cooperation with authorities.
Commercial risk		
Risk level: Very high Risk exposure trend: No change Link to strategy: Growth	Factors such as intensive market competition, government intervention, operational limitation, geopolitical tensions and rising costs can create challenges for us.	In 2024, the Air Astana Group implemented several mitigation actions in response to the evolving aviation market in Kazakhstan and the expansion of its network. With new destinations introduced by both Air Astana and FlyArystan, we focused on proactive risk management by optimising network efficiency, adjusting frequencies based on demand, and strategically allocating fleet capacity. Continuous monitoring of domestic and global market trends allowed for timely responses to operational challenges, ensuring sustainable growth and enhanced resilience.
Human-resources risk (part of ESG risks)		
Risk level: Moderate Risk exposure trend: No change Link to strategy: Excellence, Growth	Our Human Resources Policy is designed to ensure we retain and recruit qualified personnel, capable of performing their duties effectively and productively in line with our strategic goals and values, while complying with professional and ethical regulations. We consider our employees to be one of our main assets.	We have fostered equality in the workplace, ensuring a discrimination-free environment where people can thrive regardless of gender, age, ethnicity, religion or cultural background. Managing human-resources risk involves key areas, including recruitment, retaining key personnel, improving the employee experience, providing easy access to resources, and facilitating training and development. Our HEART values remain a priority in maintaining our working environment.

Principal risks and uncertainties continued

Risk name	Description	Mitigation
Health, safety and environment (H&S) risk (part of ESG risks)		
Risk level Risk exposure trend Link to strategy	We understand our moral and ethical responsibility to ensure the health and safety of our employees, doing all we can to protect their physical and mental wellbeing. In occupational health and safety, we comply with national, legal and other regulatory requirements, and international rules of the aviation industry.	We follow all the procedures needed to provide a high level of occupational safety. Our employees are aware of them and kept informed of any changes in instructions, which are regularly updated in line with Government guidelines. To reduce and recycle waste, we educate our employees through instructions, posters, and events focused on environmental protection. In line with the Ecological Code of the Republic of Kazakhstan, we receive an environmental-impact declaration for solid, hazardous and non-hazardous waste. We collect and sort waste for: ▸ third-party disposal by specialist companies (for hazardous waste such as oil, used filters, rechargeable batteries, worn tyres, residues of solvents, paintwork materials, aggressive liquids, and used mercury-containing lamps) ▸ waste dumping (solid waste) ▸ scrap metal, paper waste and PET recycling
Service-quality risk		
Risk level Risk exposure trend Link to strategy	A high level of service is central to our activities. Failure to provide it could damage our reputation, cause us to lose customers, and lead to a reduction in the Skytrax ratings for Air Astana and FlyArystan.	We aim to provide an exceptional experience for our customers throughout their journey. We offer extensive training programmes to ensure all employees who interact with customers maintain their skills at a high level. We analyse customer feedback, and determine how satisfaction scores are affected by product and service changes across different stages of travel.
Climate-related risk		
Risk level Risk exposure trend N Link to strategy *(for more information see section below, 'Managing climate-related risks').*	The aviation industry faces a complex array of climate-related risks that require proactive management as part of its ESG Strategy. Addressing both chronic and acute risks will require significant investment in infrastructure, technology and operational changes. There's also a need for more openness and involvement with stakeholders, as we make the transition to a low-carbon economy.	We promote sustainable and resilient growth through our sustainability stewardship and adherence to evolving environmental regulations. With rising global temperatures, changes in climate can affect aircraft performance, particularly during take-off and landing, causing significant disruption to flight operations, which can lead to delays, cancellations and increased operational costs.

Principal risks and uncertainties continued

Risk level: Very high, High, Moderate, Low

Risk exposure trend: No change, Decrease, Increase, New risk

Link to strategy: Growth, Efficiency, Excellence

Risk name	Description	Mitigation
External-communication risk		
Risk level: Low Risk exposure trend: N (New risk) Link to strategy: Excellence	A positive reputation and the brand loyalty it generates can be a major advantage. The roles of brand image, price, service quality, brand preference, and brand loyalty reflect our competitiveness and are intangible assets.	To operate in the marketplace, we aim to maintain a positive organisational character with customers, suppliers, business partners, employees and the surrounding community. We must also manage our reputation and credibility with the media and regulators, while improving investor sentiment.
Credit risk		
Risk level: Moderate Risk exposure trend: Decrease Link to strategy: Growth	We are exposed to credit risk, which is the risk that a counterparty will cause us to suffer a financial loss by failing to fulfil its obligation. Our credit risk arises mainly from deposits with banks and other financial institutions, held by counterparties, as well as from receivables including those from agents selling commercial air transportation. We use external ratings, such as S&P Global Ratings or its equivalent, to measure and monitor our exposure to credit risk with financial institutions. The default of a bank counterparty may adversely affect our financial performance and stability.	Our Cash Management Policy sets the limits and criteria for counterparty banks. It also establishes standard procedures, such as monitoring our use of bank limits, actual or forecasted exposure to accredited banks, and reporting to the Chief Accountant, Chief Financial Officer (CFO) and the Board of Directors. We review internally the new limits for each bank before submitting them to the Board of Directors. We review the policy annually to ensure it is fit for purpose. Also, to manage credit risk from other counterparties, we have policies and stringent procedures in place, and update them regularly. Our Travel Agent Ticketing Authority Policy establishes guidelines and criteria for authorising travel agents to issue tickets. It ensures authorised agents have a sound financial standing and adhere to specific standards, reducing the likelihood of defaults. Requiring prepayments and cash deposits from direct agents adds an additional layer of security, giving us a financial guarantee and reducing the impact of defaults or delayed payments.
Liquidity risk		
Risk level: Moderate Risk exposure trend: No change Link to strategy: Growth	Liquidity risk is the risk that we may not be able to meet our present and future short-term obligations when they fall due. We retain the financial flexibility to pursue business opportunities, and we have access to the liquidity we might need to mitigate the effect of unforeseen events on cash flows.	We closely monitor our liquidity position through different ratios (current ratio and cash to sales ratio) and continually seek opportunities to obtain banking and other financial products on the most favourable terms. The successful IPO in Q1 2024 strengthened our liquidity position, providing additional funds to support growth and financial stability.

Principal risks and uncertainties continued

Risk name	Description	Mitigation
Jet-fuel risk		
Risk level Risk exposure trend Link to strategy	Fuel expenses remain one of our major costs and, like the entire industry, we continue to face risks from high fuel-price volatility. In 2024, fuel prices remained elevated due to ongoing geopolitical tensions, supply-chain disruptions and production constraints. As a consequence, jet-fuel risk remains one of our most critical.	For locally sourced fuel, we negotiate prices on a competitive basis with Kazakhstani suppliers using agreed and stable contracts. We also maintain ongoing negotiations with suppliers regarding price reductions. Another important aspect is our monitoring of alternative suppliers for domestic and international stations. Where there are no restrictions, we also apply a fuel surcharge on international routes as an additional tool for reducing risk. To reduce our overall consumption of fuel, we have added new, more fuel-efficient aircraft to our fleet in recent years. These include the Airbus A320neo, Airbus A321neo and Airbus A321LR (with a new engine option). Additionally, several of our pilot-training programmes include skills for efficient fuel management.
Operational risk		
Risk level Risk exposure trend Link to strategy	Operational risk is where we could incur losses as a result of ineffective operation activities, such as an excess or shortage of operating aircraft, low on-time performance or pilot shortage.	The risk of not being able to carry out regular flight operations on time due to technical or external reasons can lead to significant costs and reputational damage. We undertake regular delay analysis and delay meetings, and we employ the required number of qualified pilots in line with our annual plan, using a proven recruitment process. We also provide relevant training to ensure that we maintain the highest professional standards. Due to external engine issues, we pay particular attention to the risks relating to fleet size. To manage these, we deliver and redeliver aircraft according to an approved fleet plan and based on market conditions.
Cyber and information-security risk		
Risk level Risk exposure trend Link to strategy	Cyber risks are critical in the airline sector, as the use of technology is increasingly integrated into business processes. With greater reliance on technology, companies are now more exposed to cyber-attacks that could lead to data leakage and significant reputational and financial losses.	To manage these risks, we have strong cyber-security measures in place, and we have developed processes to comply with the best industry practices and standards in information security. Our employees undergo regular training on information security and familiarisation with our Information Security Policy. During the extensive period of remote working caused by the global pandemic, we ensured the security of our internet connections by using VPNs and multi-factor authentication.

Principal risks and uncertainties continued

Risk level

Very high · High · Moderate · Low

Risk exposure trend

No change · Decrease · Increase · New risk

Link to strategy

Growth · Efficiency · Excellence

Risk name	Description	Mitigation
The risk of the failure or severe degradation of mission-critical IT infrastructure		
Risk level Risk exposure trend Link to strategy	Our key processes depend on IT services and infrastructure, so effective and resilient IT management is essential.	To mitigate this risk, we use various required systems and equipment, and carry out regular updates of operational systems and firewall software. We store all critical data appropriately, and create and monitor online and offline back-ups. To decrease the risk of virus or hacker attacks, we use antivirus systems and firewalls, limit access to local and internet resources, and regularly update our security systems and applications. Also, regular external audits increase our resilience to internal and external risk factors. Our IT infrastructure is fully geared to support business continuity within the best possible limits, with redundancy and back-up systems in place.
Compliance risk (part of ESG risks)		
Risk level Risk exposure trend Link to strategy	Facing regulatory non-compliance, including sanctions breaches, alongside risks of corruption, fraud and unethical behaviour, represents a risk to us. These issues can result in legal penalties, financial losses, and reputational harm, underscoring the need for stringent compliance frameworks and ethical governance.	We manage risks relating to non-compliance, sanctions breaches and unethical behaviour through a proven compliance-management system. This includes vigilant monitoring of legislative updates, rigorous due diligence, and sanctions screening of all counterparties to ensure adherence to legal and ethical standards. The system is bolstered by transparent reporting mechanisms, such as whistleblowing lines. We provide comprehensive training for employees, focusing on corporate ethics, the prevention of conflicts of interest, sanctions and compliance issues. Through these measures, along with continuous monitoring and improvement processes, we not only address potential and actual compliance risks but also reinforce our high standards of integrity and ethical conduct, safeguarding our reputation and operational success.

Insurance

We enhance our risk management framework by continuously evaluating its insurance strategies in response to evolving industry challenges. While complying with regulations and our own policies, we aim to ensure sustainable operations by obtaining the financial protection of our employees, liabilities and assets, through insurance. We purchase financially sound insurance coverage through a transparent process, and review this annually.

Aviation insurance

We place our aviation risks in the world's leading insurance markets through internationally reputable brokers. We cover them through the following policies:

- Aviation Hull, Total Loss Only, Spares All Risks and Airline Liability Cover
- Aircraft Repair and Operational Support (Hull deductible) Cover
- Aviation Hull and Spares 'War and Allied Perils' Cover
- Aviation War, Hijacking and Other Perils Excess Liability Cover

Non-aviation insurance

We also purchase a range of non-aviation insurance policies. These include covering our employees for accidents and medical expenses, reducing the financial risk of damage to our property and interruptions to our business, and general liability.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air astana
CREW / STAFF ONLY
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air astana
BAGGAGE DROP-OFF
air astana

Operating review

Connecting Kazakhstan to the world

Established in 2001 and operational since 2002, Air Astana is Kazakhstan's flag carrier and largest airline brand by revenue and fleet size in the Central Asia and Caucasus region. As a full-service airline brand, it provides scheduled, point-to-point and transit, short-haul and long-haul air travel and cargo on domestic, regional and international routes across Central Asia, the Caucasus, the Far East, the Middle East, India and Europe.

The airline has been instrumental in opening up the huge country of Kazakhstan, the ninth largest in the world, and roughly the size of Western Europe. Its tourism and business routes, operating from Almaty and Astana, allow it to reach Central Asia, the Caucasus, Europe, the Middle East and Asia with its mostly narrow-body fleet.

Air Astana's operating model has changed considerably since 2002, with agile responses to the Covid pandemic and more-recent international conflicts. Its recovery from the pandemic was outstanding. Air Astana took advantage of the population's desire to travel further afield, and has grown on a fairly steady trajectory by offering new flights, initially to where PCR tests allowed – the Maldives, Thailand, Montenegro. Given the new desire of customers to travel, the airline soon added flights to Egypt, Greece, Georgia, Turkey and the UAE. More recently added destinations include China, India, the Middle East, South Korea, Sri Lanka and Vietnam.

A full-service carrier brand

Air Astana services a broad network of locations within an approximately seven-hour radius of at least one of its Kazakhstan base airports, accompanying the more-domestic network of its subsidiary brand FlyArystan. This allows it to service international routes to multiple locations across Europe and Asia. Its partnership strategy is to work with carriers that provide compelling network distribution and opportunity from its hubs, and it currently has eight codeshare partners and 84 interline agreements. It operates a fleet of young, modern fuel-efficient aircraft with a two-class configuration across the Airbus A320 family and Boeing 767.

The year's highlights

- The network of Group continues to grow with 21 new routes added in 2024 (12 Air Astana new routes and 9 FlyArystan). Air Astana expanded capacity on its China routes following high demand. It strengthened connections to South Korea with flights twice-weekly from Astana and daily from Almaty, to Seoul. It also announced new lifestyle destinations in Vietnam and new route Astana-Phuket, and boosted presence in the Middle East with direct flights to Jeddah and Medina
- In August, Air Astana announced a new codeshare agreement with Japan Airlines (JAL), one of the world's best airlines, which will facilitate connectivity between Kazakhstan and Japan with the upcoming 2026 Almaty-Tokyo route
- In late 2024, Air Astana established a significant partnership with Etihad Airways, enabling customers to access key destinations across India, the Middle East, and Africa via Abu Dhabi
- In September, it successfully completed the installation of the first additional central fuel tanks on the Airbus A321LR, extending their range and enabling non-stop flights over long-haul distances. This enabled the operation of 8- and 9-hour flights and the relaunch of non-stop Almaty – London service, which previously required a technical stop, as well as services to Phu Quoc and Phuket. This modernisation is a key component of the long-term strategy to enhance operational efficiency. It incorporates all the necessary technical and safety features, and improves operational performance
- The airline signed the operating lease of seven additional Airbus A321neo LRs, with deliveries expected to start from 2026, reflecting its confidence in the future of Kazakhstan as an air-transport hub
- In early 2025 the Group has signed an Memorandum of Understanding (MoU) with China Southern Airlines, China's powerhouse airline, for a comprehensive set of codeshares across China, Kazakhstan and, subject to third country bilateral agreement, other countries in East Asia, Central Asia and Caucasus. This key partnership, once the MoU has been translated into a concrete agreement, will accelerate the Group's expansion into this neighbouring megamarket
- Around 15% of passengers are taking connecting flights, a figure expected to rise following the opening of the new terminal at Almaty International Airport in June 2024, with tripled terminal area, increasing annual capacity at the airport from 8 to 14 million passengers per year. The new terminal resolves the capacity bottleneck at the Group's main base and provides additional capacity for further growth in the future
- Air Astana implemented many initiatives to enhance customer experience in 2024, including an upgraded website and developed mobile app which will be launched in 2025, revamped frequent flyer programme, opened a new dedicated lounge in Almaty and an upgraded lounge in Astana, enhanced customer feedback opportunities, and mobilising non-operational employees to help passengers at Almaty during peak travel periods

Opportunities for further growth

Air Astana believes it has seen only the beginning of the potential of the region, a view confirmed by IATA forecasts and market analysis. Central Asia is leading the growth in traffic across Asia, with its strong aviation performance partly attributed to overflight restrictions due to the war in Ukraine. As more routes from Europe to Southeast Asia and the Middle East are redirected through this subregion, the Central Asian market is expected to continue outperforming in the near future, given the ongoing geopolitical situation. The Kazakh market for both domestic and international travel has much scope to grow before it catches up with other markets with similar demographic and economic parameters. The country's emerging middle class is increasing its propensity to fly, and tourists from around the world are beginning to discover Kazakhstan as a unique and relatively untouched travel destination.

Central Asia generally is becoming more of a destination, for business and for leisure, and there is huge potential in the Indian market, with the increasing interest of Indian tourists in Central Asian destinations. Other countries and regions seen as strategic for Air Astana's continued overseas growth include China, the Gulf, Japan, Korea, Saudi Arabia and Western Europe. In addition, many overseas businesses and investors in oil, gas and minerals tend to have their headquarters in Astana, encouraging business travel from, in particular, China, Korea and the UAE. Working in this positive market environment, Air Astana has a clear path forward through its solid strategy encompassing growth, efficiency and excellence.

Load factor (%)
81.8
2023: 80.1

ASK (bn)
13.4
2023: 12.5

RPK (bn)
11.0
2023: 10.0

Operating review

An award-winning low-cost carrier

Air Astana Group's low-cost airline, FlyArystan, operates independently, making the most of the low-cost carrier (LCC) operational model used in Asia, the US and Europe to offer consistently low fares and stimulate demand in underserved markets. Flying from three of Air Astana Group's bases in Kazakhstan, it provides scheduled and charter short-haul and medium-haul air travel across the country and further into the Caucasus, Central Asia, Turkey and the Middle East.

A history of rapid growth

Established in 2019, FlyArystan was one of the first LCCs in Central Asia. Since its launch, it has grown to become the market leader in Kazakhstan, providing 4.2 million passengers with low-cost air travel in 2024, and expanding the fleet from four in 2019 to 23 aircraft by the end of 2024. It now flies 59 routes including domestic and international, with a domestic market share of 40%. Much of this success is due to maintaining high service standards: within three years of launch, FlyArystan became one of 13 LCCs globally to be certified as a 4-Star Low-Cost Airline, with no LCC receiving a 5-Star rating.

Playing a distinctive role

Although still wholly owned by the Air Astana JSC, FlyArystan is run as a separate organisation from an operational and marketing perspective, complementing the full-service Air Astana brand. By operating two distinct brands, the Group covers more routes and serves more destinations than any other airline in Kazakhstan, Central Asia and the Caucasus.

The Group has managed the growth of these two distinct brands in parallel, with limited cannibalisation. While Air Astana focuses mainly on business and lifestyle travel, FlyArystan is positioned as a low-cost market disrupter, targeting price-conscious customers. Its expanding network is in the domestic and near-home markets within a four-to-five-hour radius of its three bases. FlyArystan operates Airbus A320 aircraft, configured to support high-density, single-class seating.

Stimulating local demand

FlyArystan has been instrumental in growing the Kazakh air-travel market by encouraging more people to fly. In a large country, where significant distances separate cities, a three-hour flight at the right price is highly preferable to a 24-hour rail trip – and FlyArystan is the leading provider of those low-cost flights, making air travel attainable for a greater proportion of the Kazakhstan population.

Since commencing operations in May 2019, the airline has carried 15 million passengers, with almost 11 million of those being domestic travellers. FlyArystan, established as a social initiative to enhance aviation mobility for Kazakhstanis, has played a vital role in driving domestic passenger growth. In 2024 alone, the airline transported 4.2 million passengers, an increase of 15.5% year-on-year, with more than 10% experiencing their first-ever flight. As Central Asia's first low-cost carrier, FlyArystan has transformed Kazakhstan's aviation sector by making air travel more affordable and fostering a new travel culture in the region.

Opportunities for further growth

Operating with one of the lowest CASKs (Cost per available seat kilometre) among internationally comparable LCCs, FlyArystan can expand to cover new routes more profitably than its competitors. Also, those LCCs have their bases outside the Central Asia and Caucasus region, making it more difficult to access the markets FlyArystan is targeting for network expansion.

In addition, there are new opportunities to expand FlyArystan across international routes within its optimal stage length of four to five hours. With hub airports in North, South-East, and West Kazakhstan, it can increase its radius to include new routes and destinations, making the most of growth opportunities in Western and Central China, India, Saudi Arabia, and the Gulf. FlyArystan has also established several strategic initiatives to increase ancillary revenues.

The year's highlights

- In April 2024, FlyArystan received its own AOC from the AAK. Before this, the airline had operated under the Air Astana AOC. Now, with its own AOC, it can align operations more effectively with its LCC model and pursue additional growth opportunities
- Having its own IATA code, FS, granted in April 2024, allows it to expand globally and establish strategic partnerships with other airlines
- ICAO Code (AYN) and ICAO Call Sign (Arystan) granted in February 2024
- IATA Accounting Prefix Code 164 granted in July 2024
- As part of the airline's ongoing expansion, it took delivery of five new aircraft during the year
- In May 2024, Richard Ledger was appointed as the President of FlyArystan, bringing almost 18 years' management experience within the Air Astana Group
- FlyArystan won the Best Low-Cost Carrier in Central Asia and CIS award from Skytrax for the second time. It also retained its Skytrax 4-Star LCC status
- Service and software upgrades included mobile app enhancements to sign-in, booking management and check-in, Google Pay and China Union Pay integration, flight status service now offering real-time accuracy, kiosk software upgrades and a new bag-drop facility at Almaty

Having accelerated the growth of air travel in Kazakhstan, FlyArystan has boosted its own growth by serving in-demand destinations at attractive prices. And now this trend continues, as the airline explores more routes and offers passengers a greater range of products and services.

Richard Ledger, President of FlyArystan

Load factor (%)	ASK (bn)	RPK (bn)
87.3	**5.9**	**5.2**
2023: 89	2023: 5.2	2023: 4.6

Operating review

Strategically planned growth

In 2024, the Air Astana Group delivered on its strategy with significant growth and record passenger numbers, while carefully managing yield and controlling costs, despite of industry-wide revenue and cost pressures as well as capacity constraints.

The Group carried nine million passengers across both airline brands during the year at an improved load factor of 83.5% (2023: 82.8%). This is almost one million passengers more than in 2023, driven by growing demand for air travel across Kazakhstan, our extended home market and nearby megamarkets.

This resulted in a strong financial performance with total revenue* for the Group increasing to USD 1,308 million (2023: USD 1,164 million) and adjusted EBITDAR* grew 16.1% to USD 338.6 million (2023: USD 291.6 million), ahead of ASK growth of 9.2%.

New routes and network expansion

The Group's strategic location in the heart of Eurasia makes it uniquely positioned to benefit from increased air travel in its underserved extended-home market, the world's fastest-growing aviation region according to IATA, and provides close access to Asian megamarkets.

Both Air Astana and FlyArystan have continued to increase capacity and launch new international and domestic routes. While capacity allocation has always been based on supply and demand with a close focus on route profitability, this was particularly important in 2024 as industry-wide cost inflation and supply-chain pressures required higher yielding routes to be prioritised. In the period, this resulted in increased capacity allocated to destinations across Asia at the expense of the European market.

As at 31 December 2024, the Group's passenger network covered 107 routes (74 international and 33 domestic), 45 destinations in 22 countries.

The Group further expanded its network in 2024 with 21 new routes and destinations to high-demand regions across Asia, including India, China, Vietnam and the Gulf.

The proximity of the two megamarkets of China and India represents a significant growth opportunity with strong demand requiring improved connectivity. Passengers carried to China and the Far East rose 33% year-on-year and the Group retains many unutilised traffic rights in China, allowing future growth as ongoing capacity restrictions are lifted. The Indian market, which is currently seeing a steep rise in outbound tourism, is also a key area of expansion with 50% more passengers carried by the Group in 2024 compared to the prior year.

The Group also boosted its presence in the Gulf in 2024 by expanding to destinations such as Abu Dhabi, Dubai, Jeddah and Medina. Passengers carried to the Middle East, including the key Gulf states, increased 28% year-on-year.

New winter services were added from Atyrau-Dubai, Astana-Abu Dhabi and Almaty-Abu Dhabi, building on the Group's existing 20 services a week from Almaty and Astana to Dubai and six services a week from Almaty and Shymkent to Saudi Arabia. This expansion reflects the rapid growth in business and leisure traffic between Kazakhstan and the region, contributing to wider economic development in western Kazakhstan by enhancing connectivity with important business and tourist centres in the Gulf.

A robust charter programme also supported seasonal demand, with services to Antalya, Batumi, Bodrum, Colombo, Doha, Male, Phuket, Sanya (China) and Sharm El Sheikh. In 2025, the Group has already further expanded its network across Asia with the introduction of eight new routes including Guangzhou in China (in addition to Beijing, Urumqi and Sanya), Mumbai (in addition to Delhi) and seasonal flights to Nha Trang in Vietnam (in addition to Phu Quoc).

* Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

Operating review **Strategically planned growth** continued

Installation of additional fuel tank on A321LR

The Group is widening its network capabilities by retrofitting a third fuel tank on its fleet of Airbus A321LR, bringing new destinations within extended range of narrow-body aircraft. An initial four additional fuel tanks have already been installed at the Group's own technical facilities, bypassing supply-chain delays at Airbus. The Group is ideally positioned to utilise the extended range in all directions, with possibilities for new routes in Asia, the Middle East, Europe and potentially beyond. To date, it has already enabled the launch of non-stop flights on some of Air Astana's longest routes, including Almaty-London, Almaty-Guangzhou, Astana-Phu Quoc and Astana-Phuket flights, as well as Almaty-Tokyo from 2026.

The modification also represents a key part of the Group's long-term strategy to enhance operational efficiency. The modification incorporates all the necessary technical and safety aspects and, by operating non-stop to long-haul destinations, significantly improves performance and reduces travel time.

Enhanced strategic partnerships

Air Astana continued to expand its global network through enhanced strategic partnerships. These enable the airline to participate in passenger itineraries it may not otherwise have considered through codeshare and interline agreements, often with national flag carriers. They also allow for marketing initiatives, cooperation on loyalty programmes, and enhanced service levels at airports through aircraft and maintenance.

By the end of 2024, Air Astana had established nine codeshare partnerships with interline partners delivering over 150,000 passengers (approximately 8% of Air Astana international traffic). In August, the airline signed a new codeshare agreement with Japan Airlines, facilitating seamless connectivity between Kazakhstan and Japan on the upcoming Almaty-Tokyo route in 2026. In November, Air Astana begun codesharing with Etihad Airways, the UAE's national flag carrier, to offer a greater choice of destinations across the Gulf.

Air Astana has now also signed an MoU with China Southern Airlines, China's powerhouse airline, for a comprehensive set of codeshares across China, Kazakhstan and, subject to third country bilateral agreement, other countries in East Asia, Central Asia and Caucasus. This key partnership, once the MoU has been translated into a concrete agreement, will accelerate our expansion into this neighbouring megamarket. The Group is exploring further potential Enhanced Strategic Partnerships.

Fleet development

The Group maintains a modern, fuel-efficient fleet of Airbus A320 family aircraft, alongside three Boeing 767 aircraft for longer international routes flown by Air Astana.

The Group continues to expand its fleet to support its growth objectives and meet rising demand in its extended home market. The Air Astana brand took delivery of five aircraft in 2024, expanding its fleet to 34. FlyArystan also took delivery of five aircraft in 2024, expanding its fleet to 23, which further increased to 25 in early 2025, exclusively made up of the A320 family of aircraft.

Alongside capacity expansion, the process of simplifying the fleet is nearing completion. Following the early retirement of the Boeing 757 fleet, the last of which departed in early 2021, the Group has been phasing out its fleet of Embraer E190. Two Embraer E190-E2 have been redelivered in 2024, bringing the total fleet to 57 at the end of 2024. This is now the simplest fleet profile the Group has ever had in its 23 years of existence.

In July, the Group signed an agreement with Air Lease Corporation for the operating lease of seven Airbus A321neo LR aircraft with deliveries taking place starting from 2026. The Group now expects to increase the total fleet to 84 aircraft by the end of 2029, comprising 54 Air Astana and 30 FlyArystan aircraft, extending the previous guidance of 80 by the end of 2028.

air astana

34

Air Astana fleet

FlyArystan

23

FlyArystan fleet

Operating review **Strategically planned growth** continued

FlyArystan AOC

Since its launch in 2019, FlyArystan has grown into the market leader in Kazakhstan while operating its separate brand under the Air Astana AOC. The airline has now reached such a size and level of operational complexity that it makes strategic sense to operate under its own AOC to further grow and develop, while remaining a wholly owned subsidiary of Air Astana JSC.

FlyArystan was issued its own AOC on 1 April 2024 following an extensive audit and examination process by the Aviation Administration of Kazakhstan, demonstrating the airline's adherence to both domestic aviation legislation and international operational standards. This enables the brand to align operations more effectively with its LCC model and pursue additional growth opportunities with its own IATA code (FS).

New International Terminal at Almaty airport

Located in the largest city in Kazakhstan, Almaty airport is the country's busiest airport and the principal operating hub for the Group; however it has been held back by operating a single terminal for both domestic and international flights. The inauguration of a new International Terminal at Almaty airport on 31 May 2024 is therefore an important development for both the Group and the wider aviation industry in Kazakhstan. Air Astana operated the first flight to the terminal, carrying passengers from London, on 1 June 2024 and by mid-June all the Group's international flights had been smoothy transferred.

The new 54,000m^2 terminal has tripled the terminal area, increasing annual capacity at the airport from 8 to 14 million passengers per year. The new terminal resolves the capacity bottleneck at the Group's main base and provides additional capacity for further growth in the future. It also frees up space at the existing terminal, which can now be exclusively dedicated to meet the high growth in domestic demand.

Successfully mitigating Pratt & Whitney engine issues

The industry continues to be adversely impacted by supply-chain challenges arising from Original Equipment Manufacturer's (OEM), including Pratt & Whitney, and the impact of the contaminated powdered metal problems of PW1100G engines. The Group recognised the issue early and took proactive action ahead of the wider industry, successfully ensuring high fleet utilisation during peak season and reducing the impact on overall performance.

Actions taken under the Group's Mitigation Plan

- Proactively rested engines during the low season to ensure high deployment during peak season
- Performed 93 PW1100G in-house engine replacements in 2024
- Secured 13 spare engines
- Took delivery of a further four A320ceo family aircraft (with an additional A320ceo delivered in Q1 2025)

These actions successfully mitigated the disruption caused by fleet groundings, which has presented challenges across the industry in increasing capacity to meet rising demand. As a result, the Group was able to operate at near full capacity during peak season when returns are highest. The Group also leveraged the flexibility of its dual brand model, whereby Air Astana and FlyArystan are independently managed, to compete internally for margins and allocate capacity to the most profitable routes. This ensured that RASK growth offset the rise in CASK, protecting yields and improving profitability ahead of capacity growth.

In March 2024, the Group reached an agreement with Pratt & Whitney for compensation and other support in recognition of the impact to the Group's operations arising from GTF neo engine availability issues.

The engine-off wing time assumption for this issue remains 18 months. Although the Group is now being delivered completely fault-free engines by Pratt & Whitney, the issue is expected to persist and require proactive mitigating actions for the foreseeable future.

Operating review

Improving efficiency across all our operations

The Group is one of the most efficient airline groups globally with respective EBITDAR margins of 28% and 25% for FlyArystan and Air Astana placing the airlines consistently among the highest in the industry. This is underpinned by the Group's young, modern and fuel-efficient fleet and investment in its own facilities and training.

Management is constantly reviewing initiatives and new technologies to deliver additional operational and cost efficiencies, including a strategic plan to bring the Group's operations in-house, resulting in more efficient and higher quality operations, while also turning traditional costs into profit centres by servicing other airlines.

Advanced Technical Centre

In 2024, the Group continued to invest in its Advanced Technical Centre (ATC), an in-house facility for maintaining aircraft to the highest industry standards. The Group performed seven C-checks in 2024 and expanded its capability to the most comprehensive 12 Year C-checks on the Airbus fleet, the first ever to be conducted in Kazakhstan. The ATC delivered significant operating efficiencies for the Group in 2024 and is expected to deliver increased savings going forward. In addition, the Engineering and Maintenance unit provided line maintenance to 58 domestic and international airlines.

New hangars in Almaty and Astana

Plans are currently being developed for the construction of new hangars in Almaty and Astana, expanding maintenance capacity across the Group's main two hubs, further reducing costs and introducing the opportunity to provide scarce and high-value heavy maintenance to external customers. The construction of the expanded facilities is expected to commence in 2025-26.

De-icing infrastructure

The Group increased its de-icing capability with the construction of its de-icing warehouse at Astana airport. This completed in December 2024 and is an important milestone given the challenging winter climate in the Group's home market. In Almaty, the de-icing fluid mixing station was upgraded with increased storage capacity and reduced refilling speed by 50%. In 2024, four new de-icing trucks were delivered to Almaty and Astana, increasing the total number operated by the Group to 14. The expansion of de-icing facilities contributes to improved operational capabilities and efficiency.

Ground Services subsidiary

The Group is in the process of establishing a fully owned Ground Services subsidiary, Air Astana Terminal Services, to ensure a high-quality customer service and also manage one of its key costs.

At the same time, this move will enable the Group to ensure a high-quality customer service while expanding operations and potentially creating growth opportunities providing services to other airlines at its principal hubs at Almaty and Astana.

Fuel optimisation and savings

In line with its strategy to reduce costs and optimise operations, the Group partnered with StorkJet to introduce its Aircraft Performance Monitoring software across its fleet. The software uses airborne flight data and artificial intelligence to improve fuel planning, optimise descent and diagnose airframe or engine-related problem. It is expected to reduce fuel burn by 1% and lower CO_2 emissions. In addition, the Group re-implemented a Fuel Tankering programme in April 2024 to minimise fuel costs and further improve efficiency on its modern fleet of aircraft. This achieved significant fuel savings during the year.

Training and recruitment

As part of its commitment to high standards of pilot training and performance, the Group is extending its Flight Training Centre (FTC) in Astana. The Group's A320 Full-Flight Simulator – one of the first in Central Asia – is currently at full utilisation. The second Full Flight Simulator was delivered in February 2025 and is on track to be commissioned by the end of this year increasing capacity, extending operational efficiency and potentially generating revenue from external pilot training.

In line with the Group's strategy of fleet simplification, all Embraer pilots have now been converted to Airbus in preparation for the final phase-out of the Embraer fleet. The Group is in the final stages of becoming the first airline in Central Asia and CIS to be awarded a Multi-Pilot-Licence (MPL), which will further contribute to the efficiency of pilots across the Group. Furthermore, the implementation of Jeppesen Pairing Optimiser is currently in progress and expected to go live in April 2025, which could bring potential savings of 5-7%. All these actions will contribute to improving the efficiency of pilot utilisation.

We continue to train our own people, pilots, crew and engineers. Since the ab-initio pilot cadet programme started in 2008 we have a record high – 30 cadets currently in training. About half of the pilot force are graduates of the ab-initio programme and 80 have been promoted to captains. The new cabin emergency evacuation training system and real firefighting trainer simulators were also commissioned during the year.

In addition to pilot training, the Group implemented training programmes for cabin crew, including a CEET and RFFT required for mandatory ongoing training. The Group further strengthened its flight crew induction training and cabin crew training with additional training on pre-flight security checks. This reduces the number of crews required.

The Group's training programmes and pathways for career progression makes it at an attractive workplace for prospective employees. The Group has established partnerships to develop talent and attract high-skilled employees from universities and colleges including the Academy of Civil Aviation, KIMEP University, De Montfort University Kazakhstan, University of International Business, L. N. Gumilev Eurasian National University, Caspian University and NARXOZ University. In addition, the Group participates at university exhibitions and forums, and Tech Orda online webinars. Digital platforms are also used for recruitment, hosting online resources and career portals on its website and using social media to reach a broader number of candidates with active job postings on LinkedIn. The Group's recruitment team is also increasingly deploying artificial intelligence to tailor job descriptions to attract the best and most suitable talent.

Operating review

Ensuring excellence for our passengers

The Group is dedicated to maintaining the highest standards and providing the best experience for its customers on every Air Astana and FlyArystan flight. This continuous improvement is reflected in the upgrades made throughout 2024 and has been once again recognised by experts at the industry's most prestigious awards ceremonies.

In 2024, the Group implemented multiple strategic initiatives to enhance customer experience, focusing on service quality, operational efficiency, and innovation.

New lounge openings

In November 2024, Air Astana opened its dedicated The Shanyraq business lounge in the new terminal at Almaty International Airport. This offers a world-class service to the airline's business class and frequent flying customers. It follows the revamping of The Shanyraq business lounge at Astana Airport which resumed welcoming customers in July.

Customer experience

The experience provided to the Group's customers is regularly reviewed, driven by the CXG (Customer Experience Group) chaired by the CEO. This is informed by feedback from customers which was expanded in 2024 to include an onboard survey (expanded from three to nine languages) and post-flight survey automation (linked to the Passenger Name Record and travel history). In addition, the Group conducted benchmarking research in key markets to ensure its service offerings are aligned with international standards while maintaining the unique Kazakh identity that make Air Astana and FlyArystan special.

The most notable improvement in 2024 was the launch of the upgraded website, providing a more intuitive experience for customers across booking, check-in and ticket management. This will be followed by the launch of the new app in the first half of 2025. The Nomad Club frequent flyer programme was revamped with a spend-based accrual and integrated with the new website to offer a seamless experience.

The introduction of iJan self-service kiosks has been transformational in making the check-in process quicker and more efficient for FlyArystan passengers. The kiosks, which were originally introduced in 2022 as the first in Central Asia, allow passengers to scan their documents, check-in, choose a seat, weigh their baggage and receive a baggage tag. In 2024, these terminals were rolled out to all airports in Kazakhstan with a total of 62 kiosks now in place. Building on this technology, automated baggage self-check-in facilities (BagJan) were also launched ahead of the 2024 summer season. These facilities allow passengers to bypass queues by dropping off their own baggage and independently completing pre-flight procedures, making the process even faster and more convenient.

Despite investing in automation, management are aware of the vital role played by operational staff supporting passengers on the ground. Just as the Group dynamically managed its fleet to allocate capacity when demand was at its peak, resources were also committed to increase customer support during the busy summer period. 65 non-operational employees were mobilised to assist passengers at Almaty International Airport during the summer, ensuring smoother customer journeys during a busy period for both airline brands.

Award-winning service

The Group's focus on continuous improvement was recognised by international industry awards in 2024. Air Astana was named the Best Airline in Central Asia & CIS for the thirteenth year running by Skytrax and received the Best Airline Staff Service in Central Asia & CIS award for the eighth time. Air Astana also received the APEX award for Best Overall Airline award in Central Asia, following its recognition with an APEX Five Star award in the 'Major Airlines' category earlier in 2024.

FlyArystan won the Skytrax Best Low-Cost Carrier in Central Asia & CIS award for the second time and completed a Skytrax Audit in November 2024, retaining its four-star LCC status. Furthermore, Air Astana Group is now a certified ACCA Approved Employer at Platinum level.

In June, the Group was awarded the 'Most Innovative Education/Training Programme' by the American Chamber of Commerce in Kazakhstan. This recognised the Group's ab-initio pilot training programme, aviation mechanics training programme and the opening of the crew training centre in Astana, equipped with modern simulators for practising emergency rescue procedures. The award reflects the Group's commitment to the principles of ESG, including the provision of quality education, gender equality and the creation of decent working conditions.

On behalf of all colleagues across the Group, CEO Peter Foster accepted The Airline Business award at the Airline Strategy Awards 2024, providing special recognition for his longstanding contribution to the aviation industry and strong leadership over an extended period. The Group's CFO Ibrahim Canliel was also awarded 'The Best CFO' at the CFO Summit Kazakhstan 2024.

Financial review

A year of delivery despite industry headwinds

In 2024, we delivered on our guidance set out at IPO with a year of strong growth. This was achieved despite industry-wide cost inflation, revenue pressures and OEM restrictions. Our dual-brand model and unique geographical location allowed us to dynamically reallocate capacity to higher margin routes, driving up adjusted EBITDAR* by 16.1%, well ahead of ASK growth of 9.2%.

Our focus on profitability ensured a progressive improvement in the RASK-CASK index differential throughout the year, turning positive in Q4. This successfully resulted in unit revenue growth almost fully offsetting unit cost inflation for the year.

Our balance sheet remains strong with an improved cash-to-sales ratio and low leverage. This gives us the confidence to propose ordinary dividends ahead of schedule, alongside a special dividend and an enhanced dividend policy for the future.

The opportunity ahead of us is compelling. We are confident of delivering growth in 2025 in line with our medium-term guidance.

Ibrahim Canliel
CFO of Air Astana JSC

Financial review continued

The Group delivered a strong set of results in 2024, with revenue and EBITDAR growth in line with our guidance. This was a result of proactive actions taken early in the year to manage industry-wide cost and revenue pressures as well as capacity constraints.

On the back of 9.2% ASK growth, total revenue and other income* increased 12.4% to USD 1,308 million (2023: USD 1,164 million), underpinned by a 10.0% increase in passenger revenue* to USD 1,246 million. Adjusted EBITDAR* grew 16.1% to USD 338.6 million (2023: USD 291.6 million). The Group's adjusted EBITDAR margin* remains one of the highest in the industry at 25.9%, an improvement of 0.8 pp on 2023.

Operating profit* rose by 14.9% to USD 145.7 million (2023: USD 126.8 million), with net profit* up 6.0% to USD 65.2 million (2023: USD 61.5 million in 2023).

Revenue

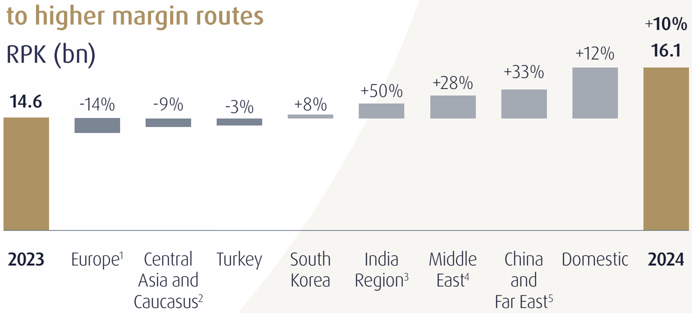
The Group's successful execution of its fleet expansion strategy resulted in a 9.2% increase in Group ASK during 2024 to 19.3 billion, with domestic ASK growing by 12.9% and international by 6.4%.

The Group's dual-brand model provides flexibility in allocating resources to higher RASK routes. This, combined with its unique geographical location, allowed the Group to continue to balance passenger growth with a relentless focus on operational cost efficiency, growing largely in higher margin international routes such as the nearby megamarkets in Asia and the Gulf.

Group RASK* improved progressively throughout the year, growing by 6.6% in Q4 2024 and by 2.6% across 2024, driven by proactive capacity management across both airline brands. RPK increased 10.1% to 16.1 billion (FY 2023: 14.6 billion).

Dynamically allocating capacity to higher margin routes

RPK (bn)



[1] Includes Germany, Greece, Montenegro, Netherlands and UK.
[2] Includes Maldives and Sri Lanka.
[3] Includes Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan.
[4] Includes Egypt, Israel, Qatar, Saudi Arabia and UAE.
[5] Includes Singapore, Thailand and Vietnam.

* Excluding non-recurring items: Net IPO related expenses of USD 1.8 million in 2023/USD 12.9 million in 2024. Revenue from the extraordinary market event impacted by partial mobilisation in Russia of USD 11.0 million in 2023. RASK adjustment of USD 4.2 million in 2024. Donations of USD 2.7 million in connection with the flood situation in Kazakhstan in 2024.

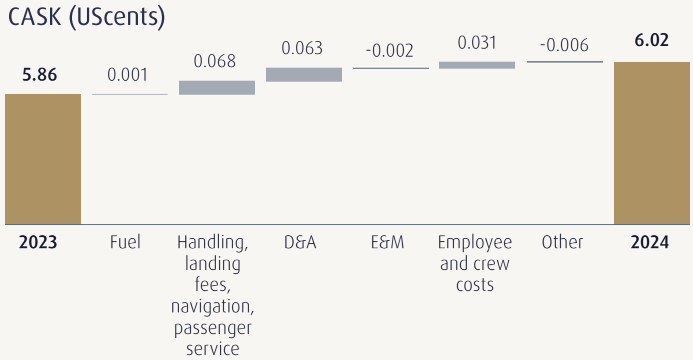
Costs

The Group is constantly reviewing initiatives and new technologies to deliver operational cost efficiencies, support margin growth and keep unit costs at a very competitive industry level.

Total operating costs* increased by 12.1% in 2024 to USD 1,163 million (2023: USD 1,037 million) or 2.7% per ASK. This was driven by industry-wide cost inflation, higher airport rates, the Group's continued investment into customer experience, operating staff remuneration and higher aircraft depreciation expenses from the fleet expansion, as well as planned lower utilisation during the off-peaks to maximise the margin during the peak. This was partially offset by the lower than ASK growth of engineering and maintenance costs.

Cost drivers

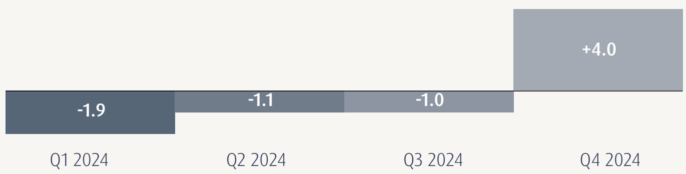
CASK (UScents)



However, the Group's highly effective cost management programme ensured only a moderate increase in full-year CASK* of 2.7%, which was broadly offset by the growth in RASK by 2.6%. The RASK-CASK index differential improved progressively over the quarters from negative 1.9 percentage points in Q1 2024 to positive 4.0 percentage points in Q4, resulting in a broadly neutral RASK-CASK differential for the year, ahead of guidance.

RASK-CASK growth differential

Percentage points

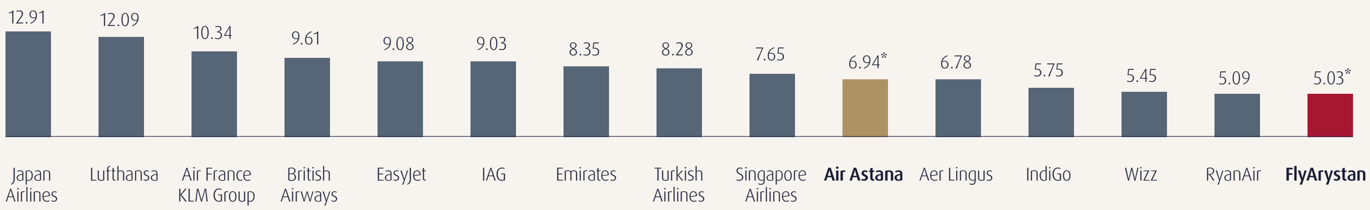


Following the re-implementation of the Fuel Tankering programme earlier in 2024, the Company achieved additional savings of USD 4 million. Approximately 30% of the Group's fuel is sourced internationally, which the Company hedges using call options. In addition, a Fuel Savings Programme will be implemented during the first half of 2025 to reduce fuel burn and emission levels.

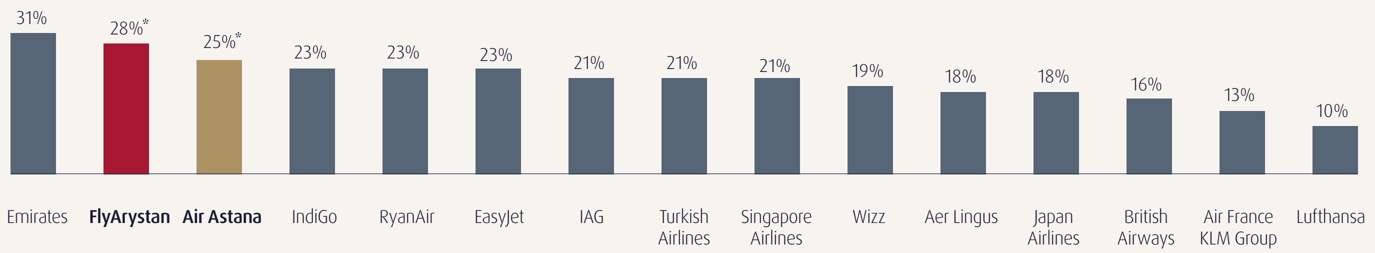
Financial review continued

Air Astana and FlyArystan are among the lowest cost and highest margin airlines in the industry

Cost per ASK[1] in 2024
US$ cents



EBITDAR margin[1] in 2024
%



Source: The Airline Analyst by Airfinance Journal, official website of the company. Air Astana and FlyArystan are shown on a standalone basis, excluding intergroup lease revenue and EME, IPO expenses, donation (Data for January 2024 – December 2024). Air France, Finnair, IAG, Lufthansa, Turkish Airlines updated for January 2024 – September 2024. Emirates, Ryanair updated for April 2023 – March 2024. EasyJet, Indigo, Japan Airlines, KLM, Singapore Airlines, Wizz air updated for April 2024 – September 2024. Aer Lingus (data for January – December 2023), British Airways (data for January – June 2024).

Fuel hedging and currency

In line with the Group's policy to hedge fuel price risk, it hedged all volumes in 2024 using call options enabling the Group to hedge the upside risk without an associated downside risk. At the time of writing the report, the Group is fully hedged against the anticipated increase in international fuel prices for the first three quarters of 2025 with options between USD 75 and 85 per barrel.

Balance sheet and leverage ratio

The Group maintains a robust balance sheet and liquidity position. As at 31 December 2024, the Group's cash position was USD 488.7 million, an increase of 78.4% or USD 214.7 million on the prior year (2023: USD 274.0 million), with a cash-to-sales ratio of 37.3% (2023: 23.3%) before available facilities. This includes the USD 120 million proceeds from the IPO.

Group Net Debt/Adjusted EBITDAR reduced from 1.5x in 2023 to 1.2x in 2024, driven by organic cash generation and IPO proceeds.

During 2024 early full repayments were made for five Airbus aircraft under finance lease. Two of these repayments were made at the end of the third quarter and the remaining three were repaid in Q4 2024.

Dividends

The Board of Directors has proposed to the Annual General Meeting of Shareholders (AGM) an ordinary dividend of KZT 17.7 per one common share (KZT 70.9 per GDR – of four shares), a total dividend of KZT 6.3 billion, earlier than the medium-term guidance set out at IPO.

Additionally, in light of the Group's robust financial results for 2024 and strong balance sheet, the Board of Directors has recommended a special dividend of KZT 36.0 per one common share (KZT 143.9 per GDR), a total dividend of KZT 12.8 billion.

The total proposed dividend (ordinary and special dividend) amounts to KZT 53.7 per one common share and KZT 214.8 per GDR. This is subject to AGM approval on 29 May 2025 and payable in mid-2025.

The Board of Directors has approved the new enhanced dividend policy stipulating a dividend of 30 to 50% of annual net income[2], ahead of previous guidance of up to 20%.

[1] Excluding Non-Recurring Items.
[2] Subject to all conditions described in the dividend policy.

Financial review continued

Buyback programme

On 30 April 2024, the Company commenced a buyback programme to purchase ordinary shares and global depositary receipts in order to meet the Company's obligations arising from its employee incentive programmes.

In the first part of the programme, which concluded on 31 December 2024, the Company purchased in total 4,638,555 shares (3,263,423 shares and 343,783 GDRs (representing 1,375,132 shares)) for a total consideration of USD 8.2 million. First vesting of shares and GDRs to employees took place on 17 February 2025.

On 13 March 2025, the Board approved the next phase of the employee incentive programme for a total amount of up to USD 5 million.

Maintaining medium-term guidance

The Group expects to deliver growth in 2025, in line with its medium-term guidance. This is underpinned by continued passenger growth on existing routes in nearby megamarkets including China, India, the Gulf and Saudi Arabia. Furthermore, the Group remains ideally positioned to benefit from increased air travel in its underserved extended-home market, the world's fastest-growing aviation region according to IATA.

Management will continue to proactively manage the Group's yield and operate a low-cost base, as successfully executed in 2024, to maintain balance between RASK and CASK growth. Capacity will continue to be realigned to ensure highest margin delivery and to mitigate inflationary cost pressures, while retaining a load factor broadly consistent with 2024.

Despite the ongoing OEM and supply-chain challenges, the Group expects to expand the total fleet to 63 aircraft by the end of 2025 and extends guidance to 84 aircraft by the end of 2029.

As a result, the Group remains on track to meet its medium-term expectation of mid-to-high 20s EBITDAR margin with liquidity ratio above 25% and leverage below 3.0x Net Debt/EBITDAR.

Ibrahim Canliel
CFO of Air Astana JSC

Governance

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Introduction to corporate governance

Strong governance is the highest priority

In February 2024, Air Astana Group became the first company, both domestically and internationally, to achieve a simultaneous listing on three stock exchanges - the London Stock Exchange, Kazakhstan Stock Exchange and Astana International Exchange. Naturally, this will enhance the profile of the business and increase the international attention it receives, whether from investors, analysts or media. Therefore our focus on integrity and compliance throughout every aspect of our corporate governance remains a major priority.

Nurlan Zhakupov
Chairman of the Board of Directors

I believe the Group's ability to achieve long-term success depends on an absolute adherence to international best practice for governance, and I see this as my major remit as Chairman of the Board. This adherence is underpinned by establishing a culture throughout the business based on a strong set of corporate values, and a business strategy that aims for growth by continually improving our efficiency and excellence at all levels. To support these aspirations, we have our own corporate governance code, developed in accordance with the UK Corporate Governance Code, Astana International Financial Centre Market Rules and the Air Astana JSC Charter.

As provided for in our Prospectus, published prior to the IPO in February 2024, the Non-Executive Director representative of shareholder BAE Systems, Myles Westcott, stepped down from the Board of Directors on 30 May 2024, to be replaced effective from 31 May 2024, by Diyas Assanov, an Independent Non-Executive Director. This brought the Board in line with the provisions of the UK Corporate Governance Code, which recommends that at least half the Board members should be Independent Non-Executive Directors. The Board now has five Independent and four Non-independent Directors. In overseeing the Company, this Board is backed by an outstanding senior management team that holds an average of 16 years' tenure with the Group in addition to longstanding and solid experience in our sector.

Introduction to corporate governance continued

Statement of compliance with relevant corporate governance codes

Air Astana's Corporate Governance Code was developed in accordance with Kazakhstan law, the rules of the Astana International Financial Centre Market and the Company's own Charter. It is also aligns with best international practice, including the principles of the OECD and elements of the 2018 UK Corporate Governance Code.

It was approved by the Company's shareholders in February 2024. The Company is required to comply with the Code – or, where the provisions of the Code have not been complied with, to provide appropriate explanations.

Throughout 2024, the Company applied all the principles set out in the Code and has complied with almost all of its provisions, where these have not been complied with, you can find appropriate explanations in this report.

The AIX corporate governance principles

AIX has Corporate Governance Principles and Corporate Governance Best Practice Standards in place for listed companies. Air Astana's Corporate Governance Code is largely consistent with these principles and standards.

Throughout 2024, the Group was in full compliance with the Corporate Governance Principles, whereas some of standards were not adopted by the Group. You can find explanations as to why certain standards were not adopted in this report.

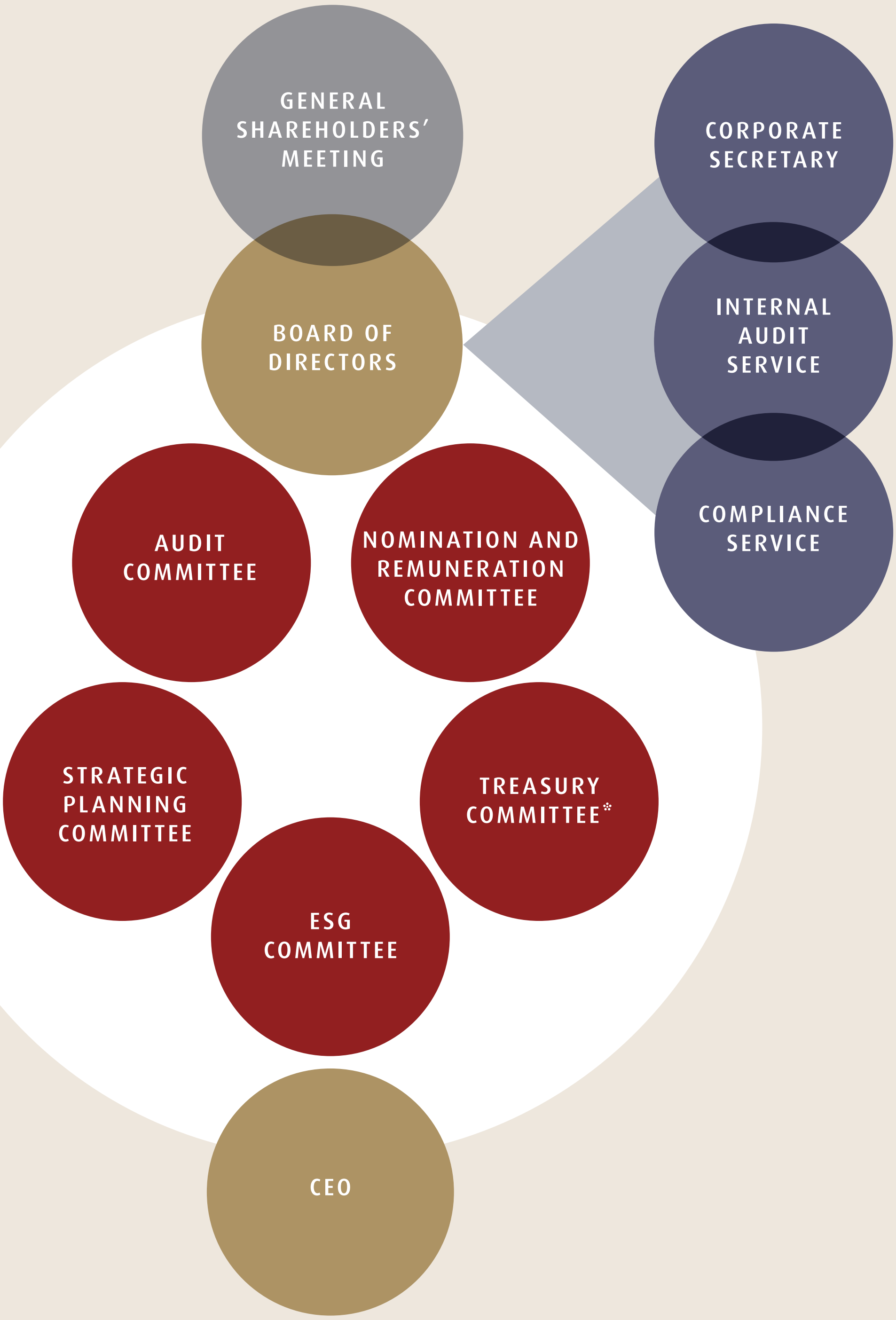
Corporate Governance report

Corporate Governance Framework

The Group believes good governance facilitates responsible, accountable and efficient management that can achieve stakeholder value over the long term. Our corporate governance framework is based on the principles of integrity, fairness, equality, transparency, accountability and commitment to values.

We have developed a corporate governance framework that ensures effective board governance procedures, strong internal control systems, accountability and transparency. We have implemented various codes and policies to ensure best corporate governance practices at all levels. By upholding these practices, we aim to create an efficient and sustainable environment that benefits its stakeholders in the long run. Through ongoing refinement of its governance practices, the Group strives to ensure its continued growth and financial stability.

The roles and competencies of the Group's management and executive bodies are clearly set out in the Charter, Corporate Governance Code and internal documents of the Company available at *ir.airastana.com*



*In January 2025, to optimise the activities of the Board of Directors, we reviewed the structure of the Committees and disbanded the Treasury Committee, with the transfer of its functions to the Audit Committee.

Corporate Governance report

Board leadership and Company purpose

The role of the Board

The principles of the Air Astana Corporate Governance Code form the basis on which the Company operates – as a safe, sustainable and successful business, to generate long-term value for its shareholders. Responsibility for upholding these principles, allied with a watching brief over all risks and internal controls, lies with the Board of Directors. Day-to-day management of the business is delegated to the CEO, whose activity is supported by the Executive team.

The Company's Board of Directors is guided by the Company's Charter, Corporate Governance Code and follows an annual activity plan and meeting schedule. The Board of Directors can also review matters beyond its activity plan, if necessary.

Conflicts of interest

Air Astana's Code of Conduct urges employees to report any conflict of interest according to procedures established by internal documents. All potential or actual conflicts of interest are carefully analysed and measures are developed to minimise the risks arising from them. A policy for preventing and resolving conflicts of interest is also in place. The document outlines the types and causes of conflicts of interest, and prevention procedures, as well as regulating conflict settlement actions of the Company's bodies.

There are no potential conflicts of interest between the duties of any Director or senior management and the Company in their private interests or other duties, except for those set out below. Neither are there any arrangements or understandings with the shareholders, customers, suppliers or others that influence the selection of any Director or senior management.

Each of the members of the Board of Directors has a statutory duty to perform his or her duties in good faith, act in the best interests of the Company and shareholders, and maintain confidentiality of all information on the Company's activities, including for three years from ceasing to be a member. Members are also required to monitor and, to the extent possible, eliminate potential conflicts of interest, including for the unlawful use of the Company's assets and their misuse in transactions with related parties.

In this connection, the members of the Board of Directors are obliged to disclose information on persons they are affiliated with. Under the JSC Law, transactions with related parties require the approval of the Board or shareholders where the relevant member, if related or affiliated to the related counterpart to the transaction, would be prevented from voting in such decision-making process.

There are no family relationships between any of the Directors or Senior Managers.

Our purpose, values and culture

For over 20 years, Air Astana has been key to opening up Kazakhstan to the world and vice versa, through its flight connections with its major neighbours in Europe. Launching FlyArystan in 2019 to promote flights across the world's largest landlocked country has not only increased mobility by significantly reducing travelling times, but created closer links between communities.

This has, in turn, bolstered economic growth by enabling new employment opportunities through emerging small businesses, and infrastructure development through the opening and expansion of local airports. With a strong position in Kazakhstan's domestic market and in the neighbouring Central Asia and Caucasus regions, the Group is now looking to expand international flights within megamarkets.

We believe our focus on excellence will be the major influence in positioning ourselves as one of the finest airline groups in the world. It is one of the pillars on which we have also built our status as a major economic and social enabler within Kazakhstan. This is also true for our employees, for whom we have created a positive work environment through our corporate values and a culture of recognition. Our business ethos is embedded throughout, with our commitment to our HEART and CHARM values, which rewards and provides equal opportunities at every level. Leading by example, our senior management promote our strategy, values and beliefs across the business to ensure our employees are fully engaged with, and positive about, the Group's vision for the future.

Corporate Governance report **Board leadership and Company purpose** continued

To fully understand their perceptions, we ask their opinions and gauge their responses through a number of different channels, including employee engagement and pulse surveys, measures of health, safety and wellbeing, and diversity indicators. Air Astana was, for example, the first business in Kazakhstan to introduce an internal pension programme, which was well received, as well as introduction of long-term incentive programmes and these are the factors in retaining talents. The Board plays an important role in monitoring the results of engagement surveys and regular compliance reviews as part of its remit.

How the Board considers stakeholders' interests

The direction, management, performance and sustainability of the business all contribute to the Group realising its long-term success. The responsibility for overseeing and setting the Group's strategy and objectives falls within the remit of the Board. It also needs to understand and take account of the interests of its stakeholders in all Boardroom decision-making to factor in the potential impacts on each group.

Relations with shareholders

Achieving our financial obligations to our shareholders is key to fostering good relationships with them. Major shareholder representatives sit on the Board of Directors and are kept up to date with the Company's affairs in order to make a meaningful contribution to all strategic decision-making. The Chair of the Board of Directors has effective channels in place to ensure that any shareholder concerns or issues are properly addressed.

Share ownership

The Air Astana Group floated on three stock exchanges in February 2024. Achieving this also required the restructuring of the overall share ownership.

As of early 2024, Air Astana Group was 51% owned by the National Welfare Fund Samruk-Kazyna JSC, which was established to improve the competitiveness and stability of the national economy and to mitigate external risks to domestic economic growth.

BAE Systems plc is a British organisation involved in the development, delivery and support of advanced defence, security and aerospace systems on land, at sea, in the air and in space. Its subsidiary, BAE Systems (Kazakhstan) Limited, owned 49% of Air Astana.

To facilitate the IPO offering in early 2024, the National Welfare Fund Samruk-Kazyna JSC and BAE Systems (Kazakhstan) Limited decreased their shares from 51% and 49% to 41% and 17%, respectively, with the remaining shares available for trading on the open market.

Major shareholders:

As at 31 December 2024, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the Financial Conduct Authority of the following interests of 3% or more in its total voting rights: Samruk-Kazyna National Welfare Fund JSC owns 41% of the shares, BAE Systems (Kazakhstan) Limited owns 16,95% of the shares of Air Astana, Unified Accumulative Pension Fund JSC owns 6.5% of the shares and other shareholders own 35,55% of the shares.

Current and future regulatory filings by shareholders will be available on the Group's website at *ir.airastana.com*

Dialogue with shareholders

The Company engages with shareholders to engender dialogue and feedback. The Independent Directors on the Board are asked to ensure all stakeholder interests are taken into account in decision-making, having ascertained any concerns or queries independent of the shareholders and Executive team.

Constructive use of the General Meeting of Shareholders

The General Meeting of Shareholders is the highest governing body of the Company, and has the authority to make decisions on major issues concerning the Company's activities. Its functions and activities are defined by the legislation of the Republic of Kazakhstan, the provisions of the Charter and internal documents.

The General Meeting of Shareholders can be convened by the Board of Directors, which forms the agenda for consideration by the General Meeting of Shareholders, subject to approval by the General Meeting of Shareholders. If the General Meeting of Shareholders is convened upon request of a Major Shareholder, the Board of Directors cannot of its own initiative introduce any changes to the agenda or propose a procedure for the conduct of an Extraordinary General Meeting of Shareholders. However, the Board of Directors may propose inclusion of additional items onto the agenda at its own discretion, subject to further approval of the General Meeting of Shareholders.

The Annual General Meeting of Shareholders is held once a year, within five months of the end of the financial year, and considers the annual financial statements of the Company, the audit report on the annual financial statements, proposals from the Board of Directors concerning the procedure for distribution of the consolidated net income of the Company for the past financial year, and the amount of the annual and/or special dividend per one common Share, the information on complaints of Shareholders about acts of the Company and its officials, and the results of handling them; and other documents at the discretion of the initiator of the Annual General Meeting of Shareholders.

Corporate Governance report **Board leadership and Company purpose** continued

In 2024, Air Astana held five General Meetings of Shareholders, which addressed the following matters:

1. On 26 January 2024, by the resolution of the Extraordinary General Meeting of Shareholders, the terms of the payment of remuneration (annual bonus) to the President of the Company for 2024, and the maximum amount of remuneration (annual bonus) payable to the President of the Company were approved.

2. On 08 February 2024, the Extraordinary General Meeting of Shareholders approved the restated Charter of the Company and the restated Corporate Governance Code of the Company; decided on the terms of the issue of derivative securities of the Company (global depositary receipts, the underlying asset of which are stocks (shares) of the Company); approved the procedure, deadlines and total number of the securities of the Company to be placed (disposed) without the pre-emptive right of purchase in the course of the initial public offering of the stocks (shares) of the Company and global depositary receipts, the underlying asset of which are these stocks (shares), on stock exchanges operating in the territory of the Republic of Kazakhstan and foreign states; decided on the placement of stocks (shares) of the Company and the price of their placement within the limits of the number of authorised stocks (shares) of the Company; approved the procedure, deadlines and total number of the securities of the Company to be sold without applying the pre-emptive right to purchase within the framework of the payment of the incentives to the employees of the Company; approved the decisions of the Board of Directors of the Company on the Company's conclusion of interested party transactions; resolved to take one (1) Airbus A321ceo type aircraft and one (1) Airbus A320neo type aircraft into operating lease.

3. At the meeting of the Extraordinary General Meeting of Shareholders on 09 February 2024, resolutions were passed regarding the following matters: election of the Board of Directors for a period of two years; election of Nurlan Zhakupov as the Chairman of the Board of Directors of the Company; approval of the amount and terms of remuneration and compensation to the independent directors of the Company; approval of the restated methodology for determining the value of shares for the purposes of their repurchase by the Company; approval of the Grades of Employees of the Company eligible for IPO Bonus, Long Term Incentive Plan (LTI) and Employee Share Ownership Plan (ESOP) in accordance with the Rules of Employee Incentive Plan of the Company.

4. On 30 May 2024, the Annual General Shareholders' Meeting considered and made decision on the following matters: elected the counting commission of the Company; approved the consolidated and separate annual financial statements of the Company for the year ended 31 December 2023; decided to pay no dividends on the Company's shares for the year 2023; considering the resignation of Myles Westcott, the member of the Board of Directors of the Company, effective from 30 May 2024, elected Assanov Diyas as the member of the Board of Directors - Independent Director of the Company effective from 31 May 2024; established the amount and terms of remuneration and compensation to the member of the Board of Directors - Independent Director Assanov Diyas; considered the information on the shareholders' appeals against the actions of the Company and its officers, as well as the information about the amount and composition of the remuneration for the members of the Board of Directors and Executive Body of the Company.

5. On 15 November 2024, the Extraordinary General Meeting was held to consider and decide on the issue of amendment of the major transaction earlier approved by the decision of the General Meeting of Shareholders of the Company and the Company's entry into a major transaction (series of interrelated transactions), which is an interested party transaction by entering into an Assignment Agreement under the Fleet Management Programme of the Airbus A320neo family for the maintenance of PW1100G type engines between International Aero Engines, LLC, FlyArystan JSC and Air Astana JSC.

Employee engagement

We are the leading employer in Kazakhstan, employing 6,546 people across all our operations. We recognise that the success of our business relies on the dedication and skill of our employees.

The Air Astana Group continually engages with employees through various initiatives, including employee pulse surveys, regular communications from the Chief Executive Officer and conferences held offline and streamed via YouTube. To measure labour relations, the Air Astana Group works with Gallup to conduct Employee Social Stability Index surveys bi-annually.

The employees of the Company form various professional unions for representing their interests on various matters: one union represents the Air Astana Group's cabin crew, engineers and other employees, while two other unions represent pilots. The Air Astana Group recognises the importance of engaging with the labour unions and other representative bodies across its operations to promote the success of the business. The Air Astana Group executes separate standard employment agreements with its pilots, cabin crew members and other personnel.

Corporate Governance report **Board leadership and Company purpose** continued

The Air Astana Group believes that, by pursuing its corporate HEART values for Air Astana and CHARM values for FlyArystan, it has created a positive work environment for its employees. It promotes a culture of recognition, with a focus on training and development, and provides equal opportunities to ensure it retains its employees and attracts new talent.

The Board of Directors, through its ESG Committee, regularly considers the reports of the management of the Company on the results of Employee Social Stability Index surveys as well as consideration of any appeals coming from the unions or employees, if any.

In September 2024, all members of the Board of Directors visited the site where the Company performed the 12-year C-check. Air Astana became the first Kazakh carrier to carry out this significant maintenance event, which was conducted on an Air Astana Airbus A321 aircraft. The visit provided an opportunity for Board members to engage directly with key personnel, gain a deeper understanding of the operational processes, and demonstrate their support for the airline's technical capabilities. This involvement also allowed the Board to make informed decisions about the airline's future direction. By participating in such critical maintenance milestones, the Board reinforced Air Astana's commitment to safety, quality and continued growth within Kazakhstan's aviation industry.

Further, the Board of Directors is considering the recommendations of the UK Corporate Governance Code for workforce engagement, and will report in due course on the method it has chosen.

Board activities in 2024

In 2024, the Board of Directors held 20 meetings, including 11 meetings in person. The attendance at meetings by Board members was 100%. Among the regular matters under consideration, the Board's major focus in 2024 was on: the preparations for the IPO of the Group which took place in February 2024 and post IPO life, as well as the full separation and start of operations of the FlyArystan low-cost airline wholly owned by Air Astana JSC.

Areas of focus	Topics discussed
Strategy	▸ Deciding on an announcement of the Company's intention to publish a Registration Document and expected intention to float the securities of the Company on the London Stock Exchange, Astana International Exchange and Kazakhstan Stock Exchange JSC ▸ Deciding on an announcement by the Company confirming its intention to float the securities of the Company on the London Stock Exchange, Astana International Exchange and Kazakhstan Stock Exchange JSC ▸ Deciding on the price range for the planned initial public offering (IPO) and its publication, and on publication of the preliminary prospectus in the Republic of Kazakhstan for the purposes of a planned retail offering ▸ Deciding on the placement (sale) of the Company shares without applying the pre-emptive right of purchase in the course of the IPO, and global depositary receipts, the underlying asset of which are these shares, on stock exchanges operating in the territory of the Republic of Kazakhstan and a foreign state ▸ Approval of the Development Plan (Annual Budget) of the Company for 2025 ▸ Approval of the Development Plan (Business Plan) of the Company for 2025-2029 ▸ Discussion of the issue of creating a new legal entity for ground handling service with 100% ownership of the Company
Risk management	▸ Approval of the restated Risk Management Policy of the Company ▸ Approval of the restated policy on organising insurance coverage for the Company ▸ Approval of the risk appetite of the Company ▸ Approval of the risk capacity of the Company ▸ Quarterly approval of the updated Risk Map and Risk Register of the Company ▸ Quarterly consideration of the report on realised risks of the Company ▸ Consideration of the operational safety review of the Company at each in-person meeting

Corporate Governance report **Board leadership and Company purpose** continued

Areas of focus	Topics discussed
Operations and finance	▶ Approval of the decision of the Chief Executive Officer (CEO) on the Company opening a personal account in the nominee holder system of Joint Stock Company Subsidiary of Halyk Bank of Kazakhstan, Halyk Finance (Kazakhstan) ▶ Approval of the Special procurement procedure of the Company and organisations with fifty or more percent of voting shares (participatory interests) directly or indirectly owned by the Company under the right of ownership or trust management in a new edition ▶ Deciding on the Company entering into interested-party transactions ▶ Considering the proposal of the CEO on the operating lease of one Airbus A321ceo type aircraft ▶ Considering the proposal of the CEO on the extension of the operating lease of one Airbus A320neo type aircraft ▶ Considering the proposal of the CEO for the purchase of one GEnx-1B74/75 type spare engine for Boeing 787-9 type aircraft ▶ Deciding on the increase of the Company's obligations by an amount equal to 10 % or more of its own capital ▶ Deciding on repurchase by the Company in the secondary market of the Company's placed shares and the global depositary receipts, the underlying assets of which are these shares ▶ Considering the report on the preliminary results of financial and operational activity of the Company for 12 months of 2023 ▶ Considering the report on the results of financial and operational activity of the Company at each in-person meeting ▶ Considering the quarterly cash forecast updates of the Company ▶ Considering the quarterly treasury report of the Company on placed deposits and bank exposure ▶ Banks overview for 2024 ▶ Opening bank accounts in JSC Aktiv Bank (Tajikistan) and O! Bank (Kyrgyzstan) ▶ Change of the booking centre for the Company's short-term deposits from Société Générale London Branch to Société Générale Paris ▶ Approval of the Procurement Standard of Air Astana Group ▶ Approval of the Air Astana Group Procurement Process Manual ▶ Preliminary approval of the annual consolidated financial statements of the Company for 2023 ▶ Preliminary approval of the audited annual separate financial statements of the Company for 2023 ▶ Proposals on the procedure for distribution of the net income of the Company for 2023 and the amount of the 2023 annual dividend per one common share ▶ Deciding on the formation of the Branch Office of Air Astana JSC in Seoul, the Republic of Korea ▶ Deciding on the closure of representative offices of the Company in Almaty and Astana ▶ Approval of the restated Cash Management, Bank Risk & Treasury Reporting Policy of the Company ▶ Approval of the restated Accounting Policy of the Company ▶ Amending the transaction previously approved by the Board of Directors in connection with the extension of the tenor of secured revolving credit facilities in Halyk Bank of Kazakhstan JSC ▶ Amending the major transaction previously approved by the Board of Directors in connection with entering by the Company into an Assignment, Assumption and Amendment Agreement for one Airbus A321neo LR type aircraft ▶ Amending the transaction previously approved by the Board of Directors in connection with entering by the Company into the Co-lessee agreements ▶ Amending the transaction previously approved by the Board of Directors in connection with the extension of the operating lease of one Airbus A321neo type aircraft

Corporate Governance report **Board leadership and Company purpose** continued

Areas of focus	Topics discussed
Governance, audit and compliance	▸ Preliminary approval of the restated Company Corporate Governance Code ▸ Approval of the Company's international prospectus ▸ Approval of Company documents related to prevention of misuse of inside information: ✓ Rules on Internal Control over Management and Use of Insider Information of Air Astana JSC ✓ Securities Dealing Procedures Manual of Air Astana JSC ✓ Securities Dealing Code of Air Astana JSC ✓ Group-Wide Dealing Policy of Air Astana JSC ✓ Disclosure Policy of Air Astana JSC ▸ Considering the results of the independent limited assurance of the selected information disclosed in the Company's Integrated Annual Report ▸ Approval of the restated Regulations of the Committees of the Board of Directors of the Company ▸ Consideration of issues of the Internal Audit Service of the Company ✓ Performance evaluation of the IAS for 2023 ✓ Report on the activities of the IAS ✓ Approval of the amended Annual Audit Plan of the IAS for 2024 ✓ Approval of the updated staff schedule of the IAS ✓ Approval of the Key Performance Indicators of the Internal Audit Service for 2025 ✓ Approval of the Annual Audit Plan of the Internal Audit Service for 2025 ✓ Approval of the budget of the Internal Audit Service for 2025 ✓ Approval of the restated Regulations of the Internal Audit Service ✓ Approval of the updated Assurance Map ✓ Approval of the amended Internal Audit Manual ▸ Considering issues related to Company compliance ✓ Annual Compliance Report for the 2023 ✓ Approval of the Risk-oriented annual Compliance plan for 2024 ✓ Report on internal analysis of corruption risks ✓ Information on reports received via the Company's whistleblowing hotline and internal investigations ✓ Report on conflicts of interest of the Company's officials and employees ✓ Approval of the amended Policy for Prevention and Resolution of Conflicts of Interest of the Company ✓ Reports of the Compliance Service ✓ Approval of the restated Sanctions Policy of the Company ▸ Determining the fee to be paid for the additional services of the external auditor performing the audit of the financial statements of the Company for the year ended 31 December 2023 ▸ Approving the annual report on the performance of the Board of Directors of the Company and the Committees of the Board of Directors of the Company for 2023 ▸ Approving of the integrated Annual Report of the Company for 2023 ▸ Deciding on convening the Annual and Extraordinary General Meetings of Shareholders of the Company and formation of the agenda ▸ Submitting matters to be resolved by the Annual Extraordinary General Meetings of Shareholders of the Company for consideration and resolution by the General Meeting of Shareholders of the Company ▸ Considering the quarterly Investor Relations updates ▸ Approving the amended Procedure of the Company for the selection of the audit organisation ▸ Approving the Regulations of the Compliance Service of the Company ▸ Considering of issues related to Company sustainability ▸ Considering of the results of the joint study with EBRD and KazMunayGas on potential of production and consumption of SAF in Kazakhstan

Corporate Governance report **Board leadership and Company purpose** continued

Areas of focus	Topics discussed
People	▸ Considering the issues related to nomination of the Company's employees and officials ✓ Deciding on the re-election of the members of the Committees of the Board of Directors of the Company ✓ Appointing the employees of the Internal Audit Service of the Company ✓ Considering the candidate for the position of an Independent Director of the Company ✓ Termination of authorities of the employee of the Internal Audit Service of the Company ✓ Termination of the authorities of the Senior Compliance and Sustainability Officer of the Company ✓ Appointment of the Head of the Compliance Service of the Company ✓ Confirming the authorities of the CEO in view of the change of the title of the sole Executive Body of the Company ▸ Considering the issues related to remuneration of the Company's employees/officials ✓ Approving the list of employees eligible for grant of the Employee Share Ownership Plan (ESOP), IPO bonus and Long-Term Incentive (LTI).Determining the amount of the remuneration and vesting of the first tranche of the IPO bonus to the eligible employees of the Company ✓ Determining the amount of the Company Performance Bonus for 2023 for the employees whose remuneration is determined by the Board of Directors of the Company ✓ Amending the terms of the IPO Bonus for the management staff of the Company ✓ Considering the proposals for the annual review of the salaries of the employees whose remuneration shall be determined by the Board of Directors of the Company ✓ Determining the amount and conditions of remuneration and compensations paid to the employees of the Internal Audit Service of the Company ✓ Determining the amount of the Company Performance Bonus for 2023 to the employees whose remuneration is determined by the Board of Directors of the Company ✓ Approving the amended list of the Company's employees eligible for a grant of the IPO bonus ✓ Approving the amended list of the Company's employees eligible for a grant of LTI ✓ Salary increase for the CEO ✓ Approving the amendments to the labour contract with the CEO ✓ Determining the amount of the 2024 Year End Bonus payment to the employees of the Company whose remuneration is determined by the Board of the Directors of the Company ✓ Approving the terms of the Company Performance Bonus (KPIs) for 2025 for the employees whose terms of remuneration are determined or approved by the Board of the Directors ✓ Approving the terms of the payment of the Long-Term Incentive (KPIs) for 2025-2027 for the employees of the Company whose terms of remuneration are determined or approved by the Board of the Directors ✓ Amending the lists of eligible employees to receive the IPO bonus and LTI
Matters related to subsidiaries (FlyArystan JSC)	▸ Deciding on entering into interested-party transactions by FlyArystan JSC ▸ Determination and approval of the amount of remuneration of the President of FlyArystan JSC ▸ Company Performance Bonus for 2023 ▸ Payment of the first tranche of the IPO bonus to the President of FlyArystan JSC ▸ Salary Increase for the President of FlyArystan JSC ▸ Termination of authorities and election of the President of FlyArystan JSC ▸ Termination of authorities and election of the member of the Board of Directors of FlyArystan JSC ▸ Considering information about the appeals of the Sole Shareholder of FlyArystan JSC to the actions of FlyArystan JSC and its officials in 2023 ▸ Approving the audited annual financial statements of FlyArystan JSC for the year ended 31 December 2023 ▸ Approving the procedure for distributing the net income of FlyArystan JSC for the year 2023, deciding on payment of dividends on ordinary shares and approving the amount of the dividend for the year 2023 per one ordinary share of FlyArystan JSC ▸ Determining and approving the amount and terms of payment of remuneration to the President of FlyArystan JSC ▸ Approving the restated Charter of FlyArystan JSC ▸ Approving the Annual Budget of FlyArystan JSC for 2025 ▸ Approving the Business Plan of FlyArystan JSC for 2025-2029 ▸ Approving the 2024 Year-End Bonus for the President of FlyArystan JSC ▸ Approving the terms of the Company Performance Bonus (KPIs) for 2025 to the President of FlyArystan JSC

Corporate Governance report

Strategic Planning Committee report

Garry Kingshott
Chair

Main activities during 2024

During 2024, one of the Committee's major focuses was on the Company's post-IPO performance and the execution of the business strategies the Company committed to investors. At each meeting, the Committee received an Investor Relations update and made recommendations to the Board on various related matters.

With the start of separate operations of FlyArystan, the Committee's responsibility has been extended to matters related to the Company's subsidiary, including recommendations to the Board on issues related to corporate governance and the business operations of FlyArystan. In November 2024, the Committee recommended approval of FlyArystan's Annual Budget for 2025 and the Business Plan (Development Plan) for 2025–2029.

The Committee has also been engaged in regular reviews of the Company's performance against the budget and cash forecast reports. It also made recommendations about the procedure for the distribution of the net income and payment of shareholder dividends for 2023.

Looking to the future, the Committee recommended approval of the Company's Annual Budget for 2025 and the Business Plan (Development Plan) for 2025–2029 as well as continuing the work on the implementation of the proposal of the management of the Company on the creation of a new legal entity (commercial company) for provision of ground handling services wholly owned by the Company.

Roles and responsibilities

The Strategic Planning Committee assists with the effective performance of the Board of Directors and makes recommendations to the Board for making decisions on the following issues:

- Determining the Company's priority areas of business activity and development
- Approving the long-term strategy of the development, the medium-term and short-term business plans (development plan and annual budget) and major investment projects
- Reviewing the Company's performance to budget, business plan and ten-year strategy
- Corporate governance issues
- The Company's strategy in view of changes in the economic, political, social and competitive environment
- Improvements to the Company's long-term performance and competitiveness in the aviation transportation market

Composition and attendance

Name	Position	Meetings attended (total 4)
Garry Kingshott	**Committee Chair** Independent Non-Executive Director	▶ ▶ ▶ ▶
Janet Heckman	Independent Non-Executive Director	▶ ▶ ▶ ▶
Diyas Assanov[1]	Independent Non-Executive Director	
Simon Wood[2]	Non-Executive Director	▶ ▶
Myles Westcott[3]	Non-Executive Director	▶ ▶

1 Member of the Committee since 19 November 2024.
2 Member of the Committee since 18 June 2024.
3 Member of the Committee until 30 May 2024.

Priorities for 2025

The Strategic Planning Committee will continue to fulfil its general responsibilities with a focus on monitoring new projects and carrying out its activities in accordance with the approved plan of work, which includes:

- Considering the opportunities for improvements of the Company's long-term performance and competitiveness
- Reviewing the Company's performance against budget, business plan and ten-year strategy
- Reviewing regular updates on the Company's cash position
- Reviewing regular updates on the Company's investor relations
- Considering the Annual Budget and Business Plan for the next five-year cycle

Corporate Governance report

ESG Committee report

Yeldar Abdrazakov
Chair

Yeldar Abdrazakov has chaired the Committee since October 2022. He brings substantial market expertise and is supported by a senior management team with strong ESG Yeldar Abdrazakov has chaired the Committee since October 2022. He brings substantial market expertise and is supported by a senior management team with strong ESG crdentials. Yeldar has the necessary experience to successfully lead the development and oversight of the Company's ESG systems and strategy.

Main activities during 2024

In 2024, the ESG Committee held five meetings, including four meetings in person.

The year commenced with the ESG Committee's review of the implementation status of key ESG initiatives undertaken in 2023, as part of the broader ESG Strategy for 2023–2032. The Committee also considered the findings of the joint study conducted with the European Bank for Reconstruction and Development (EBRD) and KazMunayGas, on the potential for the production and consumption of Sustainable Aviation Fuel (SAF) in Kazakhstan.

Further, the Committee reviewed the results of the limited assurance of non-financial indicators presented in the Sustainability section of the Company's Integrated Annual Report 2023, supporting efforts to enhance data reliability and stakeholder confidence.

Throughout the year, the Committee continued to monitor the progress of the Climate-Related Risks and Opportunities Project, which aligns with the TCFD framework and aims to identify, assess and manage climate-related risks and opportunities. More information on the Company's governance of climate-related risks and the TCFD recommendations can be found on pages 188-195 of this report.

In addition, the Committee considered the findings of the periodic ESG Review, which included an analysis of relevant industry trends and an internal assessment of the Company's ESG performance. The Committee also reviewed the Company's ESG Communications Strategy, developed by the Corporate Communications Department, as well as ESG-related materials published on external and internal communication platforms aimed at building awareness of the Company's ESG initiatives and projects. For more information on some of our other ESG initiatives, please refer to the Communities section of this annual report on pages 72-73.

Roles and responsibilities

The ESG Committee develops recommendations to the Board on building an effective ESG system in the Company. The ESG Committee is responsible for:

- Overseeing the Company's ESG-related goals, metrics and initiatives
- Monitoring the Company's progress towards achieving its ESG objectives
- Review of and recommendations for approving ESG-related policies
- Review and approval of ESG-related disclosures in the Company's Annual Report

Composition and attendance

Name	Position	Meetings attended (total 5)
Yeldar Abdrazakov	**Committee Chair** Independent Non-Executive Director	▶ ▶ ▶ ▶ ▶
Janet Heckman	Independent Non-Executive Director	▶ ▶ ▶ ▶ ▶
Simon Wood	Non-Executive Director	▶ ▶ ▶ ▶ ▶
Aidar Ryskulov	Non-Executive Director	▶ ▶ ▶ ▶ ▶
Diyas Assanov[1]	Independent Non-Executive Director	

1 Member of the Committee since 19 November 2024.

Priorities for 2025

In 2025, the ESG Committee will continue to support the Company's efforts toward a more sustainable future, in line with global aviation developments, standards and evolving regulations. Priorities will include the finalisation and verification of the existing Low Carbon Development Program (LCDP), with consideration of a 2050 net-zero target and setting SAF blending benchmarks. Focus is also expected to be on building the sustainable procurement system, waste management, calculating the Scope 3 emissions and preparing disclosures in accordance with the IFRS S2. Social responsibility will remain central, with attention to workforce engagement, wellbeing, diversity, and ESG-focused training. Stakeholder engagement and cross-industry collaboration may be encouraged, to reinforce the Company's role as a responsible connector of people, cultures and economies.

Corporate Governance report

Division of responsibilities

Air Astana JSC is committed to maintaining high standards of corporate governance.

The aims of the Company's corporate governance framework are to:

- manage with due responsibility, accountability and effectiveness in order to maximise Company and shareholder value
- provide transparency and due disclosure of information
- ensure the effectiveness of risk management and its internal control system

Board roles and responsibilities

Role of the Chairman: Nurlan Zhakupov

The Chairman, who is a Non-Executive Director, is responsible for both the leadership, and the effectiveness, of all the functions of the Board. In this role, he is supported by the Independent Directors. The Chairman oversees the work of the Board of Directors, ensures the Board's effective performance across its areas of responsibility, and that all Directors make a contribution to the Board's activities, including interaction with the CEO of the Company.

Role of other Non-Executive Directors: Simon Wood, Aidar Ryskulov

Any shareholder of the Company can nominate Non-Executive Directors to be elected by the General Meeting of shareholders, subject to compliance with the Company's Charter. These nominees bring diverse financial and operational experience and expertise to the Board and its Committees, as well as adding an external perspective and objectivity to the Board's decision-making. In addition to their involvement with the development, approval and review of Company strategy, our Non-Executive Directors are able to provide constructive appraisals of the performance of the Executive team.

Role of Independent Non-Executive Directors: Yeldar Abdrazakov, Keith Gaebel, Janet Heckman, Garry Kingshott, Diyas Assanov

The Board is balanced by the selection of Independent Directors, who complement the composition of the Board through their skills, valuable experience and diversity. Independent directors provide a fresh perspective and objectively assess the Company's strategy, goals and situation. They provide an independent, external perspective, offering guidance, oversight, and strategic input.

Role of the CEO: Peter Foster

The Chief Executive Officer sits on the Board of Directors, has responsibility for the day-to-day activity of the Company, and has a legal mandate to make decisions on any matters relating to the activity of the Company that are not, under the JSC Law, other legislative acts of Kazakhstan or the Charter, within the competence of other bodies or officers of the Company.

Corporate Governance report **Division of responsibilities** continued

The nine members of the Board of Directors – three Non-Executive Directors, five Independent Non-Executive Directors and the CEO of the Company representing the Senior Management Team – uphold Air Astana's corporate governance principles and, in doing so, ensure the Company generates long-term shareholder value through its safe, sustainable and successful operations.

Supporting roles

Role of the Corporate Secretary

The Corporate Secretary plays a major role in enabling open dialogue across the business, while also ensuring all the Company's different governing bodies uphold both legislative and Company requirements. The Corporate Secretary's role is also to safeguard the rights of all shareholders and ensure shareholder communications are considered by the relevant body, and resolve any disputes involving shareholders' rights. Board approval is required for the appointment and removal of the Corporate Secretary.

Role of the Internal Audit Service

The Internal Audit Service provides risk-based and objective assurance, advice and insight to protect and enhance the value of the Company.

Role of Compliance Service and Sustainability Department*

The mission of the Compliance Service and Sustainability Department is to assist the Company in achieving its strategic goals in accordance with the requirements of legislative, ethical and social norms (compliance) and without damage to its sustainability from a long-term perspective, taking into consideration stakeholders' expectations (sustainability).

*In July 2024, the Board of Directors decided to restructure the Compliance Service and Sustainability Department by dividing it into two separate structural units, namely: The Compliance Service, which reports to the Board of Directors, with its activities overseen by the Audit Committee, and the Sustainability Department which reports to the CEO, with its activities overseen by the ESG Committee.

Ⓐ Audit Committee
Ⓔ ESG Committee
Ⓝ Nomination and Remuneration Committee
Ⓢ Strategic Planning Committee
Ⓣ Treasury Committee
● Chair

Corporate Governance report

Confident and experienced leadership

Board of Directors

Nurlan Zhakupov N

Chairman of the Board of Directors

Non-Executive Director

Representative of the shareholder National Welfare Fund Samruk-Kazyna JSC

Appointed December 2023

Nurlan Zhakupov graduated from Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation: Candidate of economic sciences; Master of Economics and Bachelor of Economics (International Economic Relations Department). Prior to his appointment as the CEO of National Welfare Fund Samruk-Kazyna JSC in April 2023, Mr. Zhakupov served in a variety of management and senior management positions. He held the post of the Chief Executive Officer of Kazakhstan Investment Development Fund Management Company Ltd, representative of Rothschild & Co in Kazakhstan, Chief Executive Officer of JSC SEC ASTANA, Managing Director for Development and Investment and member of the Management Board at NAC Kazatomprom JSC. He previously held various managerial positions in finance in Royal Bank of Scotland, UBS BANK, Head of Astana office, National Mining Company Tau-Ken Samruk, Credit Suisse, Research, Investment and Development Ltd, Chambishi Metals Plc, Eurasian Industrial Association.

Other appointments:

Chairman of the Management Board of National Welfare Fund Samruk-Kazyna JSC

Member of the Board of Directors of the National Welfare Fund Samruk-Kazyna JSC

Aidar Ryskulov E T

Non-Executive Director

Representative of the shareholder National Welfare Fund Samruk-Kazyna JSC

Appointed September 2023

Aidar Ryskulov holds a Master of Business Administration degree from Nazarbayev University (Executive MBA). He is a graduate of Karaganda State University (named after E.A. Buketov) majoring in finance and credit. He has held senior positions in finance for more than 20 years. He was a member of the Board of Directors in various companies and banks, including Sekerbank T.A.S. (Turkey), Development Bank of Kazakhstan, Investment Fund of Kazakhstan, Kazexportgarant, Alliance Bank and Samruk-Kazyna Finance.

Other appointments:

Managing Director for Economics and Finance of Samruk-Kazyna JSC

Member of the Board of Directors of Kazatomprom JSC

Member of the Board of Directors of National Company Kazakhstan TemirZholy JSC

Simon Wood E N S T

Non-Executive Director

Representative of the shareholder BAE Systems (Kazakhstan) Limited

Appointed January 2019

Simon Wood joined BAE Systems in 1996 and has held a number of senior finance positions within BAE Systems across a number of sectors, including Military Aircraft, Maritime, Land and Commercial Aircraft. In addition to his functional role, Mr. Wood has also had responsibility for Strategy and Planning, Business Transformation and Improvement, Systems Implementation, Customer Relationship Management and Operational Business Delivery.

Other appointments:

CFO of BAE Systems Maritime and Land Sector since March 2023

Member of the Chartered Institute of Management Accountants

Peter Foster

Executive Director,

Chief Executive Officer of Air Astana JSC

Appointed as CEO October 2005
Appointed August 2019

Mr. Foster has been CEO of Air Astana JSC since October 2005. In August 2019, after the position of CEO had been added to the composition of the Board of Directors, Mr. Foster was appointed as a member of the Board of Directors of the Company as an Executive Director. He entered the airline industry immediately after graduating from Cambridge University in 1982, as a management trainee of John Swire and Sons (HK) Ltd, the owners of Cathay Pacific Airways Ltd. From 1982 to 1999 he served in a variety of management and senior management positions with Cathay Pacific Airways in Hong Kong, Asia, Australia and Europe, and underwent business management training at INSEAD, France. Mr. Foster left Cathay Pacific Airways in 1999 to head up the rehabilitation team of Philippine Airlines Inc. He subsequently served as Chief Executive Officer of Royal Brunei Airlines from 2002 to 2005 prior to his appointment as the CEO of Air Astana. In the 2015 UK New Year's Honours List, Peter Foster was awarded Officer of the Order of the British Empire (OBE) for his services to British aviation in Kazakhstan.

Other appointments:

Chairman of the Board of Directors of FlyArystan JSC

Yeldar Abdrazakov

Non-Executive Independent Director

Appointed March 2020

Yeldar Abdrazakov holds a BA and MSc in International Economic Relations from Yassawi University, Turkistan and has also finished the General Management Programme at Harvard Business School, Boston, USA. Yeldar has held senior roles in commercial and investment banking for over 30 years. He was Managing Director from 1995 to 2003 at Kazkommertsbank (KAZKOM); CEO from 2002 to 2004 at Kazkommerts Securities, founder & CEO at the Centras Group since 2004. Yeldar is a chartered director at the UK's International Institute of Directors (IoD) and the Chairman of the Kazakhstan Competitiveness Council.

Other appointments:
Member of the Board of Directors of KASE

Janet Heckman

A A N S

Non-Executive Independent Director

Appointed January 2019

Janet Heckman holds a Master of Science in Foreign Service from Georgetown University in Washington, D.C. Between 1980 and 2012 she held various positions at Citi with a focus on corporate banking. She was the Managing Director for Citi's corporate and investment banking activities in Algeria from 2008 to 2012. Ms. Heckman joined EBRD in 2012 as a Country Director for Kazakhstan. She was a Managing Director for Southern and Eastern Mediterranean (SEMED) for EBRD from January 2017 to December 2019.

Other appointments:
Independent Non-Executive Director – Member of the Board of Directors of Astana International Exchange (AIX)

Independent Non-Executive Director – Member of the Supervisory Board of TBC Bank (Georgia) PLC

Independent Non-Executive Director – Member of the Board of Directors of Citibank Kazakhstan JSC

Keith Gaebel

A S T

Non-Executive Independent Director

Appointed March 2020

Keith Gaebel is a leading expert in financial reporting and corporate governance. During his 25 years' experience with large international chartered accounting firms, Mr. Gaebel held various positions including the Head of the Financial Reporting Group (FRG) for the Commonwealth of Independent States (PricewaterhouseCoopers – 2000 to 2004; Ernst & Young – 2004 to 2008) and was a Global Authority on various International Financial Reporting Standards. In addition, as a recognised world-class expert, he was involved in the development of various international financial reporting standards. As Head of the FRG, he supported clients' public offerings by reviewing for compliance with financial reporting and corporate governance. Mr. Gaebel was the Ernst & Young Managing Partner for Central Asia and Caucasus from 2008 to 2013.

Other appointments:
Independent Non-Executive Director in National Payment Corporation of the National Bank of the Republic of Kazakhstan JSC

Garry Kingshott

N S

Non-Executive Independent Director

Appointed August 2019

After a successful early career in various FMCG businesses from 1974 to 1990, Mr. Kingshott transitioned into Aviation joining Ansett Airlines (Australia) in 1990. He now has 30 years' combined experience in the Aviation, Travel and Tourism and Airline industries, spanning three continents. Most recently Mr. Kingshott served Cebu Air Inc. as Chief Executive from 2008 to 2016, overseeing a successful IPO in 2010, and served as a member of the Advisory Board at Cebu Air Inc. until June 2022. Mr. Kingshott has served as a Company Director/ Chairman for a variety of businesses including Airlines, Travel Agencies, National Tourism and Financial Services. Mr. Kingshott is a member of the Australian Institute of Company Directors (MAICD).

Other appointments:
None

Diyas Assanov

E S

Non-Executive Independent Director

Appointed May 2024

Mr. Assanov holds a Bachelor's degree in international relations and engineering systems management from United States Military Academy at West Point and a Bachelor's degree in international law from the Kazakh State Law University, Kazakhstan.

During the last four years, Mr. Assanov has served in the role of the General Director of the Siemens in Kazakhstan & Central Asia, as well as the Head of its Digital Industries and Smart Infrastructure businesses in the region. Prior to that, he was the General Counsel of Siemens Energy, Russia, Eastern Europe and Central Asia.

Mr. Assanov's extensive experience in engineering, transport and communications is instrumental in supporting the Company's next stage of development, particularly in our continued digitalisation plan.

Other appointments:
Chief Executive Officer of Siemens Kazakhstan

Deputy Chairperson of the Board of Directors of European Business Association of Kazakhstan

Chairperson of the Association of German Economy in Kazakhstan

Corporate Governance report

Experienced and proven management

Senior management team

Peter Foster

Chief Executive Officer of Air Astana JSC

See page 112

Ibrahim Canliel

Chief Financial Officer

Years in the Company: 22

Ibrahim Canliel has been with Air Astana since its early stages in 2003 and he has served in a range of roles across the Company. Prior to his current role of Chief Financial Officer since 2017, he served as Senior Vice President Commercial Group, Vice President and Senior Vice President Marketing and Sales, Director Commercial Planning.

He started his career over 35 years ago in the travel industry and has 26 years of aviation management experience. Prior to joining Air Astana, he worked for KLM Royal Dutch Airlines, briefly in the UAE and thereafter based in Kazakhstan in charge of the Central Asia and Caucasus region. He is currently serving his eighth term as a Board member at EUROBAK.

Ibrahim holds a Bachelor Degree in Economics from Marmara University, an MBA of the Bosphorus University and more recently completed the Directors' Programme at Cranfield University.

Filippos Siakkas

Chief Operating Officer

Years in the Company: 11

Filippos studied Business Management & Accounting before undergoing ab-initio pilot training in the US in 1988. He has 20 years of experience in airline management and held senior positions in flight operations and training for Olympic Airways, which he joined in 1989. He left Olympic in 2013 to join Air Astana.

At Air Astana, Filippos has focused on transforming flight crew training with innovative solutions such as world leading practical crew resource management, post-command upgrade training, self-learning in low level training devices and standardising the pilot selection process. More recently, he managed the procurement of a new Airbus A320 full flight simulator in Astana, the first of its kind in Kazakhstan, which will increase pilot productivity and raise operational and training standards. Since 2020 he has been involved in decision-making and management of key operational and business aspects, projects and targets. Since November 2022 he has been appointed to the role of Chief Operating Officer.

Corporate Governance report **Senior management team** continued

Gerhard Coetzee

Chief Safety Compliance Officer

Years in the Company: 19

Gerhard started his career as a South African Air Force navigator completing his service in the position of Staff Officer Flight Safety responsible for Accident Prevention and Aviation Safety, including CRM, programmes. He has practised and held formal appointments in aviation safety and flight operations management for the past 35 years, including as managing consultant with BAE Systems for seven years and with Air Astana the past 16 years.

Gerhard helped establish the Safety Management System in Air Astana at start-up and, since 2006, is also responsible for the Compliance Monitoring programme managing an extended team of dedicated staff. Gerhard's contribution to safety and operational performance has been formally acknowledged by various organisations including the SAAF, FAA and NIMA as well as BAE Systems.

He holds an Honours degree in transport economics from the University of South Africa, is a qualified Air Accident Investigator with qualifications in Aviation Safety Programme Management, Crew Resource Management and Flight Procedure Design.

Yevgeniya Ni

Chief Human Resources Officer

Years in the Company: 23

Yevgeniya graduated from Karaganda State University with a degree in foreign languages and a degree in law. She started her career at Air Astana as an Executive Assistant to the President in 2002, and since 2005 heads the Human Resources and Administration Department, responsible for overall HR function and services including Recruitment, Training, HSE, and Facilities Management. Under her leadership, the Company introduced a transparent system of recruitment and corporate training, as well as an employee performance appraisal and remuneration system. The Company holds the following HR awards: 'WOW HR' in 2018–2019, 'Best HR Brand in Central Asia' in 2017–2020 (Headhunter), 'Best HR Director' in 2018–2019 (Growth Forum Kazakhstan), 'Best Employer' in 2016–2020 by Universum and 'Best Employer in Transport and Logistics' in 2020–2021 (Randstad Employer Brand Research).

Yevgeniya is a certified Senior Professional in Human Resources – International, member of Airline People Directors Council (APDC) and regularly takes part in professional conferences as an expert and speaker.

Yerdaulet Shamshiyev

Chief Government Relations Officer

Years in the Company: 22

Yerdaulet was one of Air Astana's first employees and has over 20 years' experience in aviation. He joined the airline as Chief Representative in the Beijing office in 2002. In 2009 he was appointed Regional General Manager China and Mongolia of Air Astana. He currently holds the position of Chief Government Relations Officer. Prior to joining Air Astana, Yerdaulet worked at the Almaty International Airport and Air Kazakhstan airline. He graduated from the Beijing Language University and Academy of Civil Aviation, Almaty.

Piyush Taori

Chief Digital and Information Officer

Years in the Company: 2

Piyush has a Bachelors' degree in Electronics Engineering and a Master's degree in Software Systems from Birla Institute of Technology & Science, Pilani in India. He joined Air Astana group as CIO for FlyArystan in August 2023 and was subsequently appointed Chief Digital and Information Officer for the Air Astana Group. Prior to joining Air Astana, Piyush worked in the Middle East for Emirates Airlines, Qatar Airways and Gulf Air for well over two decades. He held different IT management and senior management roles in these airlines, heading IT at Gulf Air just before joining Air Astana. Piyush has substantial experience of leading large teams and managing large scale in-house software development, including large product development. In his previous roles, he also led large-scale digital transformation programmes, driving core modernisation of IT infrastructure and cloud migration.

Corporate Governance report

Composition, succession and evaluation

The process for Board nominations is led by the Nomination and Remuneration Committee, which also ensures the Company has succession plans in place for both Board and senior management.

Board composition and independence

The Board is elected by cumulative voting at the General Meeting of shareholders, unless one candidate is proposed to be elected to fill one vacancy.

Mr Nurlan Zhakupov, Chairman of the Board since December 2023, is nominated by the shareholder National Welfare Fund Samruk-Kazyna JSC. To mitigate any concerns about independence, we have five Independent Directors on the Board.

Air Astana acknowledges that Standard 20 of the AIFC Market Rules recommends the Chairman of a Board of Directors meet the criteria for independence. However, as set out in the Charter and as adopted by principle 2.5 of the Code, the Chairman of the Board of Directors shall be elected from among the members of the Board of Directors being representatives of the Shareholder who owns the largest number of Shares at the relevant time, provided this Shareholder owns more than 30% voting Shares. In accordance with these provisions, Samruk-Kazyna, as the largest shareholder at the date of this report, and holding on that date 41% of the share capital of the Company, has appointed Mr Zhakupov, a representative of Samruk-Kazyna, as Chairman. Mr Zhakupov does not meet the criteria of independence.

According to the Standard 26A of the AIFC Market Rules, the Board should include the Chief Executive Officer and the Chief Financial Officer. The Company has partly adopted the standard.

During the year, a number of changes were made to the composition of the Board and its Committees. In making these changes, the Nomination and Remuneration Committee and Board took into account various considerations, including Board diversity, independence and the combination of skills, knowledge and experience of the Directors.

According to the previously announced plans, as provided for in the Prospectus of the Company published before the IPO in February 2024, the Non-Executive Director, representative of shareholder BAE Systems (Kazakhstan) Limited, Myles St John Westcott, has stepped down from the Board of Directors of the Company effective from 30 May 2024.

Diyas Assanov has been appointed as an Independent Non-Executive Director, effective from 31 May 2024.

Mr Assanov's extensive experience in engineering, transport and communications is considered to be instrumental in supporting the Company's next stage of development, particularly in its continued digitalisation plan.

With that, the Company's Board and the management team recognises Mr Westcott's huge support of and contribution to the success of the Air Astana Group over the last six years of his Board membership.

We believe the composition of the Board has continued to improve and, in line with the Company's corporate governance framework, is well balanced and most advantageous in the competencies and diversity of Board members, as well as the representation of shareholders' interests.

The Board is satisfied that each member of its Directors is able to allocate sufficient time, and discharge his or her duties effectively, as part of Air Astana's Board.

Board evaluation

According to the Code, the activities of the Board of Directors are subject to an external independent evaluation every three years. External evaluation of Board performance was performed in 2023 by Nestor Advisors Ltd, a London-based specialist corporate governance advisory firm, with subsequent self-assessment in 2024. The evaluation in 2023 was conducted via a questionnaire-based survey and interviews with Board members, the Corporate Secretary and several senior executives. In their feedback, the independent consultants noted the Board's close involvement in overseeing key areas of the Company's operations, internal control and risk management practices and the audit process, as well as the Board's well-established procedures and good support from the Corporate Secretarial function. It also reported that the composition of the Board, through its highly skilled members, had a healthy mix of international and local expertise, with the Independent Directors contributing to decision-making. In 2024, the Board of Directors conducted a self-evaluation through an online multiple-choice questionnaire, based on the previous external evaluation. Overall, the Board was satisfied with its functioning, with members acknowledging strong engagement, collaboration, and a diverse set of skills and experiences. The Board also recognised its comprehensive understanding of Air Astana's risk profile and the effectiveness of its internal control system. While the Board valued the work of its committees, it identified areas for improvement, particularly in strategy, gender diversity and procedural aspects, which it will address in 2025.

In 2025, the Board will undertake another self-assessment that will also assist in monitoring the implementation of the recommendations and any improvements.

Corporate Governance report **Composition, succession and evaluation** continued

Board induction and training

In accordance with the approved Induction Programme, within the first six months of their appointment, newly appointed Directors undergo an onboarding programme. This has been developed to bring them up to speed quickly on Air Astana JSC and its key assets, representatives of its management bodies, existing practices and standards of corporate governance, specific features of the Company and the industry, and other information necessary to perform their duties as members of the Board of Directors. The new Independent Non-Executive Director, Diyas Assanov, underwent the induction process, which included familiarisation with the corporate policies and procedures. A special induction session was arranged at Air Astana's offices, where he got a chance to meet key managers, who gave an overview of the Company's business and plans.

All the members of the Board of Directors received training focused on post-IPO life, covering different aspects, such as reporting obligations, continuing obligations, legal considerations and corporate governance requirements.

Information and support

The Chairman of the Board is responsible for ensuring the timely receipt by the Directors of the accurate, clear and relevant information needed to enable them to perform their duties.

The Senior Management Team and IAS are obliged to provide such information and the Directors may request further clarifications and explanations as necessary. The Board of Directors and its Committees are entitled to use the services of external experts, consultants and additional resources to enable them to carry out their duties in full. Financial provision for this is made in the Company's budget each year.

All Directors have access to the advice and services of the Corporate Secretary, who is responsible to the Board on matters of corporate governance and compliance with Board procedures. The Corporate Secretary manages the information flow within the Board of Directors and its Committees, and also between the Senior Management Team and the Board of Directors.

The Corporate Secretary has a key role in preparing and overseeing the Board of Directors' meetings and the General Meeting of Shareholders, ensuring the disclosure and dissemination of information comply with the rights and interests of shareholders.

Re-election

The term of office for each member of the Board of Directors is determined by the General Shareholders' Meeting, but should not be for less than two years. Once elected, there is no limit to the number of times members may be re-elected to the Board of Directors. The effectiveness and commitment of each Board member are also reviewed, to ensure the interests of the shareholders are fairly and objectively represented. Taking account of the other offices and interests held by the current Independent Directors, the Board is satisfied with the individual skills, relevant experience, contributions and time commitment of each.

Following the IPO in 2024, Board members were re-appointed for the term of two years, with the perspective of their re-election in 2026.

Corporate Governance report

Nomination and Remuneration Committee report

Janet Heckman
Chair

Main activities during 2024

Board and Committees

Throughout the year, the Committee made several recommendations concerning the composition of the Board of Directors and its various committees. These included recommendations for the re-election of members of the Board of Directors and Committees. Additionally, the Committee reviewed and made recommendations concerning the composition of the Strategic Planning and ESG Committees of the Board of Directors in view of changes to the Board.

Terminations and appointments

Several significant decisions were made regarding terminations and appointments within the Group. These included recommendations regarding the termination of the authorities of the President of FlyArystan JSC and the election of a new President. The Committee also recommended the appointment of the Head of the Company's Compliance Service following the restructuring of the Compliance Service and Sustainability Department into two separate units: the Compliance Service, which reports to the Board of Directors, and the Sustainability Department, which reports to the CEO.

Remuneration, compensation and incentive plans

The Committee addressed several important matters related to remuneration and incentive plans for both Board members and employees of the Company. This included recommending the amount and terms of remuneration and compensation for Independent Directors and the President of FlyArystan JSC, as well as determining the Company Performance Bonus and 2024 Year-End Bonus for employees whose remuneration is set by the Board of Directors. The Committee also reviewed and updated the Long-Term Incentive (LTI) and Employee Share Ownership Plan (ESOP) for eligible employees in terms of the employee grades and lists. Additionally, the Committee recommended for approval the terms of payment of the 2025–2027 LTI for the Chief Executive Officer and other eligible employees by establishing KPIs and the targets for 2025–2027 to ensure alignment with the Company's strategic objectives and performance goals.

External engagement

In 2024, the Remuneration and Nomination Committee engaged Korn Ferry to provide additional support in matters of remuneration and in the search and selection process for candidates for the role of an additional Independent Non-Executive Director. Korn Ferry had no connection or affiliation with the Company or individual directors.

Corporate Governance report **Nomination and Remuneration Committee report** continued

Roles and responsibilities

The Nomination and Remuneration Committee develops recommendations for the Board of Directors regarding the recruitment and selection of members of the Board of Directors, the Executive Body, the head of the IAS, the head of Compliance Service, the Corporate Secretary as well as other employees whose appointment requires the approval of the Board of Directors or Shareholders according to Company's Charter and the legislation of the Republic of Kazakhstan. The Nomination and Remuneration Committee meets regularly and is responsible for the following:

- Developing of requirements for candidate qualifications and recommendations on election or nomination for the roles of, amongst others, the Independent Non-Executive Directors and the CEO of the Company
- Ensuring the Board of Directors has the right balance of skills, knowledge, independence and experience, having due regard to diversity
- Development of a succession planning policy for the Board of Directors and Executive Management
- Recommendations on the policy and structure of remuneration
- Review of the Board's performance evaluation process

Composition and attendance

Name	Position	Meetings attended (total 10)
Janet Heckman	**Committee Chair** Independent Non-Executive Director	▶▶▶▶▶ ▶▶▶▶▶
Garry Kingshott	Independent Non-Executive Director	▶▶▶▶▶ ▶▶▶▶▶
Yeldar Abdrazakov	Independent Non-Executive Director	▶▶▶▶▶ ▶▶▶▶▶
Nurlan Zhakupov	Non-Executive Director	▶▶▶▶▶ ▶▶▶▶▶
Simon Wood[1]	Non-Executive Director	▶▶▶▶
Myles Westcott[2]	Non-Executive Director	▶▶▶ ▶▶▶

1 Member of the Committee since 18 June 2024.
2 Member of the Committee until 30 May 2024.

Priorities for 2025

The Nomination and Remuneration Committee will continue to fulfil its general responsibilities and carry out its activities according to the approved plan of work for 2025, with special focus on matters related to the succession planning and diversity for the Board of Directors.

Corporate Governance report

Remuneration report

Remuneration of the Board of Directors

According to the Company's Charter, the amount and terms of remuneration and compensation for the members of the Board of Directors is determined by the General Shareholder's Meeting, while the remuneration of the Executive Body is decided by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.

According to the Company's Policy of Remuneration of the Members of the Board of Directors:

- Independent Non-Executive Directors receive a base fee of USD 55,222 (before taxes and obligatory payments in accordance with the legislation of the Republic of Kazakhstan) per annum and are reimbursed for expenses associated with the performance of their duties, including travel-related costs
- Independent Non-Executive Directors and their spouses receive discounts for up to six travel tickets per year
- Non-Executive Directors, who are not Independent Non-Executive Directors, are not entitled to any fees
- Non-Executive Directors do not participate in any incentive plans
- There are no agreements in place that provide for benefits upon termination of service

The Policy of Remuneration of the Members of the Board of Directors is available at *ir.airastana.com*.

As at 31 December 2024, none of the Board members owned Company shares.

Total remunerationpaid to Independent Non-Executive Directors in 2024 amounted to USD 214,577.

Remuneration of the Executive Body

Prior to the stock exchange listing, the Executive Body remuneration was reviewed to ensure that, post-listing, it would remain market-competitive and aligned with the achievement of key performance indicators (KPIs), with the majority of potential variable pay provided in shares. This structure is summarised as follows:

(i) Base salary
Base salary which is reviewed on an annual basis. Any increases are generally in line with the average increase for the rest of the workforce, albeit the Nomination and Remuneration Committee retains the discretion to increase the salary above this rate where appropriate.

(ii) Pension and benefits
The Executive Body may elect to participate in the Company pension scheme or receive a cash amount in lieu of pension. The pension contribution for the Executive Body will be a cash allowance equivalent to 15% of base salary.

The benefits include health insurance for medical treatment, compulsory and voluntary insurance from accidents, car allowance, and partial coverage of children's school payment.

(iii) Annual performance bonus
The annual bonus pay-out is determined following the end of the financial year to which it relates, based on performance on a range of pre-determined financial and strategic KPIs, with a maximum bonus opportunity of 100% of base salary, payable in cash.

The Nomination and Remuneration Committee has the discretion to adjust the formulaic bonus outcome either upwards or downwards if it believes it is not a fair and accurate reflection of overall business performance and other relevant performance factors.

(iv) Long-Term Incentive Plan (LTIP)
The Executive Body may be granted a conditional award of shares each year. The value of Shares or GDRs subject to the award can be a maximum of 150% of salary.

The amount of the LTIP is based on achievement of KPIs.

An amount equivalent to the value of dividends payable on vested awards over the vesting period may be payable, in cash or in shares.

Awards will vest after three years.

The Nomination and Remuneration Committee has the discretion to adjust the vested LTIP outcome if it believes that the formulaic outcome is not a fair and accurate reflection of overall business performance and other relevant performance factors.

Corporate Governance report **Remuneration report** continued

(v) Shareholding requirement
The Executive Body must build and maintain a shareholding equivalent to 200% of base salary. If the requirement is not met, they must retain 50% of the Shares (net of tax) received under the LTIP.

(vi) Recruitment policy
Remuneration packages for new appointments will be set in line with the remuneration policy. For external appointments, the Company recognises it may need to provide compensation for forfeited awards from the individual's previous employer (buy-out awards). To the extent possible, the design of buy-out awards will be made on a broadly like-for-like basis, taking into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting and the likelihood of vesting. Assistance may be provided for relocation.

(vii) Termination of employment
The Executive Body has a service contract requiring six months' notice of termination from employees and twelve months' notice from the Company.

The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary.

Specific terms apply to the annual bonus and LTIP to determine the treatment of outstanding awards in different leaver circumstances. In principle, if an executive resigns, they would forfeit outstanding awards. However, if they leave in compassionate circumstances, the award may continue to be payable.

(viii) Malus and clawback
Malus and clawback to the extent permissible under Kazakhstani law applies to annual bonus and long-term incentive awards at any time before the second anniversary of the bonus payment date end of the vesting period. The specific circumstances include a material misstatement of any member of the Air Astana Group's financial results, an error in assessing a Performance Condition applying to the award, or if the Participant commits an act (or acts) amounting to gross misconduct that would have entitled their employer to summarily dismiss them.

Total remuneration of the Executive Body for 2024 amounted to USD 1,139 thousand including IPO award payable in cash.

IPO award

The Board of Directors determined that the Executive Body should be granted a performance bonus in recognition of the strong performance of the Company in the lead up to IPO. One third of the value of the bonus is payable in cash on, or shortly after, listing, and the remaining two thirds granted an award of shares on 17 February 2024 and vested on 17 February 2025.

LTIP award

The Executive Body received an LTIP award on 15 February 2024. The value of Shares or GDRs subject to the award was equivalent to 150% of salary, as at the date of grant. The award will vest after three years, on 15 February 2027.

Performance conditions for this award are 60% based on a range of net-profit-margin targets in relation to the 2026 year-end number.

The remaining 40% of the award will be based on the Company's total shareholder return (TSR) performance compared with a peer group of other airlines, with vesting proportionate if the Company's TSR is between the median and top quartile relative to the TSR performance of the peer group between the date of the IPO and 31 December 2026. For the Company, the starting TSR will be the Offer Price and the closing TSR will be the three-month average prior to 31 December 2026; and the starting TSR of the peer group will be the three-month average prior to the date of the IPO and the closing TSR will be the three-month average at period-end. Each Performance Condition will be measured independently and 25% of each part of the award will vest at the threshold level of performance.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Corporate Governance report

Treasury Committee report

Keith Gaebel
Chair

Main activities during 2024

In 2024, the Treasury Committee continued to monitor activities in regular reports received from the CFO, which set out details of cash position, deposits, loans and finance leases, and available credit lines. The Committee received quarterly reports on the Company's placed deposits and exposure to counterparty banks, to ensure compliance with internal policies, and monitored liquidity levels through regular cash forecast updates throughout the year. During the year, the Committee additionally recommended that the Board approve several items related to existing credit lines, approval of amendments to the Cash Management, Bank Risk & Treasury Reporting Policy, investment of free cash in U.S. Treasury bills, an increase in the number of accredited banks, approval of credit limits for newly accredited banks, and the opening of new bank accounts. Following the Company's IPO in February 2024, the Treasury Committee also recommended that the Board approve the repurchase of the Company's ordinary shares and global depositary receipts on the secondary market, as part of the implementation of the Company's Employee Incentive Plan.

In January 2025, to optimise the activities of the Board of Directors, it reviewed the structure of the Committees and disbanded the Treasury Committee, with the transfer of its functions to the Audit Committee.

Roles and responsibilities

The Treasury Committee assisted the Board of Directors in monitoring and improving the effectiveness of risk management of the Company's treasury functions.

The Treasury Committee is responsible for the following:

- Verifying control mechanisms for the Company's treasury activities and ensuring the effectiveness and improvement of policies and procedures in the treasury function
- Monitoring treasury activities and notifying the Board of Directors of risks and opportunities associated with them

Composition and attendance

Name	Position	Meetings attended (total 8)
Keith Gaebel	**Committee Chair** Independent Non-Executive Director	▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶
Simon Wood	Non-Executive Director	▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶
Aidar Ryskulov	Non-Executive Director	▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶

The workscope of the Treasury Committee has been migrated into the Audit Committee.

Corporate Governance report

Audit Committee report

Keith Gaebel
Chair

Main activities during 2024

Area of Committee focus	Activities and actions
Financial reporting	▸ Received and reviewed reports from the external auditor on the results of the audit of the consolidated financial statements for the year ended 31 December 2023, for the six months ended 30 June 2024, for the nine months ended 30 September 2024 ▸ Reviewed the financial statements of the Group to ensure integrity and consideration of the process for confirming and recommending to the Board that the 2024 Annual Report and Accounts was fair, balanced and understandable ▸ Reviewed the external auditor's views on significant accounting matters and accounting policies applied in the financial statements of the Group
External auditor	▸ Determination of the auditing organisation performing the audit (review) of the financial statements for the year ending 31 December 2024 and for the additional scope of work related to the issuance of a Comfort Letter for the purposes of the IPO ▸ Deciding on uniting and conducting a single selection procedure for the selection of a single external auditor for the audit of financial statements of Air Astana JSC and FlyArystan JSC for the years 2025-2027. Deciding on the composition of the Unified Commission on the selection of a single external auditor ▸ Preliminary approval of the amended Procedure of Air Astana JSC for selection of the audit organisation

Area of Committee focus	Activities and Actions
Internal Audit Service (IAS)	▸ Regular reports on the activities of the IAS ▸ Performance evaluation of the IAS for 2023 ▸ Changes to the 2024 Annual Audit Plan ▸ Approval of the updated Assurance Map for Air Astana ▸ Approval of the Annual Audit Plan, budget of the IAS and Key Performance Indicators of the IAS for 2025 ▸ Changes in the Regulations of the IAS ▸ IAS staff changes and remuneration issues
Compliance and ethical conduct	▸ Termination of the authorities of the Senior Compliance and Sustainability Officer due to split of the Compliance and Sustainability department into two departments; Appointment of the Head of the Compliance Service ▸ Regular report on activities of Compliance Service including internal analysis of corruption risks ▸ Preliminary approval of the restated Policy for prevention and resolution of conflicts of interest, including the updated Conflict of Interest Form ▸ Preliminary approval of the restated Sanctions Policy, including the updated Know Your Customer Form ▸ Launch of the Annual Conflict of Interest Declaration among Air Astana JSC employees and the Board of Directors ▸ Regular reports on compliance matters that cover revision of compliance (corruption) risks at the corporate level, identification of corruption risks at the business process level, whistleblowing hotline, internal investigations, conflicts of interest, sanctions compliance, review and assessment of direct purchases, third-party due diligence procedure, review and assessment of candidates for positions of INEDs and CEO-1 level ▸ Approval of the risk-oriented annual plan of the compliance function for 2024 ▸ Approval of the restated Regulation on Compliance Service
Risk management and internal control	▸ Quarterly update of risk register and risk map ▸ Quarterly reports on realised risks ▸ Preliminary approval of the Company's risk appetite and risk capacity ▸ Introduction to the Head of Internal Controls of the Company ▸ Regular reports of the Internal Control Service on internal controls enhancement ▸ IT security update ▸ Preliminary approval of the restated Accounting Policy of the Company ▸ Preliminary approval of the restated policy on organisation of insurance coverage of the Company
Other matters	▸ FlyArystan JSC's matters: annual financial statements

Corporate Governance report **Audit Committee report** continued

Roles and responsibilities

The Audit Committee supports the Board of Directors in overseeing the Company's financial and economic activities, the effectiveness of internal control and risk management systems, the application of the corporate governance standards, the independence of the external and internal audit, and compliance with applicable laws and regulations of the Republic of Kazakhstan.

Meetings of the Audit Committee take place at least once a quarter. The Audit Committee is responsible for:

- Overseeing the framework and effectiveness of the Company's systems of risk management and internal control, compliance and internal audit through regular reports from the Risk Management Division, the Internal Control Service, the Compliance Service and the Internal Audit Service
- Assessing aspects of the independence of the external auditor and the Internal Audit Service
- Developing recommendations to the Company's Board of Directors on the appointment and change of the external auditor, on determining the amount to be paid and on evaluating the quality of services rendered by the external auditor, and on receiving the related services from the external auditor when it is necessary
- Presenting recommendations for the Board of Directors on determining the number of employees, appointing (or terminating service) employees, defining the procedures for the work of the Internal Audit Service and the amount and terms of remuneration and incentives of the employees of the Internal Audit Service
- Reviewing reports from the Company's management and external auditor on material accounting matters and decisions

Composition and attendance

Name	Position	Meetings attended (total 14)
Keith Gaebel	**Committee Chair** Independent Non-Executive Director	▶▶▶▶▶▶▶▶▶▶▶▶▶▶
Janet Heckman	Independent Non-Executive Director	▶▶▶▶▶▶▶▶▶▶▶▶▶▶
Yeldar Abdrazakov	Independent Non-Executive Director	▶▶▶▶▶▶▶▶▶▶▶▶▶▶

Detailed biographies are provided on pages 113 of all members of the Audit Committee. The Chairman of the Committee has extensive experience and expertise in financial reporting, and is considered to have recent and relevant financial experience. All members of the Committee are independent Non-Executive Directors, and the Board is satisfied that the Committee as a whole has the relevant financial experience and competence the sector the Company operates in.

Risk management and internal control

The Board reviews the effectiveness of the internal control system during the year under the auspices of the Audit Committee, as well as regularly reviewing and evaluating the overall risk management system in Air Astana. Further information on the principal risks and uncertainties, and mitigation measures, is available on pages 76-80 of this report. The Audit Committee acts in the interests of shareholders and provides oversight support to the Board of Directors concerning the effectiveness of the risk management, internal control and corporate governance systems.

In 2024, the Company significantly enhanced its internal controls by hiring a full-time internal controls expert and engaging external consultants for project on enhancement of internal control system. These additions have strengthened the Company's ability to manage risk effectively and uphold the integrity of its financial processes. The Company remains committed to continuously testing, refining and improving its controls to maintain the highest standards of transparency, accountability and operational excellence.

Internal audit

Mission and functions

Air Astana's IAS was created in December 2007 by a decision of the Board of Directors. The IAS organises and carries out internal audit engagements and reports directly to the Board of Directors. Supervision of the IAS is carried out by the Audit Committee in accordance with internal documents governing its activities.

The appointment and dismissal of the IAS Head and employees is within the remit of the Board of Directors.

The purpose of IAS is to strengthen Air Astana's ability to create, protect and sustain value by providing the Board of Directors and the CEO of Air Astana with independent, risk-based and objective assurance, advice, insight and foresight.

Corporate Governance report **Audit Committee report** continued

Audit process

The IAS has strengthened its professional team, continued to improve its internal audit processes and to keep high quality of results of performed internal audit engagements. The IAS adheres to an agile approach in planning and performing internal audit engagements, aiming to fulfil its responsibilities more effectively and efficiently. The IAS uses a risk-based approach in selecting internal audit engagements for the Annual Audit Plan and defining audit scope and audit procedures for internal audit engagements. The IAS is guided by the detailed Internal Audit Manual and other internal regulating documents that comply with the Global Internal Audit Standards. The IAS employees continually enhance their knowledge and skills as they believe that their high professional level is one of the key factors behind the IAS's high-performing results.

The IAS conducted all internal audit engagements included into the Annual Audit Plan for 2024. In total, throughout 2024, the IAS completed 17 internal audit engagements, including tasks related to two areas of continuous monitoring and two Information Technology audits.

All performed internal audit engagements related to high priority areas, and five of these were performed at the request of the management. The IAS uses the internal audit management software TeamMate+ for the entire audit process which helps to increase efficiency.

Compliance with the standards

In November 2022, the IAS successfully passed an external independent assessment with a final result – 'Fully conforms with the Code of Ethics and the Definition of Internal Audit of the Institute of Internal Auditors, as well as the requirements of the Standards by 100%.'

During 2024 the IAS undertook necessary steps to implement the new requirements of the Global Internal Audit Standards, which became effective in January 2025.

External audit

The Committee engaged regularly throughout the year with KPMG, the Company's external auditor, and worked with them to review and approve the 2024 external audit plan and strategy, including scope, approach and methodology. The Committee is also responsible for the review of the performance and independence of the external auditor, and as part of this review, considered the tenure of the audit partner, the performance and effectiveness of the external audit, and the confirmations from the external auditor that appropriate challenge was given to the audit. Taking the above into account, the Committee considers that the external auditor remained objective and independent.

KPMG was first appointed to audit the financial statements for the year ended 31 December 2014 for a three-year period, following which, it was agreed to maintain the engagement as the Company proceeded towards IPO. The Company undertook an audit process during the pre-IPO period, and KPMG remained the most suitable candidate. The current lead audit partner, Mukhit Kossayev, has led the audit since 2021.

Fees for non-audit services for 2024 paid to the external auditor amounted to USD 36,000. Fees for work undertaken by KPMG for both audit and non-audit services during 2024 amounted to USD 547,000.

The Committee also assesses the independence and objectivity of the external auditor through the assurances provided by the external auditor on the independence and matters that may challenge their professional judgement. KMPG confirmed that any identified threats to their independence have been eliminated or reduced to an acceptable level, including assurances that the engagement team and others in the firm have complied with all relevant ethical requirements regarding independence. To preserve objectivity and independence, the Company does not purchase any consulting or other services from the external auditor unless this is in compliance with the Company's policy for the procurement of non-audit services of audit organisations. The policy also covers the approach to hiring former external audit employees to avoid any conflict of interest and to protect external auditor independence. This policy is available to view on the Company's website at *airastana.com*.

Priorities for 2025

The Audit Committee will continue to focus on maintaining the integrity and quality of financial statements and ensuring that the Company prepares its financial and business reports based on the principles of transparency and accountability, completeness and reliability. The Audit Committee will continue to strengthen the Company's internal control, risk management and compliance systems, and will strive for a good information flow between all committees to ensure governance standards and transparency is maintained at the highest levels.

Corporate Governance report

Responsibility statement

The Board of Directors, and each member of the Board of Directors, confirm they recognise their responsibility for preparing and approving the annual report and financial statements in accordance with applicable laws and regulations, and consider the annual report and financial statements, taken as a whole, to be fair, balanced and understandable, and to provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each member of the Board of Directors confirms that to the best of their knowledge:

- the Group financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group
- the Company financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company
- the Strategic Report, included in the Annual Report, includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties they face

Other disclosures

- Post-balance-sheet events: Note 31 of the financial statement - Subsequent events states the following – There were no events after the reporting date that require separate disclosure
- Branches: The Group, through various subsidiaries, has established branches in Azerbajin, China, France, Germany, Georgia, India, Kyrgistan, Russia, Tajikistan, Turkey, UK, Ukraine and Uzbekistan in which the business operates
- Disclosure of information to auditors: The Directors at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information


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Financial statements

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Statement of management's responsibilities for the preparation and approval of the consolidated financial statements

for the year ended 31 December 2024

The management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of Joint Stock Company Air Astana and its subsidiary (the "Group") as at 31 December 2024, and the results of its consolidated operations, cash flows and changes in equity for the year then ended in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

In preparing the consolidated financial statements, the management is responsible for:

- properly selecting and applying accounting policies
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern

The management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS Accounting Standards
- maintaining statutory accounting records in compliance with the legislation of Kazakhstan and IFRS Accounting Standards
- taking such steps as are reasonably available to them to safeguard the assets of the Group
- preventing and detecting fraud and other irregularities

The consolidated financial statements for the year ended 31 December 2024 were authorised for issue on 14 March 2025 by the management of the Group.

On behalf of the management of the Group:

PETER FOSTER
Chief Executive Officer

IBRAHIM CANLIEL
Chief Financial Officer

SAULE KHASSENOVA
Chief Accountant

Almaty, Republic of Kazakhstan
14 March 2025

Independent auditors' report

To the shareholders of Joint Stock Company Air Astana

Opinion

We have audited the consolidated financial statements of Joint Stock Company Air Astana (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The recognition of the passenger revenue, including accounting for customer loyalty program provision

Please refer to Note 3, paragraph 'Revenue', Note 5, paragraph 'Customer loyalty program' in the consolidated financial statements and Notes 7, 22.

The key audit matter	How the matter was addressed in our audit
The revenue of the Group is mainly represented by passenger revenue which is recognised when the transportation services are provided to customers. In addition, the Group recognises contract liabilities for customer loyalty programs in its consolidated financial statements that relate to points granted to participants of the Nomad Club Programme. Revenue is recognised when the points are redeemed by a customer and the underlying performance obligation relating to the redeemed points is fulfilled. The transaction price is allocated between the transportation service and the award provided based on their stand-alone selling prices. Estimations, particularly as they relate to predicting customer behaviours are prone to a wider range of possible outcomes for us to consider. The accounting for these loyalty programs involves significant judgment and estimates, particularly for estimation of the deferred revenue associated with the points awarded and the timing and amount of revenue recognition for redeemed points. Total passenger revenue for 2024 amounted to USD 1,246,044 thousand and customer loyalty program provision as at 31 December 2024 amounted to USD 15,996 thousand. The recognition of the passenger revenue, including the recognition of contract liabilities for customer loyalty programs, involves a significant risk of material misstatement and is, therefore, considered as a key audit matter in our audit, since the estimates and assumptions of the management have a significant effect on the recognition and estimation of these items, which are significant in terms of the amount.	Our approach to address the matter included, among other, the following procedures: ▸ Testing and evaluating design, implementation and operating effectiveness of internal controls related to revenue recognition, specifically • Testing controls related to transfer of data between relevant IT systems that management uses to recognize revenue • For the IT systems or processes that are outsourced to third party service providers, assessing assurance reports with respect to design and operating effectiveness of relevant controls ▸ Evaluating the design and implementation, as well as testing the operating effectiveness of key internal controls over the tracking and accounting of points awarded and redeemed within IT systems that management uses to initially accrue and subsequently redeem points, including controls over the estimation processes for deferred revenue ▸ Assessing the methodologies used by management to estimate the fair value of the points awarded and the expected redemption rate ▸ Assessing the reasonableness and supportableness of the assumptions used in calculation of frequent flyer program liabilities ▸ Reconciling points awarded and redeemed during the year to the underlying IT systems. Assessing of the expected usage rate and stand-alone selling price of points against. historical experience, and recent trends, analysing historical redemption patterns and comparison with industry benchmarks ▸ Testing, on a sample basis, passenger revenue transactions by inspecting the supporting documents ▸ Assessing the adequacy of the disclosures against the requirements of IFRS Accounting Standards, including critical accounting judgments and key sources of estimation uncertainty

Independent auditors' report continued

The recognition of provision for aircraft under lease agreements without transfer of title

Please refer to Note 3, paragraph 'Provisions' and Note 23 in the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
For aircraft under lease agreements without transfer of title, the Group is contractually committed to either return the aircraft in a specified condition or to compensate the lessor based on the actual condition of the aircraft and its major components upon return. Provision is made for the expected cost associated with these contractual return conditions. In addition, the Group is obliged to perform regular scheduled maintenance of aircraft under the terms of its lease agreements without transfer of title and regulatory requirements relating to air safety. At each reporting date, the estimation of the maintenance provision includes a number of variable factors and assumptions, including the expected cost of maintenance activities and the time it is expected to occur; the condition of the aircraft; and the lifespan of components. Management has engaged an expert to assist in estimating the timing and cost of expected engine maintenance activities. We have identified this as a key audit matter because of the inherent level of management judgement required in estimating the amount of provision and complex and subjective elements around these estimations. In addition, the provision for aircraft under lease agreements without transfer of title in the amount of USD 315,135 thousand is material to the consolidated financial statements.	The following procedures were performed: ▸ Assessing the key assumptions adopted by management in estimating the provisions, as follows • Assessing the expected cost of maintenance activities against historical actual costs incurred and existing maintenance agreements • Agreeing expected cost of maintenance activities and the time it is expected to occur to supporting documentation ▸ Testing the classification of current and non-current parts of the provisions ▸ Assessing of the accuracy of management's previous estimates and the consistency of the provisions based on analysis of historical flight hours, estimate of the cost of maintenance work to historic invoices ▸ Inspecting the reports provided by the management's expert and evaluating the relevance and reasonableness of the expert's findings and conclusions ▸ Assessing the knowledge, skill, and ability of the management's expert and the expert's relationship to the entity ▸ Assessing the adequacy of the disclosures in the consolidated financial statements against the requirements of IFRS Accounting Standards

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditors' report continued

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is:

Mukhit Kossayev
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
No. 558 of 24 December 2003

KPMG Audit LLC
State License to conduct audit #0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan

Sergey Dementyev
General Director of KPMG Audit LLC
acting on the basis of the Charter

14 March 2025


EI-KIA

Consolidated statement of profit or loss

for the year ended 31 December 2024

'000 USD	Notes	2024	2023
Revenue and other income			
Passenger revenue	7	**1,246,044**	1,143,596
Cargo and mail revenue	7	**26,303**	22,519
Gain from sale and leaseback transaction	7	**25,016**	-
Other income	7	**11,785**	8,399
Total revenue and other income		**1,309,148**	1,174,514
Operating expenses			
Fuel and oil costs		**(305,183)**	(279,172)
Employee and crew costs	8	**(226,659)**	(193,067)
Depreciation and amortisation	12	**(189,171)**	(162,011)
Handling, landing fees and route charges	8	**(120,485)**	(105,727)
Passenger service	8	**(118,677)**	(101,136)
Engineering and maintenance	8	**(117,874)**	(108,180)
Selling costs	8	**(44,180)**	(40,431)
Insurance		**(12,801)**	(10,981)
Consultancy, legal and professional services		**(8,412)**	(5,729)
IT and communication costs		**(6,831)**	(6,538)
Aircraft lease costs		**(5,216)**	(2,217)
Property and office costs		**(4,675)**	(3,865)
Taxes		**(4,361)**	(3,920)
Impairment loss on trade receivables		**(74)**	(124)
Other operating costs		**(14,543)**	(15,435)
Total operating expenses		**(1,179,142)**	(1,038,533)
Operating profit		**130,006**	135,981
Finance income	9	**22,079**	14,806
Finance costs	9	**(64,656)**	(49,892)
Foreign exchange loss, net		**(20,743)**	(13,803)
Profit before tax		**66,686**	87,092
Income tax expense	10	**(13,910)**	(18,387)
Profit for the year		**52,776**	68,705
Basic and diluted earnings per share (in USD)[1]	**20**	**0.151**	0.225

The consolidated statement of profit or loss is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 140-179.

[1] Basic and diluted earnings per share have been retrospectively recalculated to reflect the updated number of shares issued.

On behalf of the Group's management:

Peter Foster
Chief Executive Officer

Ibrahim Canliel
Chief Financial Officer

Saule Khassenova
Chief Accountant

Almaty, Republic of Kazakhstan
14 March 2025

Consolidated statement of other comprehensive income

for the year ended 31 December 2024

'000 USD	Notes	2024	2023
Profit for the year		52,776	68,705
Other comprehensive income to be reclassified into profit or loss in subsequent periods:			
Cash flow hedges – effective portion of changes in fair value	19	433	(1,025)
Corporate income tax related to cash flow hedges – effective portion of changes in fair value		(87)	205
Realised net loss from cash flow hedging instruments	25	12,714	12,408
Corporate income tax related to loss from hedging instruments	25	(2,543)	(2,482)
Other comprehensive income for the year, net of income tax		10,517	9,106
Total comprehensive income for the year		63,293	77,811

The consolidated statement of other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 140-179.

Consolidated statement of financial position

as at 31 December 2024

'000 USD	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,063,284	853,320
Intangible assets		6,018	2,836
Prepayments	15	19,591	18,451
Guarantee deposits	13	38,695	33,302
Deferred tax assets	10	48,603	37,040
Trade and other receivables	16	630	1,343
		1,176,821	946,292
Current assets			
Inventories	14	66,129	67,548
Prepayments	15	30,290	24,825
Income tax prepaid		12,999	13,259
Trade and other receivables	16	20,801	23,525
Other taxes prepaid	17	13,792	10,247
Guarantee deposits	13	3,239	1,979
Cash and cash equivalents	18	488,702	274,006
Other financial assets	19	302	763
		636,254	416,152
Total assets		1,813,075	1,362,444
EQUITY AND LIABILITIES			
Equity			
Share capital	20	138,112	17,000
Functional currency transition reserve		(9,324)	(9,324)
Other reserves		3,009	-
Treasury share		(8,240)	-
Reserve on hedging instruments, net of tax		(5,775)	(16,292)
Retained earnings		276,748	221,975
Total equity		394,530	213,359
Non-current liabilities			
Loans		521	-
Lease liabilities	25	716,775	543,896
Provision for aircraft maintenance	23	289,866	148,618
Employee benefits		818	623
		1,007,980	693,137
Current liabilities			
Loans		56	412
Lease liabilities	25	171,886	174,997
Deferred revenue	22	89,801	84,368
Provision for aircraft maintenance	23	25,269	105,170
Trade and other payables	24	123,553	91,001
		410,565	455,948
Total liabilities		1,418,545	1,149,085
Total equity and liabilities		1,813,075	1,362,444
Book value per ordinary share (in USD)[1]	20	1.104	12,383.706

The number of ordinary shares used in calculation as at 31 December 2024 and 31 December 2023 was 351,887,760 and 17,000 respectively.

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 140-179.

[1] Disclosure of the book value per common share is not covered by IFRS and is disclosed upon request and in accordance with the rules of KASE.

Consolidated statement of changes in equity

for the year ended 31 December 2024

'000 USD	Share capital	Treasury shares	Other reserves	Functional currency translation reserve	Reserve on hedging instruments	Retained earnings	Total equity
At 1 January 2023	**17,000**	**-**	**-**	**(9,324)**	**(25,398)**	**169,990**	**152,268**
Profit for the year	-	-	-	-	-	68,705	68,705
Other comprehensive income: Realised loss on cash flow hedging instruments and effective portion of changes in fair value of fuel call options, net of tax	-	-	-	-	9,106	-	9,106
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**9,106**	**68,705**	**77,811**
Dividends declared	-	-	-	-	-	(16,776)	(16,776)
Other	-	-	-	-	-	56	56
At 31 December 2023	**17,000**	**-**	**-**	**(9,324)**	**(16,292)**	**221,975**	**213,359**
At 1 January 2024	**17,000**	**-**	**-**	**(9,324)**	**(16,292)**	**221,975**	**213,359**
Profit for the year	-	-	-	-	-	**52,776**	**52,776**
Other comprehensive income: Realised loss on cash flow hedging instruments and effective portion of changes in fair value of fuel call options, net of tax	-	-	-	-	**10,517**	-	**10,517**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**10,517**	**52,776**	**63,293**
Issue of shares	**121,112**	-	-	-	-	-	**121,112**
Issue costs	-	-	**(3,100)**	-	-	-	**(3,100)**
Treasury shares	-	**(8,240)**	-	-	-	-	**(8,240)**
Other changes	-	-	-	-	-	**1,997**	**1,997**
Equity-settled share-based programme	-	-	**6,109**	-	-		**6,109**
At 31 December 2024	**138,112**	**(8,240)**	**3,009**	**(9,324)**	**(5,775)**	**276,748**	**394,530**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 140-179.

Consolidated statement of cash flows

for the year ended 31 December 2024

'000 USD	Notes	2024	2023
OPERATING ACTIVITIES:			
Profit before tax		66,686	87,092
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	12	189,171	162,011
Gain on disposal of property, plant and equipment and other assets and from sales and leaseback transaction	7	(25,733)	(3,499)
Change in impairment allowance for trade receivables, prepayments, guarantee deposits and cash and cash equivalents	13,15, 16,18	(1,150)	(76)
Write-down of obsolete and slow-moving inventories	14	353	(621)
Change in vacation accrual	24	1,176	(316)
Accrual of provision for aircraft maintenance	8	95,299	85,830
Change in customer loyalty program provision	22	4,068	2,774
Foreign exchange loss, net		20,743	13,803
Finance income	9	(21,782)	(14,321)
Finance costs	9	64,592	49,462
Gain from early return of aircraft	25	(2,875)	-
Equity-settled share-based payment		6,109	-
Operating cash flow before movements in working capital		396,657	382,139
Change in trade and other receivables		(1,794)	(831)
Change in prepaid expenses and prepayments		(10,201)	(5,625)
Change in inventories		1,638	(16,787)
Change in trade and other payables and provision for aircraft maintenance		(17,838)	(17,993)
Change in deferred revenue		3,415	1,442
Change in other financial instruments		893	(129)
Cash generated from operations		372,770	342,216
Income tax paid		(26,667)	(42,839)
Interest received		21,743	14,081
Net cash generated from operating activities		367,846	313,458
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(97,948)	(41,777)
Proceed from sale and leaseback transaction		90,500	-
Proceeds from disposal of property, plant and equipment		2,734	4,980
Purchase of intangible assets		(3,687)	(2,116)
Guarantee deposits placed		(12,723)	(9,979)
Guarantee deposits withdrawn		3,044	2,876
Net cash used in investing activities		(18,080)	(46,016)
FINANCING ACTIVITIES:			
Repayment of lease liabilities	25	(190,331)	(173,302)
Interest paid	25	(54,431)	(42,717)
Repayment of borrowings and additional financing from sale and leaseback	25	(38,442)	(46,640)
Proceeds from borrowings and additional financing from sale and leaseback	25	38,193	35,000
Repurchase of treasury shares		(8,240)	-
Proceeds from share issuance	20	121,112	-
Dividends paid	20	-	(16,776)
Net cash used in financing activities		(132,139)	(244,435)
Net increase in cash and cash equivalents		217,627	23,007
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(2,876)	(1,888)
Effects of movements in ECL on cash and cash equivalents		(2)	(1)
Foreign currency translation		(53)	-
CASH AND CASH EQUIVALENTS, at the beginning of the year		274,006	252,888
Cash and cash equivalents, at the end of the year	18	488,702	274,006

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 140-179.

Notes to the consolidated financial statements

1. Nature of activities

Joint Stock Company Air Astana is a joint stock company (the "Company") as defined in the Civil Code of the Republic of Kazakhstan.

The Company was established as a closed joint stock company on 14 September 2001 by Resolution of the Government of the Republic of Kazakhstan #1118 dated 29 August 2001. Due to a change in legislation introduced in 2003, the Parent Company was re-registered as a joint stock company on 27 May 2005.

The Company has a subsidiary JSC "FlyArystan" (formerly JSC "Aviation Company "Air Kazakhstan") (hereinafter – the "Subsidiary") which was acquired in November 2019 by purchasing one hundred percent of the shares and voting interests. Together the Company and the Subsidiary are referred to as the "Group".

The operations of Subsidiary commenced in October 2023. From December 2023 to December 2024, JSC "FlyArystan" issued additionally 3,780,000 shares in favour of the Company. The total additional investment amounted to KZT 15,120,000 thousand (USD 32,268 thousand).

The Group's principal activity is the provision of scheduled domestic and international air services for passengers. Other business activities include freight and mail transportation.

As at 31 December 2024 and 31 December 2023, the Group operated 57 and 49 turbojet aircrafts, respectively.

On 15 February 2024, the Company completed its initial public offering ("IPO"), raising KZT 54,256,673 thousand (USD 121,111 thousand). The Company listed simultaneously on three exchanges: Kazakhstan Stock Exchange, Astana International Exchange, and London Stock Exchange. In addition to the primary offering, existing shareholders JSC "National Welfare Fund "Samruk-Kazyna", and BAE Systems Kazakhstan Limited both sold their shares (or GDRs representing shares), reducing their shareholdings to 41% and 16.95%, respectively. Other shareholders had less than 10% of shares post-IPO.

2. Basis of accounting

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Functional and presentation currency

The national currency of Kazakhstan is the Kazakhstani Tenge ("Tenge"), which until 31 December 2017 was the Company's functional currency, because it reflected the economic substance of the underlying events and circumstances of the Company.

During 2017, the management reassessed the indicators of the Company's functional currency, with particular focus on the Company's increasing international flight operations, and noted that an increasing part of the Company's operations are influenced by currencies other than Tenge; predominantly the US Dollar. As a result, the management concluded that with effect from 31 December 2017 (the transition date, for the purpose of the financial reporting under IFRS Accounting Standards), that the Company's functional currency is the US Dollar.

As requested by shareholders, in addition to the consolidated financial statements presented in the Company's functional currency, US Dollar ("USD"), the Group also issues the consolidated financial statements in Kazakhstani Tenge, which is a presentation currency for the Company as shareholders believe that both currencies are useful for the users of the Group's consolidated financial statements. These consolidated financial statements have been presented in USD for the year ended 31 December 2024. All financial information presented in USD has been rounded to the nearest thousand, so minor discrepancies may arise from addition of these amounts.

Notes to the consolidated financial statements continued

3. Material accounting policies

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets on the date of acquisition. The Group discloses other comprehensive income separately from its consolidated statement of profit or loss. The principal accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Segment information

There are two main operating segments of the Group, full-service brand Air Astana and low-cost brand FlyArystan; these include information for the determination of performance evaluation and allocation of resources by the management. The Group management uses the operating profit calculated according to IFRS Accounting Standards while evaluating the performance of the segments adjusted for the impact of inter-segment leases.

Revenue

Passenger revenue

The Group satisfies the performance obligations related to tickets sold and reports the sales as revenue when the transportation service performance obligation has been satisfied. The value of tickets sold and still valid but not used by the reporting date is reported as deferred (unearned) transportation revenue. This item is reduced either when the Group satisfies the performance obligation by completing the transportation service or when the passenger requests a refund. Based on historical data of previous years, the Group recognises passenger revenue in proportion to the pattern of rights exercised by the customer in respect of a percentage of tickets sold that are expected not to be used or refunded.

The Group conducts sales through agents that act as intermediaries distributing tickets among customers. On average, accounts receivable are collected within a month from origination. The Group's sales do not contain significant finance components due to the short-term nature of airline tickets.

Passenger revenue includes revenue from code-share agreements with other airlines. Under these agreements, the Group sells seats on these airlines' flights and those other airlines sell seats on the Group's flights. Revenue from the sale of code-share seats on other airlines are recorded net in the Group's passenger revenue in profit or loss, since the Group acts as an agent in these agreements. The revenue from other airlines' sale of code-share seats on the Group's flights is recorded in passenger revenue in profit or loss.

Revenue related to airport charges, such as fees and taxes, are presented gross of the related costs. This is due to the fact that the Group is exposed to changes in the actual costs, and these costs are assessed by the Group based on the volume of its operations, such that the Group acts as a principal in the transactions, not as an agent.

Cargo revenue

Cargo transport services are recognised as revenue at the time of sale due to the short-term nature of the contracts.

Customer loyalty programme

Sales of tickets that result in award credits for customers, under the Group's Nomad Club Loyalty Programme, are accounted for as two separate performance obligations embedded into one contract, the ticket. The transaction price is allocated between the transportation service and the award provided based on their stand-alone selling prices. The transaction price of credit award is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Group's performance obligations have been fulfilled.

Travel agents' commissions

Travel agents' commissions are recognised as an expense when the transportation service is provided.

Reservation costs

Reservation costs are recognised as an expense when incurred since the amortisation period of the asset that the Group otherwise would have recognised is less than a year.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities separately in the consolidated statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Sale and leaseback transactions

If the Group transfers an asset to another entity and leases that asset back from this same entity, the Group accounts for the transfer contract and the lease according to IFRS 16 Leases.

The Group applies the requirements for determining when a performance obligation is satisfied in IFRS 15 *Revenue from contracts with customers* to determine whether the transfer of an asset is accounted for as a sale of that asset.

If the transfer of an asset by the Group satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group makes the following adjustments to measure the sale proceeds at fair value:

(a) any below-market terms shall be accounted for as a prepayment of lease payments; and

(b) any above-market terms shall be accounted for as additional financing provided by the buyer- lessor to the seller-lessee.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Guarantee deposits

Guarantee deposits represent amounts paid to the lessors of aircraft, which are held as security deposits by the lessors in accordance with the provisions of lease agreements without transfer of title. These deposits are returned to the Group at the end of the lease period. Lease deposits relating to the lease agreements without transfer of title are presented as assets in the consolidated statement of financial position. At initial recognition the Group recognises a discount and a deferred asset (additional lease payment) simultaneously. The discount is amortised over the lease term using the effective interest method, and the deferred asset is amortised by equal amounts over the lease term.

Foreign currencies

In preparing the consolidated financial statements, transactions in currencies other than the functional currency of the Group entities (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

The following table summarises US Dollar exchange rates at 31 December 2024 and 31 December 2023 and for the years then ended:

	Average rate		Reporting date spot-rate	
USD	2024	2023	31 December 2024	31 December 2023
1,000 Tenge (KZT)	**2.13**	2.19	**1.9**	2.20
Euro (EUR)	**1.08**	1.08	**1.04**	1.10
British Pound (GBP)	**1.28**	1.24	**1.25**	1.27

The following table summarises KZT exchange rates at 31 December 2024 and 31 December 2023 and for the years then ended:

	Average rate		Reporting date spot-rate	
KZT	2024	2023	31 December 2024	31 December 2023
US Dollar (USD)	**469.44**	456.31	**525.11**	454.56
Euro (EUR)	**507.86**	493.33	**546.74**	502.24
British Pound (GBP)	**600.27**	567.3	**658.91**	577.47

Finance income and costs

Finance income comprises interest income on bank deposits and gain on financial instruments through profit and loss. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the carrying value and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs comprise interest expense, bank commissions, losses on financial instruments through profit and loss and other costs. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until those assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Taxation

Income tax expense represents the sum of the tax currently payable, tax paid for the current period and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be realised. Such assets and liabilities are not recognised if the temporary difference arises in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset recognised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxes are also recognised in other comprehensive income or directly in equity, respectively.

Property, plant and equipment

Property, plant and equipment held for use in the supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses.

The financial interest attributed to pre-delivery payments made on account of aircraft and other significant assets under construction is capitalised and added to the cost of the asset concerned.

Maintenance costs are recorded as expenses during the period when incurred, with the exception of programmes that extend the useful life of the asset or increase its value, which are then capitalised (e.g. maintenance on airframes and engines).

Aircraft

The purchase price of aircraft is denominated in US dollar.

Aircraft are depreciated using a straight-line method over their average estimated useful life of 25 years or over the lease terms, if the lease term is shorter than the 25-year period, assuming no residual value. During the operating cycle, the Group reviews whether the depreciable base or the useful life should be adjusted and, if necessary, determines whether a residual value should be recognised.

Repairs for major airframes and engines of all aircraft are treated as a separate asset component with the cost capitalised and depreciated over the period between the date of acquisition and the next major overhaul.

Major overhaul expenditure, including replacement spares and labour costs, are capitalised and amortised over the average expected life between major overhauls based on flight hours and cycles.

All other replacement spares and other costs relating to maintenance of an aircraft are charged to profit or loss upon consumption or as incurred, respectively.

Rotable spare parts

Rotable spare parts are carried in property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Other property, plant and equipment

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Aircraft (excluding separate asset components)	25 years
Buildings and premises	14-50 years
Rotable spare parts	3-15 years
Office and training equipment	4-20 years
Vehicles	7-9 years
Other	2-10 years

Depreciation is recognised so as to write off the cost of assets (other than freehold land, properties under construction and separate asset component of the aircraft) less their residual values over their useful lives, using the straight-line method. Separate asset component of an aircraft is amortised over the average expected life between major overhauls which is based on flight hours or cycles.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful economic life of software for the current and comparative periods is from 7 to 10 years.

Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of Cash-Generating Units (CGU) for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs 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 that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The Group identifies the recoverable amount as value in use of a CGU.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Contingent liabilities and contingent assets

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements. Where an inflow of economic benefits is probable, they are disclosed in the notes to the consolidated financial statements.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis, except for fuel and de-icing liquid, which are determined on the weighted average cost basis. Fuel and de-icing liquid are written off upon actual consumption. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Expenditures incurred in acquiring the inventories such as customs duties, freight and brokers' services are accumulated into a separate inventory account and allocated depending on use of relevant inventory.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for aircraft maintenance under lease agreement without transfer of title

The Group is obligated to perform regular scheduled maintenance of aircraft under the terms of its lease agreements without transfer of title and regulatory requirements relating to air safety. The lease agreements also require the Group to return aircraft to lessors in a satisfactory condition at the end of the lease term, which may require the performance of final return conditions. The Group's scheduled aircraft maintenance programmes carried out through the lease periods are designed to reduce the incidence of final return costs. Major aircraft maintenance relates to airframes (referred to as the C-check, D-check and redelivery preparation programme) and engines. The C-check is heavy maintenance with approved performance intervals. It takes place at the earliest of every 6,000 – 12,000 flight hours, 3,000 – 8,000 flight cycles and 18-36 months according to aircraft type.

The D-check (4C, 6YR, 12YR) is heavy maintenance connected with deep aircraft disassembly, structure inspection and anti corrosion prevention programme. It takes place with an interval of not more than 72 months. Engine overhaul occurs after specified flight hours or cycles occur. Some of the lease agreements without transfer of title include a component of variable lease payments which is generally reimbursable to the Group by lessors as a contribution to engine maintenance costs after they are incurred.

The variable lease payments are recognised as an expense in profit or loss as incurred. In the case of other lease agreements without transfer of title variable lease payments are replaced (subject to certain conditions) by Letters of Credit as security for Lessors to cover any unfulfilled maintenance liabilities on the return of the aircraft, and amounts corresponding to the applicable variable lease amounts are included in provisions. For C-check maintenance, a provision is recorded on a progressive basis based upon the Group's estimate of future maintenance costs. For engine maintenance, a provision is recorded on a progressive basis based on the Group's estimate of the excess of maintenance costs over the amount reimbursable by the lessors. The Group's aircraft maintenance liabilities are due in US Dollars. Maintenance costs are presented net of expected compensations.

Overhaul and restoration works (not depending on aircraft utilisation)

Costs resulting from restoration work required to be performed just before returning aircraft to the lessors, such as painting of the shell or aircraft overhaul are recognised as provisions as of the inception of the contract. The counterpart of these provisions is booked as a complement through the initial book value of the aircraft right-of-use assets. This complement to the right-of-use asset is depreciated over the lease term.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to the management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets
- how the performance of the portfolio is evaluated and reported to the Group's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 19 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is de-recognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset is deemed to have expired. In making this evaluation the Group analogizes to the guidance on the de-recognition of financial liabilities.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset
- change in collateral or other credit enhancement

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the de-recognition of the financial liability the Group applies an accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the de-recognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in fixed interest rates initiated by banks due to changes in the Secured Overnight Financing Rate (SOFR), National Bank of Kazakhstan rates (NBRK) and other key rates. The Group treats the modification of an interest rate to a current market rate using the guidance on variable-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change in the currency of the financial liability
- change in collateral or other credit enhancement
- inclusion of conversion option
- change in the subordination of the financial liability

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

De-recognition

Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognised.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Derivatives and hedging activities

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as commodity derivatives to hedge its risks associated with jet-fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of commodity derivatives are determined by reference to available market information and swap/forward valuation methodology. Any gains or losses arising from changes in fair value of derivatives are taken directly to consolidated statement of profit or loss, except for the effective portion and cost of hedging for cash flow hedges, which are recognised in OCI.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

The Group considers transactions with the probability of occurrence more than 90% highly probable transactions.

At the inception of the hedge, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting, and the risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis at each reporting date or upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first. The assessment relates to expectations about hedge effectiveness and is therefore only forward-looking.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Cash flow hedges

The effective portion of the gains or losses on the hedging instrument is recognised directly in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss.

The Group uses fuel options contracts as hedges of its exposure to jet fuel price fluctuations in forecast transactions and firm commitments. The ineffective portion relating to the ineffective portion relating to commodity contracts is recognised in the consolidated statement of profit or loss.

Amounts recognised as OCI are transferred to the consolidated statement of profit or loss when the hedged transaction affects the consolidated statement of profit or loss, such as when the hedged financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the consolidated statement of profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in OCI remains in OCI until the forecast transaction or firm commitment affects consolidated statement of profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Cost of hedging

If the time value of a purchased option is separated and excluded from the designated hedging instrument, then the excluded portion is separately accounted for as a cost of hedging. As such, the change in fair value of the excluded portion is recognised in OCI and accumulated in a separate component of equity to the extent that it relates to the hedged item.

As a result of the above accounting, fluctuations in the fair value of the time value element will be accounted in OCI, both positive and negative. At the maturity date, the time value of option becomes zero, the fair value is equal to the intrinsic value.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Crude oil commodity options

The Group has also entered into certain crude oil commodity options to mitigate the risk of variability of future cash flows on jet fuel consumptions. These are just purely economic hedges and changes to its value are directly charged to the consolidated statement of profit or loss within 'Fuel and oil costs'.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- guarantee deposits and bank balances that are determined to have low credit risk at the reporting date
- other guarantee deposits and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due or if the external credit rating assigned to a financial asset by an international rating agency falls by six notches according to Standard & Poor's Global Ratings (S&P Global Ratings), Moody's or Fitch credit rating agencies.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)
- the financial asset is more than 90 days past due

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per S&P Global Ratings.

Lifetime ECLs are the ECLs that result from all possible default events over the contractual life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the consolidated financial statements continued

3. Material accounting policies continued

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being more than 90 days past due
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- or the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off.

4. Application of new and revised international financial reporting standards

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements
- Enhanced guidance is provided on how to group information in the financial statements

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

(b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

— *Lack of Exchangeability (Amendments to IAS 21).*

— *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*

Notes to the consolidated financial statements continued

5. Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those 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 and estimates that the management 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.

Provisions

Provisions mainly consist of provision for aircraft maintenance (Note 23).

Determination of the functional currency

The functional currency of the Company is USD which, in the management's view, reflects the economic substance of the underlying events and circumstances of the Group at the reporting date. At each reporting date the management of the Group reassesses factors that may affect the determination of the functional currency based on circumstances at the reporting date. Significant judgement is required from the management when analysing indicators of the primary economic environment including the pricing policy, structure of revenues from international and domestic routes, costs structure as well as continued development in the strategy of the Group for further development of international routes. Future circumstances, therefore, may be different and may result in a different conclusion.

Useful lives of property, plant and equipment

In reporting intangible assets and tangible assets, an assessment is made of the useful economic life and an assessment is made at least once a year to determine whether impairment exists.

Allowances

The Group accrues allowances for impairment of accounts receivable. The Group calculated the probability of default of accounts receivable based on the lifetime approach. Changes in the economy and specific customer conditions may require adjustments of the probability of default and loss given default coefficient derived based on the historical information and thus adjustment of the allowances for doubtful accounts recorded in the consolidated financial statements. As at 31 December 2024 and 2023, allowances for doubtful accounts were equal to USD 882 thousand, USD 964 thousand, respectively (Note 16).

Other financial assets are mainly credit rated by one or more international credit rating agencies: Moody's, Fitch, and S&P Global Ratings. The estimated credit loss is calculated for the entire useful life for those assets whose credit risk has increased significantly comparing to its level at the initial recognition date. Once the instrument is impaired the Group calculates allowances for doubtful accounts based on the expected future cash flows discounted at the original effective interest rate.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. When credit risk significantly decreases for those assets which previously have been classified in Stage 2, the Group performs an analysis to determine whether the current financial position of the borrower is stable enough to reclassify such assets back to Stage 1. As at 31 December 2024 impairment allowances were equal to USD 44,357 thousand as disclosed in Note 16 (31 December 2023: USD 45,258 thousand).

The Group annually estimates the necessity of write-down for obsolete and slow-moving inventories based on annual stock count data conducted at the reporting date. As at 31 December 2024, the Group recognised a write-down for obsolete and slow-moving inventories in the amount of USD 5,590 thousand (2023: USD 5,237 thousand) (Note 14).

Customer loyalty programme

The Group's Nomad Club Loyalty programme is an incentive program under which passengers are granted points for each flight. Once a passenger accumulates a certain number of points he or she can convert the points into a ticket. While calculating the customer loyalty programme provision the Group uses critical judgements and estimates in regard to the value per point by Nomad club members.

The Group uses estimated ticket values to calculate the programme's point value. Outstanding unutilised points as of each reporting dates are treated as deferred revenue. Points are valued based on the weighted average standalone prices of tickets redeemed by route and class. Based on the historical statistics the Group determines the amount of breakage with regards to those points whose usage is not probable.

Notes to the consolidated financial statements continued

5. Critical accounting judgements and key sources of estimation uncertainty continued

Lease term

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee, based on the period for which the contract is enforceable. The Group considers that enforceability of the lease is established by a written contract (including broader interpretation of a penalty) in combination with applicable legislation governing the lease contract related to renewal or termination rights (specifically the lessee's preferential rights to renew or not to cancel the lease). The Group determined that its preferential right to renew or not to cancel would on its own be treated as substantive, when the Group has a preferential right to renew or not to cancel the lease through a negotiation mechanism under the Civil Code of Kazakhstan. Thus, considering the broader economics of the contract, and not only the contractual termination payments, the lease term may go beyond the contract term.

Deferred tax asset recoverability and compliance with tax legislation

Tax legislation of Kazakhstan are subject to frequent changes and varying interpretations. The management's interpretation of such legislation in applying it to business transactions of the Group may be challenged by the relevant regional authorities enabled by law to impose fines and penalties. It is possible that the tax treatment of transactions that have not been challenged in the past may be challenged. Fiscal periods remain open to review by the tax authorities in respect of taxes for the five calendar years preceding the year of tax review.

Under certain circumstances reviews may cover longer periods. While the Group believes it has provided adequately for all tax liabilities based on its understanding of the tax legislation, the above facts may create additional financial risks for the Group.

6. Segment reporting

The Group's management makes decisions regarding resource allocation to segments based upon the results and the activities of its ful-service brand Air Astana and low-cost brand FlyArystan segments for the purpose of segments' performance evaluation. The Group's main activities can be summarised as follows:

Air Astana

The brand's aviation activities consist of mainly domestic and international passenger and cargo air transportation as a full service airline.

FlyArystan

The brand's aviation activities consist of mainly domestic and international passenger and cargo air transportation as a low-cost service airline.

The Group amended the treatment of intercompany leases costs between Air Astana and FlyArystan in its segment reporting to consistently apply IFRS 16 Leases in both operating segments.

As a result of this change, the Group has recognised the depreciation of right-of-use assets arising from these intercompany lease transactions with FlyArystan. These transactions are treated as intersegment transactions and are reflected in elimination section of the segment report. The Group does not conduct separate analyses of the financial position for each segment.

Notes to the consolidated financial statements continued

6. Segment reporting continued

Operating results for the years ended 31 December 2024 and 2023:

'000 USD Consolidated Profit or Loss statement	2024 Air Astana	2024 FlyArystan	Inter-group elimination	Total
Revenue and other income				
Passenger revenue	917,187	328,867	(10)	1,246,044
Lease	69,867	21,531	(91,398)	-
Cargo and mail revenue	23,891	2,412	-	26,303
Gain from sale and leaseback transaction	12,063	12,953	-	25,016
Other income	11,351	1,734	(1,300)	11,785
Total revenue and other income	**1,034,359**	**367,497**	**(92,708)**	**1,309,148**
Operating expenses				
Fuel and oil costs	(220,897)	(84,286)	-	(305,183)
Employee and crew costs	(171,666)	(55,969)	976	(226,659)
Depreciation and amortisation	(157,903)	(61,133)	29,865	(189,171)
Passenger service	(102,857)	(15,820)	-	(118,677)
Engineering and maintenance	(97,572)	(57,600)	37,298	(117,874)
Handling, landing fees and route charges	(92,985)	(27,504)	4	(120,485)
Selling costs	(41,058)	(3,124)	2	(44,180)
Aircraft operating lease costs	(18,843)	(4,016)	17,643	(5,216)
Insurance	(8,870)	(3,931)	-	(12,801)
Consultancy, legal and professional services	(7,753)	(859)	200	(8,412)
IT and communication costs	(4,640)	(2,191)	-	(6,831)
Taxes	(4,303)	(58)	-	(4,361)
Property and office cost	(4,185)	(490)	-	(4,675)
Other operating costs	(12,509)	(2,108)	-	(14,617)
Total operating expenses	**(946,041)**	**(319,089)**	**85,988**	**(1,179,142)**
Operating profit	**88,318**	**48,408**	**(6,720)**	**130,006**

'000 USD Consolidated Profit or Loss statement	2023 Air Astana	2023 FlyArystan	Inter-group elimination	Total
Revenue and other income				
Passenger revenue	869,171	274,425	-	1,143,596
Lease	87,277	673	(87,950)	-
Cargo and mail revenue	20,773	1,746	-	22,519
Other income	7,449	950	-	8,399
Total revenue and other income	**984,670**	**277,794**	**(87,950)**	**1,174,514**
Operating expenses				
Fuel and oil costs	(209,195)	(69,977)	-	(279,172)
Employee and crew costs	(148,667)	(44,400)	-	(193,067)
Depreciation and amortisation	(159,148)	(43,648)	40,785	(162,011)
Passenger service	(86,901)	(14,235)	-	(101,136)
Engineering and maintenance	(99,663)	(43,522)	35,005	(108,180)
Handling, landing fees and route charges	(82,480)	(23,247)	-	(105,727)
Selling costs	(36,740)	(3,691)	-	(40,431)
Aircraft lease costs	(1,995)	(1,844)	1,622	(2,217)
Insurance	(7,723)	(3,258)	-	(10,981)
Consultancy, legal and professional services	(5,608)	(121)	-	(5,729)
IT and communication costs	(4,925)	(1,613)	-	(6,538)
Taxes	(3,920)	-	-	(3,920)
Property and office costs	(3,498)	(367)	-	(3,865)
Other operating costs	(14,334)	(1,225)	-	(15,559)
Total operating expenses	**(864,797)**	**(251,148)**	**77,412**	**(1,038,533)**
Operating profit	**119,873**	**26,646**	**(10,538)**	**135,981**

Notes to the consolidated financial statements continued

7. Revenue and other income

'000 USD	2024	2023
Passenger revenue		
Scheduled passenger flights		
including:	1,151,415	1,092,287
Fuel surcharge	96,636	109,786
Airport services	59,984	57,185
Excess baggage	6,000	6,638
Charter flights	94,629	51,309
	1,246,044	1,143,596

Passenger revenue increased by USD 102,488 thousand during 2024 as compared to 2023.

'000 USD	2024	2023
Cargo and mail revenue		
Cargo – Regular	23,937	20,469
Mail	2,366	2,050
	26,303	22,519

'000 USD	2024	2023
Other income		
Incidental income	7,582	1,546
Income from ground services	1,738	1,522
Gain on disposal of property, plant and equipment and other assets	717	3,499
Other	1,748	1,832
	11,785	8,399

The Group purchased three spare engines in 2024 which were immediately sold as part of a sale and leaseback transaction. Additionally, one engine purchased in April 2024 was sold in December 2024 as part of a sale and leaseback transaction. The Group measured the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group. Accordingly, the Group recognised a net gain of USD 25,016 thousand which represents the excess of the sale proceeds over lease liabilities and the changes in engines' related assets. The Group has sold the spare engines for the total amount of USD 90,500 thousand and recognised a right-of-use assets of USD 21,396 thousand and lease liabilities of USD 41,686 thousand. Under the lease agreement the Group has leased back the spare engines for eight years with monthly payments.

During 2024 and 2023 passenger, cargo and mail revenue, representing total revenue from contracts with customers, were generated from the following destinations in each operating segment:

	Operating segments			
'000 USD	2024 Air Astana	2024 FlyArystan	2024 Intergroup elimination	Total
Asia and Middle East	374,954	19,917	-	394,871
Europe	250,152	17,576	-	267,728
Domestic	241,222	264,970	(10)	506,182
CIS	74,750	28,816	-	103,566
Total Passenger and Cargo and mail revenue	**941,078**	**331,279**	**(10)**	**1,272,347**

	Operating segments			
'000 USD	2023 Air Astana	2023 FlyArystan	2023 Intergroup elimination	Total
Asia and Middle East	302,053	17,784	-	319,837
Europe	264,741	22,697	-	287,438
Domestic	241,306	205,753	-	447,059
CIS	81,844	29,937	-	111,781
Total Passenger and Cargo and mail revenue	**889,944**	**276,171**	**-**	**1,166,115**

Notes to the consolidated financial statements continued

8. Operating expenses

'000 USD	2024	2023
Employee and crew costs		
Wages and salaries	174,886	146,734
Accommodation and allowance	19,744	17,256
Social tax	15,492	13,528
Training	5,770	6,662
Other	10,767	8,887
	226,659	193,067

The average number of employees during 2024 was 5,643 (2023: 5,467).

'000 USD	2024	2023
Engineering and maintenance		
Maintenance, including components	76,958	79,639
Maintenance – variable lease payments	20,062	12,734
Spare parts	17,041	13,142
Technical inspection	3,813	2,665
	117,874	108,180

'000 USD	2024	2023
Handling, landing fees and route charges		
Handling charge	53,532	45,211
Aero navigation	43,089	37,593
Landing fees	21,638	20,941
Other	2,226	1,982
	120,485	105,727

'000 USD	2024	2023
Passenger service		
Airport charges	54,614	48,378
Catering	38,601	31,027
Security	6,248	5,090
Inflight entertainment	5,724	5,913
Other	13,490	10,728
	118,677	101,136

'000 USD	2024	2023
Selling costs		
Reservation costs	24,646	22,140
Commissions	10,253	9,152
Advertising	8,546	8,341
Other	735	798
	44,180	40,431

9. Finance income and costs

'000 USD	2024	2023
Finance income		
Interest income on bank deposits	21,414	14,071
Other	665	735
	22,079	14,806

'000 USD	2024	2023
Finance costs		
Interest expense on lease liabilities (Note 25)	54,102	44,578
Unwinding of the discount of provision for aircraft maintenance (Note 23)	9,772	3,362
Interest expense on bank loans (Note 25)	517	1,415
Other	265	537
	64,656	49,892

Notes to the consolidated financial statements continued

10. Income tax expense

The Group's income tax expense for the years ended 31 December was as follows:

'000 USD	2024	2023
Current income tax		
Current income tax	(32,391)	(41,137)
Adjustment recognised in the current year in relation to the current tax of prior years	2,762	1,920
	(29,629)	(39,217)
Deferred tax expense		
Deferred income tax benefit	15,719	20,830
	15,719	20,830
	(13,910)	(18,387)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In addition, as the Company has a functional currency that is different from the currency of the country in which it is domiciled, it recognises temporary differences on changes in exchange rates which lead to changes in the tax basis rather than the book basis.

The tax effect on the major temporary differences that give rise to the deferred income tax assets and liabilities as at 31 December 2024 and 2023 is presented in the table below:

'000 USD	2024	2023
Deferred tax assets		
Lease liabilities	182,814	132,305
Provision for aircraft maintenance	64,061	50,758
Trade receivables	3,583	5,219
Trade and other payables	3,508	3,674
Tax loss carried forward	-	41
Other	1,118	1,047
Total deferred tax assets	255,084	193,044
Deferred tax liabilities		
Right of use assets	(167,526)	(120,772)
Difference in depreciable value of property, plant and equipment and intangible assets	(31,953)	(31,309)
Inventories	(4,428)	(2,621)
Prepaid expenses	(2,410)	(477)
Other	(164)	(825)
Total deferred tax liabilities	(206,481)	(156,004)
Net deferred tax assets	48,603	37,040

As at 31 December 2024 the Group concluded that it is probable that future taxable profits will be available against which the deferred tax asset will be utilised.

During 2024, the total amount of tax loss carried forward was utilised fully (tax loss carried forward as at 31 December 2023: the total amount of tax loss carried forward was utilised fully).

Movements in deferred tax assets and liabilities presented above were recorded in profit or loss accounts, except for USD 2,630 thousand related to carried forward corporate income tax movements, which were recognised in equity relating to the realised portion of deferred tax on cash flows hedge and effective portion of changes in fair value. (2023: USD 2,277 thousand).

In accordance with the local tax legislation both hedged and unhedged foreign currency losses are treated as deductible expenses for the purpose of corporate income tax calculations. If such deductible expenses cannot be fully utilised in the year of origination the tax code permits an entity to carry forward the accumulated tax losses for the next ten years.

The income tax rate in the Republic of Kazakhstan, where the Group is located, in 2024 and 2023 was 20%. The taxation charge for the year is different from that which would be obtained by applying the statutory income tax rate to profit or loss before income tax.

Notes to the consolidated financial statements continued

10. Income tax expense continued

Below is a reconciliation of theoretical income tax at 20% (2023: 20%) to the actual income tax expense recorded in the Group's consolidated statement of profit or loss:

'000 USD	2024	2023
Profit before tax	66,686	87,092
Corporate income tax, %	20%	20%
Income tax at statutory rate	(13,337)	(17,418)
USD forex effect	138	1,997
Tax effect of non-deductible expenses	(882)	(2,966)
Other	171	-
Income tax expense	**(13,910)**	**(18,387)**

11. Property, plant and equipment

'000 USD	Rotable spare parts	Office and training equipment	Buildings premises and land	Technical equipment and vehicles	Aircraft	Equipment in transit and construction in progress	Total
Cost							
At 1 January 2023	**102,892**	**11,987**	**38,324**	**2,682**	**1,265,967**	**10,179**	**1,432,031**
Additions	18,565	3,774	10,821	251	163,833	2,736	199,980
Disposals	(5,279)	(638)	(3,167)	(65)	(14,455)	-	(23,604)
Other transfers	-	8,312	2,106	-	-	(10,418)	-
At 31 December 2023	**116,178**	**23,435**	**48,084**	**2,868**	**1,415,345**	**2,497**	**1,608,407**
Additions	46,904	3,846	9,770	4,147	345,593	4,612	414,872
Disposals	(14,967)	(594)	(1,384)	(123)	(53,548)	-	(70,616)
Other transfers	(9,532)	-	-	9,027	505	-	-
At 31 December 2024	**138,583**	**26,687**	**56,470**	**15,919**	**1,707,895**	**7,109**	**1,952,663**

Accumulated depreciation

'000 USD	Rotable spare parts	Office and training equipment	Buildings premises and land	Technical equipment and vehicles	Aircraft	Equipment in transit and construction in progress	Total
At 1 January 2023	**39,485**	**7,595**	**14,051**	**1,534**	**551,781**	-	**614,446**
Charge for the year	12,093	1,755	4,017	186	143,151	-	161,202
Disposals	(3,034)	(624)	(2,635)	(49)	(14,219)	-	(20,561)
At 31 December 2023	**48,544**	**8,726**	**15,433**	**1,671**	**680,713**	-	**755,087**
Charge for the year	12,637	2,551	4,966	944	167,575	-	188,673
Disposals	(1,758)	(574)	(1,345)	(81)	(50,623)	-	(54,381)
Other transfers	(3,919)	-	-	3,919	-	-	-
At 31 December 2024	**55,504**	**10,703**	**19,054**	**6,453**	**797,665**	-	**889,379**
Net book value							
At 31 December 2023	**67,634**	**14,709**	**32,651**	**1,197**	**734,632**	**2,497**	**853,320**
At 31 December 2024	**83,079**	**15,984**	**37,416**	**9,466**	**910,230**	**7,109**	**1,063,284**

In determining the Group's geographical information, assets, which consist principally of aircraft and ground equipment are mainly registered in the Republic of Kazakhstan. Accordingly, there is no reasonable basis for allocating the assets to geographical segments.

In 2024 the Group made full repayments on five finance lease obligations, resulting in the transfer of title for these aircraft in amount of USD 66,562 thousand. Consequently, the right-of-use assets related to these aircraft are now classified as owned property. As at 31 December 2024 net book value of these owned aircraft is USD 66,256 thousand.

As at 31 December 2024 technical equipment and vehicles includes highloader and five de-icing trucks with the net book value USD 9,716 thousand, which were purchased in 2023 and 2024.

Rotable spare parts include aircraft modification costs.

Notes to the consolidated financial statements continued

11 Property, plant and equipment continued

Right of use assets, included in property, plant and equipment, are as follows:

'000 USD	Rotable spare parts	Buildings premises and land	Aircraft	Total
Cost				
At 1 January 2023	**23,874**	**14,290**	**1,265,967**	**1,304,131**
Additions and modifications	27	10,117	163,833	173,977
Disposals	(902)	(3,167)	(14,455)	(18,524)
At 31 December 2023	**22,999**	**21,240**	**1,415,345**	**1,459,584**
At 1 January 2024	**22,999**	**21,240**	**1,415,345**	**1,459,584**
Additions and modifications	23,568	8,413	345,807	377,788
Disposals	(574)	(1,384)	(53,544)	(55,502)
Transfer of title	-	-	(142,422)	(142,422)
At 31 December 2024	**45,993**	**28,269**	**1,565,186**	**1,639,448**
Accumulated depreciation				
At 1 January 2023	**11,185**	**10,514**	**551,781**	**573,480**
Charge for the period	2,961	3,396	143,151	149,508
Disposals	(883)	(2,622)	(14,219)	(17,724)
At 31 December 2023	**13,263**	**11,288**	**680,713**	**705,264**
At 1 January 2024	**13,263**	**11,288**	**680,713**	**705,264**
Charge for the period	2,921	4,335	165,927	173,183
Disposals	(554)	(1,345)	(50,569)	(52,468)
Transfer of title	-	-	(75,860)	(75,860)
At 31 December 2024	**15,630**	**14,278**	**720,211**	**750,119**
Net book value				
At 31 December 2023	**9,736**	**9,952**	**734,632**	**754,320**
At 31 December 2024	**30,363**	**13,991**	**844,975**	**889,329**

The Group's obligations under leases for Aircraft have a carrying amount of USD 888,661 thousand (2023: USD 718,893 thousand) (Note 25). The total amount of Aircraft Under Lease as at 31 December 2024 includes 19 Airbus aircraft under leases related to the FlyArystan brand with a net book value of USD 340,451 thousand (2023: 18 Airbus aircraft with a net book value of USD 271,447 thousand).

As per the loan agreement with JSC Halyk Bank of Kazakhstan, the Technical Center (Hangar) in Astana, with a carrying amount of USD 18,028 thousand, is currently pledged in favor of JSC Halyk Bank of Kazakhstan.

The cost of fully depreciated items as at 31 December 2024 is USD 24,090 thousand (2023: USD 22,250 thousand).

12. Depreciation and amortisation

'000 USD	2024	2023
Depreciation of property, plant and equipment (Note 11)	**188,673**	161,202
Amortisation of intangible assets	**498**	809
Total	**189,171**	**162,011**

Notes to the consolidated financial statements continued

13. Guarantee deposits

'000 USD	31 December 2024	31 December 2023
Non-current		
Guarantee deposits for leased aircraft	36,742	32,233
Other guarantee deposits	2,356	1,599
Impairment allowances	(403)	(530)
	38,695	33,302
Current		
Other guarantee deposits	1,970	1,580
Guarantee deposits for leased aircraft	1,269	400
Impairment allowances	-	(1)
	3,239	1,979
	41,934	35,281

Guarantee deposits are interest-free and are recorded at amortised cost using an average market yield of 3.06% per annum (2023: 2.97%).

Guarantee deposits for leased aircraft comprise security deposits required by the lease agreements as security for future lease payments to be made by the Group. Guarantee deposits are denominated primarily in US Dollars. The Group assesses credit risk for such deposits as low mainly because almost all lessors are rated from AA to BBB in accordance with S&P Global Ratings credit quality grades.

For those lessors who are not credit rated by international rating agencies, management calculates the expected credit loss based on the assumption that such lessors are rated at CCC by S&P Global Ratings. The amount of deposits with such lessors as at 31 December 2024 is USD 2,535 thousand (2023: USD 3,732 thousand).

As at 31 December 2024, the Group had guarantees and stand-by letters of credit in JSC Halyk Bank of Kazakhstan in the amount of USD 10,043 thousand, USD 13,430 thousand in JSC Altyn Bank and USD 19,122 thousand in JSC Citibank Kazakhstan. As at 31 December 2023, the Group had guarantees and stand-by letters of credit in JSC Halyk Bank of Kazakhstan in the amount of USD 10,168 thousand, USD 13,396 thousand in JSC Altyn Bank and USD 41,979 thousand in JSC Citibank Kazakhstan.

Guarantee deposits for leased aircraft and maintenance liabilities are receivable as follows:

'000 USD	31 December 2024	31 December 2023
Within one year	1,269	400
After one year but not more than five years	9,367	11,456
More than five years	27,413	20,804
	38,049	32,660
Fair value adjustment	(38)	(27)
	38,011	32,633

The main driver for increases in guarantee deposits for leased aircraft in 2024 was the additional 20 aircraft committed for delivery in 2024-2028.

Notes to the consolidated financial statements continued

14. Inventories

'000 USD	31 December 2024	31 December 2023
Spare parts	44,874	41,548
Fuel	8,147	14,733
Goods in transit	4,369	4,238
Crockery	4,189	4,136
Promotional materials	2,640	2,586
De-icing liquid	1,790	447
Uniforms	1,420	1,825
Other	4,290	3,272
	71,719	72,785
Less: cumulative write-down for obsolete and slow-moving inventories	(5,590)	(5,237)
	66,129	67,548

The movements in the cumulative write-down for obsolete and slow-moving inventories were as follows for the years ended 31 December:

'000 USD	2024	2023
Cumulative write-down for obsolete and slow-moving inventories at the beginning of the year	(5,237)	(5,858)
Write-down for the year	(1,145)	(206)
Reversal of previous write-down for the year	792	827
Cumulative write-down for obsolete and slow-moving inventories at the end of the year	(5,590)	(5,237)

15. Prepayments

'000 USD	31 December 2024	31 December 2023
Non-current		
Advances for services	10,366	9,146
Prepayments for long-term assets	9,225	9,305
	19,591	18,451
Current		
Advances for goods	16,489	10,934
Advances for services	11,074	11,506
Prepayments of leases without transfer of legal title	2,870	2,569
	30,433	25,009
Less: impairment allowance for prepayments	(143)	(184)
	30,290	24,825

As at 31 December 2024, prepayments for long-term assets include prepayments to Boeing as predelivery payment for three aircraft (Note 28).

The movements in the impairment allowance for the years ended 31 December 2024 and 31 December 2023:

'000 USD	2024	2023
At the beginning of the year	(184)	(218)
Accrued during the year	(5)	(74)
Written-off against previously created allowance	46	98
Reversed during the year	-	10
Impairment allowance at the end of the year	(143)	(184)

The impairment allowance includes advance payments made by the Group to suppliers which are currently subject to legal claims for recovery due to the suppliers' inability to complete the transactions.

Notes to the consolidated financial statements continued

16. Trade and other receivables

'000 USD	31 December 2024	31 December 2023
Non-current		
Other financial assets	**44,357**	45,258
Other receivables	**630**	1,343
	44,987	46,601
Less: impairment allowance	**(44,357)**	(45,258)
	630	1,343
Current		
Trade receivables	**20,054**	23,135
Other receivables	**1,629**	1,354
	21,683	24,489
Less: impairment allowance	**(882)**	(964)
	20,801	23,525

In 2016, due to the significant credit quality deterioration, KazInvestBank JSC announced that its banking licence was recalled, and Delta Bank JSC experienced temporary suspension of its licence for accepting new deposits and opening new accounts on 22 May 2017. Consequently, the management reclassified all funds held with these banks from the bank deposit line item to non-current trade and other receivables and recognised an impairment allowance of approximately 90% of the funds as at 31 December 2016.

As at 31 December 2024 and 31 December 2023 the allowance for those banks comprises 100% of their gross balances.

17. Other taxes prepaid

'000 USD	31 December 2024	31 December 2023
Value-added tax recoverable	**13,273**	9,722
Other taxes prepaid	**519**	525
	13,792	**10,247**

Notes to the consolidated financial statements continued

18. Cash and cash equivalents

'000 USD	31 December 2024	31 December 2023
Term deposits with an initial maturity of less than 3 months	335,904	178,313
Current accounts with foreign banks	130,083	85,661
Current accounts with local banks	13,077	9,578
US Treasury Bills with initial maturity of less than 3 months	9,008	-
Cash in hand	77	111
Accrued interest	565	353
	488,714	274,016
Impairment allowances	(12)	(10)
	488,702	274,006

19. Other financial assets

The Group signed agreements and entered into transactions with various financial institutions to manage the risk of significant changes in aviation fuel prices. In accordance with the terms, financial institutions agreed to compensate the Group for the excess between the actual price of crude oil and the ceiling price specified in the agreements. The fair value of the fuel call options has been determined using a valuation model with market observable parameters.

Loss on fuel options of USD 2,178 thousand was added to fuel costs for the year ended 31 December 2024. Fuel costs for the year ended 31 December 2023 include gain of USD 2,510 thousand.

'000 USD	Call option (purchase)
At 1 January 2023	**1,660**
Acquisition	3,225
Gain included in "fuel and oil costs"	(2,509)
Payments on exercised contracts	(587)
Gain included in OCI – Net change in fair value	(1,026)
At 31 December 2023	**763**
At 1 January 2024	763
Acquisition	1,988
Loss included in "fuel and oil costs"	(2,178)
Loss included in "finance cost" as ineffective part	(58)
Payments on exercised contracts	(645)
Loss included in OCI – Net change in fair value	432
At 31 December 2024	**302**

Notes to the consolidated financial statements continued

20. Equity

As at 31 December 2024 share capital was comprised of 351,887,760 authorised, issued and fully paid ordinary shares (31 December 2023: 17,000 ordinary shares). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

In accordance with Kazakhstan legislation the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's statutory financial statements prepared in accordance with IFRS Accounting Standards. A distribution cannot be made when equity is negative or if distribution would result in negative equity or the Company's insolvency.

As at 31 December 2024 the Company had retained earnings, including the profit for the current year, of USD 276,748 thousand (2023: USD 221,975 thousand).

On 31 March 2023, an annual general meeting of the Company's shareholders was held. The general meeting decided to distribute 20% of the Company's net profit for 2023 in the amount of KZT 7,516,580 thousand (equivalent of USD 16,776 thousand), which is equal to KZT 442 thousand (equivalent of USD 0.99 thousand) per share, between the Company's shareholders in proportion to their interests. The dividends were fully paid on 26 May 2023.

No dividends were declared in 2024.

On 10 January 2024 existing shares were split to 306,000,000 shares and additional 60,000,000 shares were authorised for issue.

The number of authorised but not issued shares is 9,473,685 as at the date of approval of the consolidated financial statements.

On 30 April 2024 the Company announced a buyback programme to purchase ordinary shares of the Company and global depositary receipts representing shares. The purpose of the programme is to meet the Company's obligations arising from its employee incentive programmes. The first part of the programme was concluded in December 2024.

The total amount of treasury share as at 31 December 2024 is 4,638,555 shares.

The calculation of basic earnings per share is based on profit or loss for the period and the weighted average number of ordinary shares outstanding during the reporting period. Comparative figure for the year 2023 is based on profit or loss for the period and the updated number of ordinary shares outstanding after the share split of 306,000,000.

'000 USD	2024	2023
Profit for the year	52,776	68,705
Number of ordinary shares	348,878,155	306,000,000
Earnings per share – basic and diluted (USD)	**0.151**	**0.225**

Outstanding employee share programs does not have a dilutive impact on the earnings per share for 2024 and 2023.

Book value per share

In accordance with the KASE decision dated 4 October 2010, financial statements must contain information on the book value per share (common and preferred) as of the reporting date, calculated in accordance with the rules approved by the KASE.

	31 December 2024	31 December 2023
Total assets	1,813,075	1,362,444
Less: intangible assets	(6,018)	(2,836)
Less: total liabilities	(1,418,545)	(1,149,085)
Net Asset Value	388,512	210,523
Number of ordinary shares	351,887,760	17,000
Book value per ordinary share (in USD)	**1.104**	**12,383.706**

Notes to the consolidated financial statements continued

21. Share-based payments

The Group operates share-based payment programs as part of the total remuneration package provided to employees. These programmes include share award plans in which shares are provided to employees at no cost, subject to the Group achieving specified performance targets. All the programmes imply equity settlement.

IPO Award

The IPO Award plan is granted to key management personnel. The IPO Award plan vests after one year from the IPO date, subject to continued service, with no further performance conditions. The fair value of IPO Award is based on the market value of the share at the reporting date, KZT 802.37 (USD 1.53).

Long-Term Incentive Plan

The Long-Term Incentive Plan (LTIP) is a recurring plan granted to the key management personnel, following the announcement of full-year results of each third IPO anniversary. The LTIP award is subject to the achievement of performance conditions: 60% of the award is based on a range of net profit margin targets for the 2026 year-end, and 40% of the award is based on the Company's total shareholder return ("TSR") performance against a peer group of other airlines. The total award amount is determined by the fulfilment of these performance conditions. The plan terminates on the tenth anniversary. The fair value of LTIP is based on the market value of the share at the reporting date, KZT 802.37 (USD 1.53).

The fair value of awards granted within LTIP was determined at reporting date using a binomial model (The Cox-Ross-Rubinstein binomial model) for TSR and Monte Carlo model for EPS with the following assumptions:

Inputs into the models	Long-Term Incentive Plan
Market share price	1.53
Expected volatility	3.57%
Expected dividends	dividend payment is not expected
Risk-free interest rate (based on US Treasury bonds)	4.39%

The expected volatility of Group's share return was determined as the median volatility of peer companies' share returns. Based on the model, as at 31 December 2024, the weighted average performance conditions level for EPS and TSR is 71.84%.

Employee Share Ownership Plan

The Employee Share Ownership Plan (ESOP) is granted to eligible employees who had worked for the company for at least one year prior to the IPO. The ESOP will vest one year after the IPO with no further performance conditions except for continuous service.

The fair value of awards granted within the ESOP is based on the market value of the share at the reporting date, which is KZT 802.37 (USD 1.53).

Total number of awards granted

Number of awards	Employee Incentive Plan
Outstanding at 1 January 2024	-
Granted	6,189,494
Forfeited	(472,196)
Outstanding at 31 December 2024	**5,717,298**

The fair value of share rights at reporting date granted to employees is recognised as an expense, within "Employee and crew costs" in profit or loss, over the vesting periods (1 and 3 years). The corresponding entry is reflected directly in equity.

Total expense recognised in 2024 in respect to equity-settled share-based payment was USD 7,636 thousand before income tax of USD 1,527 thousand.

22. Deferred revenue

'000 USD	31 December 2024	31 December 2023
Unearned passenger revenue	73,805	72,440
Customer loyalty program provision	15,996	11,928
	89,801	84,368

The amount of revenue recognised in the current period that was included in the opening deferred revenue balance is USD 84,368 thousand.

Unearned transportation revenue represents the value of sold but unused passenger tickets the validity period of which has not expired, excluding recognised passenger revenue in respect of the percentage of tickets sold that are expected not to be used or refunded.

Deferred revenue attributable to the customer loyalty programme refers to the Group's Nomad Club programme.

Notes to the consolidated financial statements continued

23. Provision for aircraft maintenance

'000 USD	31 December 2024	31 December 2023
Engines	268,911	210,975
D-check	22,206	22,486
Provision for redelivery of aircraft	6,830	5,864
Landing gear	6,328	6,141
C-check	6,572	2,994
Auxiliary Power unit	4,288	5,328
	315,135	**253,788**

The movements in the provision for aircraft maintenance were as follows for the years ended 31 December:

'000 USD	2024	2023
At 1 January	**253,788**	**189,643**
Accrued during the year (Note 8)	96,536	88,793
Used during the year	(45,593)	(25,047)
Reversed during the year (Note 8)	(1,237)	(2,963)
Recognised in property, plant and equipment	1,869	-
Unwinding of the discount (Note 9)	9,772	3,362
At 31 December	**315,135**	**253,788**

Under the terms of its lease agreements without transfer of title for aircraft, the Group is obliged to carry out and pay for maintenance based on use of the aircraft and to return aircraft to the lessors in a satisfactory condition at the end of the lease term. The maintenance cost estimates used for calculating the provisions are stated in US Dollars.

The significant increase in the provision balance as at 31 December 2024 was due to the increased utilisation of aircraft and due to increased number of leased aircraft.

The planned utilisation of these provisions is as follows:

'000 USD	31 December 2024	31 December 2023
Within one year	25,269	105,170
During the second year	105,778	62,411
During the third year	60,658	59,412
After the third year	123,430	26,795
Total provision for aircraft maintenance	**315,135**	**253,788**
Less: current portion	25,269	105,170
Non-current portion	**289,866**	**148,618**

Significant judgement is involved in determining the provision for aircraft maintenance. The management has engaged an independent specialist to assist in estimating the timing and cost of expected engine maintenance activities. The estimate by the independent specialist is prepared based on the current condition of aircraft, historical flight hours and cycles, expected future utilisation of the aircraft over the remaining life of the leases without transfer of title as well as requirements for returnable condition when the lease term is concluded. The estimates are based on the following key assumptions:

- expected utilisation rate for flight hours and cycles is based on historical data and actual usage
- market prices are used for services and parts
- aircraft will be operated within standard norms and conditions
- no provisions have been made for unscheduled maintenance

Beginning in 2024, the Group considers the availability of maintenance slots when estimating the timing of maintenance activities.

Notes to the consolidated financial statements continued

24. Trade and other payables

'000 USD	31 December 2024	31 December 2023
Trade payables	74,759	62,929
Advances received	11,314	8,570
Taxes payable	9,832	1,637
Deposits received from agents	9,102	7,250
Accrued bonuses	8,283	1,637
Due to employees	6,744	6,860
Vacation pay accrual	2,181	1,005
Pension contribution	1,214	1,014
Other	124	99
	123,553	91,001

The Group's trade and other payables are denominated in the following currencies:

'000 USD	31 December 2024	31 December 2023
Tenge	63,156	43,945
US Dollar	48,406	37,505
Euro	6,105	4,395
British Pound	773	958
Other	5,113	4,198
	123,553	91,001

25. Lease liabilities

As at 31 December 2024 the Group has three Boeing 767 aircraft under fixed interest lease agreements with transfer of title (2023: five Airbus and three Boeing 767 aircraft). In 2024 the Group has fully repaid liabilities related to five Airbus with transfer of title.

The Group's leases with transfer of title are subject to certain covenants. These covenants impose restrictions in respect of certain transactions, including, but not limited to, restrictions in respect of indebtedness. Certain lease agreements with transfer of title include covenants as regards to change of ownership of the Group. These requirements have been met as at 31 December 2024 and 2023.

All other aircraft leases other than described above are contracted without the right for purchase at the end of the lease term.

The Group's obligations under leases are secured by the lessors' title to the leased assets. These assets have a carrying value of USD 889,329 thousand (2023: USD 754,320 thousand) (Note 11).

	Minimum lease payments		Present value of minimum lease payments	
'000 USD	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Not later than one year	226,588	214,585	171,886	174,997
Later than one year and not later than five years	675,020	512,484	557,647	431,400
Later than five years	170,589	121,453	159,128	112,496
	1,072,197	848,522	888,661	718,893
Less: future finance charges	(183,536)	(129,629)	-	-
Present value of minimum lease payments	888,661	718,893	888,661	718,893
Included in the consolidated financial statements as:				
- current portion of lease obligations	-	-	171,886	174,997
- non-current portion of lease obligations	-	-	716,775	543,896
	-	-	888,661	718,893

The Group's lease obligations are mainly denominated in US Dollars.

Notes to the consolidated financial statements continued

25. Lease liabilities continued

Reconciliation of movements of loans and lease liabilities to cash flows arising from financing activities

'000 USD	Loans	Lease liabilities	Total
Balance as at 1 January 2024	**412**	**718,893**	**719,305**
Repayment of borrowings	(38,016)	-	**(38,016)**
Proceed from borrowings	37,600	-	**37,600**
Additional financing from sale and leaseback	593	-	**593**
Repayment of lease liabilities	-	(190,331)	**(190,331)**
Repayment of additional financing	(426)	-	**(426)**
Interest paid	(520)	(53,911)	**(54,431)**
Total changes from financing cash flows	**(769)**	**(244,242)**	**(245,011)**
Effect of changes in foreign exchange rates	417	(1,175)	(758)
Other changes			
Additional adjustment – new leases and modifications		367,045	367,045
Non-cash settlement due to netting with guarantee deposits		(3,087)	(3,087)
Gain from early return of aircraft		(2,875)	(2,875)
Interest expense (Note 9)	517	54,102	54,619
Total other changes	**517**	**415,185**	**415,702**
Balance as at 31 December 2024	**577**	**888,661**	**889,238**

'000 USD	Loans	Lease liabilities	Total
Balance as at 1 January 2023	12,096	732,804	744,900
Repayment of borrowings	(46,250)	-	(46,250)
Proceed from borrowings	35,000	-	35,000
Repayment of lease liabilities	-	(173,302)	(173,302)
Repayment of additional financing	(390)	-	(390)
Interest paid	(1,459)	(41,258)	(42,717)
Total changes from financing cash flows	**(13,099)**	**(214,560)**	**(227,659)**
Effect of changes in foreign exchange rates	-	81	81
Other changes	-	-	-
Additional adjustment – new leases and modifications	-	160,574	160,574
Non-cash settlement due to netting with guarantee deposits	-	(4,584)	(4,584)
Interest expense (Note 9)	1,415	44,578	45,993
Total other changes	**1,415**	**200,568**	**201,983**
Balance as at 31 December 2023	**412**	**718,893**	**719,305**

On 1 July 2015 the Group designated a portion of its US Dollar lease obligations with transfer of title as hedges of highly probable future US Dollar revenue streams. The Group applied the cash flow hedge accounting model to this hedging transaction in accordance with IAS 39.

In connection with the transition of the functional currency to US Dollars, this hedge ceased to be economically effective from 31 December 2017. At 31 December 2024 a foreign currency loss of USD 6,899 thousand (2023: USD 19,613 thousand), before deferred income tax of USD 1,380 thousand (2023: USD 3,923 thousand) on the lease liabilities with transfer of title, representing an effective portion of the hedge, is deferred in the hedging reserve within equity. As a result of the change, the hedge relationship has been discontinued so that starting from 1 January 2018 no further foreign currency translation gains or losses are transferred from profit or loss to the hedge reserve, and the hedge reserve recognised in equity as at 31 December 2017 shall remain in equity until the forecasted revenue cash flows are received.

During 2024 the amount reclassified from the hedging reserve to foreign exchange loss in the consolidated statement of comprehensive income was USD 12,714 thousand (before deferred income tax of USD 2,543 thousand) (2023: USD 12,408 thousand before deferred income tax of USD 2,482 thousand).

Notes to the consolidated financial statements continued

26. Financial instruments

Exposure to credit, interest rate, currency and commodity price risk arises in the normal course of the Group's business. The Group does not hedge its exposure to such risks, other than commodity price risk and interest rate risks arising from lease contractual obligations as discussed below.

Capital management

The Group manages its capital to ensure the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's current 10-year development strategy was approved in 2017 and covers the years 2017-2026.

The capital structure of the Group consists of net debt (comprising loans and lease obligations in Note 25) and equity of the Group (comprising issued capital, functional currency translation reserve, reserve on hedging instruments and retained earnings as detailed in Note 19).

The Group is not subject to any externally imposed capital requirements.

The Group does not have a target gearing ratio.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The maximum exposure to credit risk related to financial instruments, such as cash, guarantee deposits and accounts receivable, is calculated based on their book value.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

As at 31 December 2024 and 31 December 2023 there was no significant concentration of credit risk in respect of trade accounts receivable (Note 16).

The Group uses reputable banks and has established a cash investment policy which would limit the credit risk related to bank accounts and deposits.

As a result of the increased credit risks on some of the banks, the management reconsidered its cash management policy in 2017 and reviewed the credit ratings of the major banks in Kazakhstan and placed its main amounts due from banks in banks with ratings of "BBB- or higher. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in profit or loss were as follows:

'000 USD	Note	2024	2023
Reversal of impairment loss on trade and other receivables and prepayments	15, 16	35	212
(Accrual)/reversal of impairment loss on guarantee deposits	13	128	(256)
Accrual of impairment loss on cash and cash equivalents	18	(2)	(1)
		161	(45)

Trade and other receivables

'000 USD	31 December 2024	31 December 2023
Default banks	44,357	45,258
Trade receivables	20,054	23,135
Amounts due from employees	1,976	2,697
Receivable from lessors	283	-
Total gross carrying amount	66,670	71,090
Impairment allowance	(45,239)	(46,222)
Total net carrying amount	21,431	24,868

Notes to the consolidated financial statements continued

26. Financial instruments continued

Trade receivables

The sale of tickets is the main revenue source of the Group. The Group uses agents who sell tickets on behalf of the Group to corporations and the general public for a certain commission that varies depending on the geographical location and market conditions. As a result agents amass significant amounts of funds for tickets sold which are recorded as trade receivables by airlines. The International Air Transport Association (hereinafter referred to as "IATA") conducts monitoring of agents by establishing IATA accreditation procedures designed to ensure the credit quality of agents. IATA also sets Local Financial Criteria for each market in accordance to which agents have to obtain a credit enhancement such as bank guarantee or insurance from a financial institution of certain credit rating before they can be accredited by IATA.

On a regular basis, IATA notifies the airlines about the amount of debt from each agent in excess of its guarantee or insurance protected amount. In addition, IATA also informs about sharp and unusual increases in sales which might signal an increase in risk. The Group then decides whether to stop dealing with such agents until the negative factors are resolved.

The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

At 31 December 2024, five debtors including IATA Billing Settlement Plans (BSPs) as collecting agencies from the worldwide travel agencies comprised 63% of the Group's trade and other receivables excluding banks in default (at 31 December 2023: nine debtors comprised 69%).

The following tables provide information about the exposure to credit risk for trade receivables as at 31 December 2024, 31 December 2023.

	31 December 2024		31 December 2023	
'000 USD	**Gross carrying amount**	**Loss allowance**	**Gross carrying amount**	**Loss allowance**
Current (not past due)	**13,383**	**(19)**	22,344	(8)
1–30 days past due	**6,305**	**-**	390	-
31-90 days past due	**29**	**-**	62	-
More than 90 days past due	**337**	**(337)**	339	(339)
	20,054	**(356)**	**23,135**	**(347)**

Amounts due from employees

In general, certain part of the ab-initio pilot training costs is borne by the pilot trainees but are funded by the Group through the provision of interest free loans to participants of the programme. The Group withholds the amounts due from pilots' salary on a monthly basis. Those pilots or cadets who leave the Group are fully provided with respect of the credit losses.

Movements in the allowance for impairment in respect of trade and other receivables

'000 USD	**2024**	**2023**
Balance at 1 January	**46,222**	**46,521**
Accrual of impairment allowance	**1,646**	840
Write-off of impairment allowance	**-**	(97)
Foreign currency difference	**(943)**	74
Reversal of impairment allowance	**(1,686)**	(1,116)
Balance at 31 December	**45,239**	**46,222**

Guarantee Deposits

The main counterparties of the Group have a credit rating of at least from BBB- S&P Global Ratings.

To determine whether published ratings remain up-to-date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings the Group monitors changes in credit risk by tracking their financial stability.

12-month and lifetime probabilities of default are based on historical data supplied by S&P Global Ratings for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 30% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

Notes to the consolidated financial statements continued

26. Financial instruments continued

The following table presents credit ratings of guarantee deposits each of which were classified in stage 1:

'000 USD	31 December 2024	31 December 2023
Credit rating		
BBB- to AAA	37,085	28,901
C to CCC+	2,535	3,732
Without ratings	2,717	3,179
Gross carrying amounts (amortised cost before impairment)	42,337	35,812
Impairment allowance	(403)	(531)
Total net carrying amount	41,934	35,281

The Group did not have any guarantee deposits that were either past due or impaired.

'000 USD	2024	2023
Balance at 1 January	(531)	(275)
Net re-measurement of loss allowance	128	(256)
Balance at 31 December	(403)	(531)

Cash and cash equivalents

The Group held cash and cash equivalents of USD 488,702 thousand at 31 December 2024 (2023: USD 274,006 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated BBB- to A+, based on S&P Global ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group believes that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for bank and guarantee deposits. The following table presents an analysis of the credit quality of cash and cash equivalents measured at amortised cost:

	31 December 2024			31 December 2023		
'000 USD	Gross carrying amount	12 month ECL	Carrying amount	Gross carrying amount	12 month ECL	Carrying amount
Credit rating						
BBB- to A+	474,122	(12)	474,110	257,562	(9)	257,553
B+ to BB+	14,592	-	14,592	16,343	(1)	16,342
Without ratings	-	-	-	111	-	111
	488,714	(12)	488,702	274,016	(10)	274,006

Interest rate risk

The Group is not exposed to significant interest rate risk because the Group mainly borrows funds at fixed interest rates.

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the US Dollar. The currencies giving rise to this risk are primarily Tenge and Euro. For amounts of assets and liabilities denominated in foreign currency refer to Note 18. The management believes that it has taken appropriate measures to support the sustainability of the Group's business under the current circumstances.

Notes to the consolidated financial statements continued

26. Financial instruments continued

Foreign currency sensitivity analysis

The Group is mainly exposed to the risk of change of exchange rates of the US Dollar against Tenge and Euro.

The carrying value of the Group's monetary assets and liabilities in foreign currency as at the reporting date has been provided below. This disclosure excludes assets and liabilities denominated in other currencies as they do not have significant effect on the consolidated financial statements of the Group.

	Notes	31 December 2024		31 December 2023	
'000 USD		Tenge	Euro	Tenge	Euro
Assets					
Other taxes prepaid	17	13,792	-	10,247	-
Trade and other receivables	16	14,463	1,156	16,008	1,757
Income tax prepaid		12,999	-	13,259	-
Cash and cash equivalents	18	12,879	5,978	3,869	1,686
Guarantee deposits		323	295	341	313
Total		54,456	7,429	43,724	3,756
Liabilities					
Trade and other payables	24	63,156	6,105	43,945	4,395
Lease liabilities		7,897	-	4,832	-
Total		71,053	6,105	48,777	4,395
Net position		(16,597)	1,324	(5,053)	(639)

In 2024 the following table details the Group's sensitivity of weakening of the US Dollar against the Tenge by 10% (2023: 10%) and Euro by 10% (2023: 10%) and strengthening of the US Dollar against the Tenge by 10% (2023: 10%) and Euro by 10% (2023: 10%).

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for above mentioned sensitivity ratios.

The sensitivity analysis includes trade and other receivables, cash and cash equivalents, bank deposits, guarantee deposits, trade and other payables, loans and lease liabilities.

A negative number below indicates a decrease in Profit or Loss and positive number would be an opposite impact on the Profit or Loss:

	Weakening of US Dollar		Strengthening of US Dollar	
'000 USD	Tenge	Euro	Tenge	Euro
31 December 2024	10%	10%	10%	10%
(Loss)/profit	(1,328)	106	1,328	(106)

	Weakening of US Dollar		Strengthening of US Dollar	
'000 USD	Tenge	Euro	Tenge	Euro
31 December 2023	10%	10%	(10%)	(10%)
Profit/(loss)	(404)	(51)	404	51

The Group limits the currency risk by monitoring changes in exchange rates of foreign currencies in which trade and other receivables, cash and cash equivalents, bank deposits, guarantee deposits, trade and other payables and loans and lease liabilities are denominated.

Liquidity risk management

Liquidity risk is the risk that a Group will encounter difficulty in meeting the obligations associated with its liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Group's Management. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the consolidated financial statements continued

26. Financial instruments continued

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

'000 USD	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
31 December 2024					
Financial assets					
Trade and other receivables	19,377	1,424	630	-	21,431
Guarantee deposits	616	2,623	10,536	28,197	41,972
Cash and cash equivalents	488,702	-	-	-	488,702
Financial liabilities					
Non-interest bearing					
Trade and other payables	77,064	9,102	-	-	86,166
Fixed rate					
Loans	24	72	478	183	757
Lease liabilities	58,312	168,276	675,020	170,589	1,072,197

'000 USD	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
31 December 2023					
Financial assets					
Trade and other receivables	22,778	747	1,343	-	24,868
Guarantee deposits	384	1,595	12,230	21,099	35,308
Cash and cash equivalents	274,006	-	-	-	274,006
Financial liabilities					
Non-interest bearing					
Trade and other payables	73,544	7,250	-	-	80,794
Fixed rate					
Loans	106	317	-	-	423
Lease liabilities	53,282	161,303	512,484	121,453	848,522

Fair values

Cash and cash equivalents

The carrying value of cash and cash equivalents approximates their fair value as they either have short-term maturity or are interest-bearing and hence are not discounted.

Fuel call options

The Group uses options to hedge the risk of jet fuel price movement. The Group uses standard market instruments for fuel hedging purposes, such as "call option" (where the premium is paid in advance by the Group to cover the risk of increases of commodity price above the predetermined level). Since there is no possibility to hedge the risk of changes in jet fuel prices purchased from call option suppliers, the Group hedges only the amount of fuel purchased outside the Republic of Kazakhstan, signing a general agreement with several international banks on the conclusion of derivative transactions. The management of the Group determines the volume of jet fuel that will be hedged before executing the deal. Hedging is carried out according to the Fuel hedging policy approved by the Directors and shareholders of the Group. The Group determines the economic relationship between the hedge instrument and the hedge item by analyzing the historic price movement of aviation fuel and Brent by performing a regression analysis. The resulting Beta coefficient is assessed for statistical significance and used as a hedge ratio.

The hedge ineffectiveness comes from the probability that due to constantly changing economic conditions the highly probable transaction, purchase of aviation fuel, might not occur.

The fair values (FV) of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The Group applied discounted expected future cash flows method under income approach to reach fair value of the instruments. The cash-flows represent payouts from the counterparties to the Group in case of a floating price exceeding a strike price.

Notes to the consolidated financial statements continued

26. Financial instruments continued

To estimate payouts the Group applied Monte Carlo method based on Geometric Brownian Motion model. The following key inputs parameters were used by the Group in their model:

- Spot: Brent Crude Oil futures last price as at 31 December 2024 and 31 December 2023
- Growth rate: futures curve for Crude Oil, Brent (ICE) according to Bloomberg
- Volatility: Implied volatility for Brent Crude oil according to Bloomberg
- Discount rate: 4.39% (as at 31 December 2023: 5.3%) according to the Group estimations

These hedge items are highly probable future transactions planned for the first half of 2025. International fuel uplift volumes partially hedged for the first half of 2025. The hedge instrument is the crude oil call option with the strike prices of USD 85, USD 80 and USD 75 per barrel. Based on the hedge ratio of 1.459, the Group hedged 183,912 barrels of fuel as at 31 December 2024. Due to the short-term maturity the Group does not expect significant changes in the fair value of the instruments.

Level 2 fair values for financial assets and liabilities at fair value through profit or loss have been generally derived using the fair value valuation reports provided by the banks which participate in hedging transactions. The most significant input into this valuation approach are time left to maturity of the deal, forward and spot prices of crude oil.

The Group has no other financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 of fair value hierarchy.

Guarantee Deposits

Guarantee Deposits are recognised at amortised cost. The management believes that their carrying amounts approximate their fair value.

Trade and other receivables and payables

For receivables and payables with a maturity of less than six months fair value is not materially different from the carrying amount because the effect of the time value of money is not material. Ab-initio receivables are recorded at fair value at initial recognition and subsequently measured at amortised cost. The management believes that their carrying amounts approximate their fair value.

Loans

Loans are recognised at amortised cost. The management believes that their carrying amounts approximate their fair values.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Notes to the consolidated financial statements continued

27. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance department that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance department regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As at 31 December 2024 and 2023 all of the Group's assets were measured at amortised cost except for fuel call options.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 26.

Notes to the consolidated financial statements continued

28. Commitments and contingencies

Capital commitments

In 2011 the Group finalised an agreement with Boeing to purchase three Boeing-787 aircraft. The Group is committed to pre-delivery payments in accordance with the agreed payment schedule.

The terms of the Group's contract with the above supplier precludes it from disclosing information on the purchase cost of the aircraft.

Lease commitments

Aircraft

Aircraft leases are for terms of between 4 to 12 years. All lease contracts contain market review clauses in the event that the parties agree to renew the leases. The Group may not have an option to purchase the leased aircraft at the expiry of the lease period.

The fixed and fixed part of variable lease payments are denominated and settled in US Dollars. This currency is routinely used in international commerce for aircraft leases.

Non-cancellable commitments for leases of aircraft to be delivered from 2024 to 2026:

'000 USD	31 December 2024	31 December 2023
Within one year	29,084	22,166
After one year but not more than five years	772,349	511,496
More than five years	941,398	852,470
	1,742,831	1,386,132

During 2022-2024 the Group has placed the orders and signed respective lease agreements for 40 aircraft – Boeing 787, Airbus 321LR, A321Neo, A320Neo, A320ceo and A320neo in low-cost carrier configuration with deliveries in the period between 2023 to 2028. During 2024 one A321neo, six A320neo, two A320ceo, one A321ceo were delivered and two Embraer E190-E2 were redelivered.

Additionally, aircraft lease extension for six A320ceo family aircraft and two A320neo family aircraft were executed during 2024.

Insurance

Aviation insurance

Air Astana puts substantial attention in contracting insurance coverage for its aircraft operations and hence hedges aviation risks with major international insurance markets (e.g. Lloyd's) with a high rating of financial stability through the services of an international reputable broker. Types of insurance coverage are stated below:

- Aviation Hull, Total Loss Only and Spares All risks and Airline Liability including Passenger Liability
- Aircraft Hull and Spare Engine Deductible
- Aviation Hull and Spares 'War and Allied Perils
- Aviation War, Hi-Jacking and Other Perils Excess Liability

Non–aviation Insurance

Apart from aviation insurance coverage the Group constantly purchases non-aviation insurance policies to reduce the financial risk of damage to property and general liability, as well as covering employees from accidents and medical expenses, as follows:

- Medical insurance of employees
- Directors, Officers and Corporate liability insurance
- Property insurance
- Comprehensive vehicle insurance
- Compulsory insurance of employee from accidents during execution of labour (service) duties
- Pilot's loss of license insurance
- Insurance of goods at warehouse
- Cyber insurance

Notes to the consolidated financial statements continued

28. Commitments and contingencies continued

Taxation contingencies

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions with respect to IFRS Accounting Standards treatment of revenues, expenses and other items in the consolidated financial statements. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

The management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

The functional currency of the Company is the US Dollar, as it best reflects the economic substance of the underlying events and circumstances of the Company. The Tax Code of the Republic of Kazakhstan does not contain provisions which would regulate questions arising from the application of functional currency in accounting books different from Tenge. However, the Tax Code requires all taxpayers in Kazakhstan to maintain their tax records and to settle tax liabilities in Tenge. Therefore, the Group also maintains records and conducts calculations in Tenge for the purpose of taxation and settlement of tax liabilities and makes certain estimates in this respect. The management believes that such approach is the most appropriate under the current legislation.

Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The Group initially incurred a fine imposed by the court following an investigation by the Antimonopoly agency of the Republic of Kazakhstan regarding an alleged non-compliance in the collection of fuel surcharge from passengers for services rendered during the period January 2021 – May 2022. Initially, the court determined a penalty amounting to KZT 6,806,138 thousand (USD 15,041 thousand); however, after the Group appealed the court decision, the fine was decreased significantly to the amount of KZT 876,863 thousand (USD 1,848 thousand). The Group fully repaid the fine in January 2024. Following the initial court decision, the Group faces the possibility of legal proceedings with the Antimonopoly agency of the Republic of Kazakhstan concerning an alleged non-compliance in the collection of fuel surcharge from passengers for services rendered starting from June 2022. If such legal proceedings were to occur, the Group might be subject to a fine which cannot be estimated reliably because the principle underlying the assessment of the fine by the latest court was unclear. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. As Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

Depreciation of the Kazakhstan Tenge, volatility in the global price of oil and geopolitical conflicts have also increased the level of uncertainty in the business environment. The consolidated financial statements reflect the management’s assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from the management’s assessment.

29. Related party transactions

Management remuneration

Key management that have authority and responsibility regarding management, control and planning of the Group’s activity received the following remuneration during the year, which is included in employee costs (Note 8):

’000 USD	2024	2023
Wages and salaries	**7,599**	7,323
Share-based payment	**1,571**	-
Social tax	**865**	671
Termination benefits	**318**	-
	10,353	**7,994**

Notes to the consolidated financial statements continued

29. Related party transactions continued

Transactions with related parties

Related parties comprise the shareholders of the Group and all other companies in which those shareholders, either individually or together, have a controlling interest or significant influence.

The Group provides air transportation services to Government departments, Government agencies and State-controlled enterprises. The Group has established its buying and approval process for purchases and sales of products and services. Both sales and purchase transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not State-controlled.

The following table represents the related party transactions:

'000 USD	2024		2023	
Services received	Transaction value	Outstanding balance	Transaction value	Outstanding balance
State-owned companies	107,654	2,173	149,402	1,332
Shareholders and their subsidiaries	75,285	(4,479)	67,765	(1,598)
	182,939	(2,306)	217,167	(266)

Services from related parties are represented by airport, navigation, meteorological forecasting services and fuel.

'000 USD	2024		2023	
Services provided by the Group	Transaction value	Outstanding balance	Transaction value	Outstanding balance
Shareholders and their subsidiaries	1,335	189	1,229	1,018
State-owned companies	-	-	-	-
	1,335	189	1,229	1,018

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances are secured.

Transactions with government-related entities

The Group transacts with a number of entities that are controlled by the Government of Kazakhstan. The Group applies the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government-related entities.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not government-related.

30. Fees for the services received from the independent auditors

The fees for the services received from the independent auditors including the statutory audit and other non-audit fees as per the agreements for the year ended 31 December 2024:

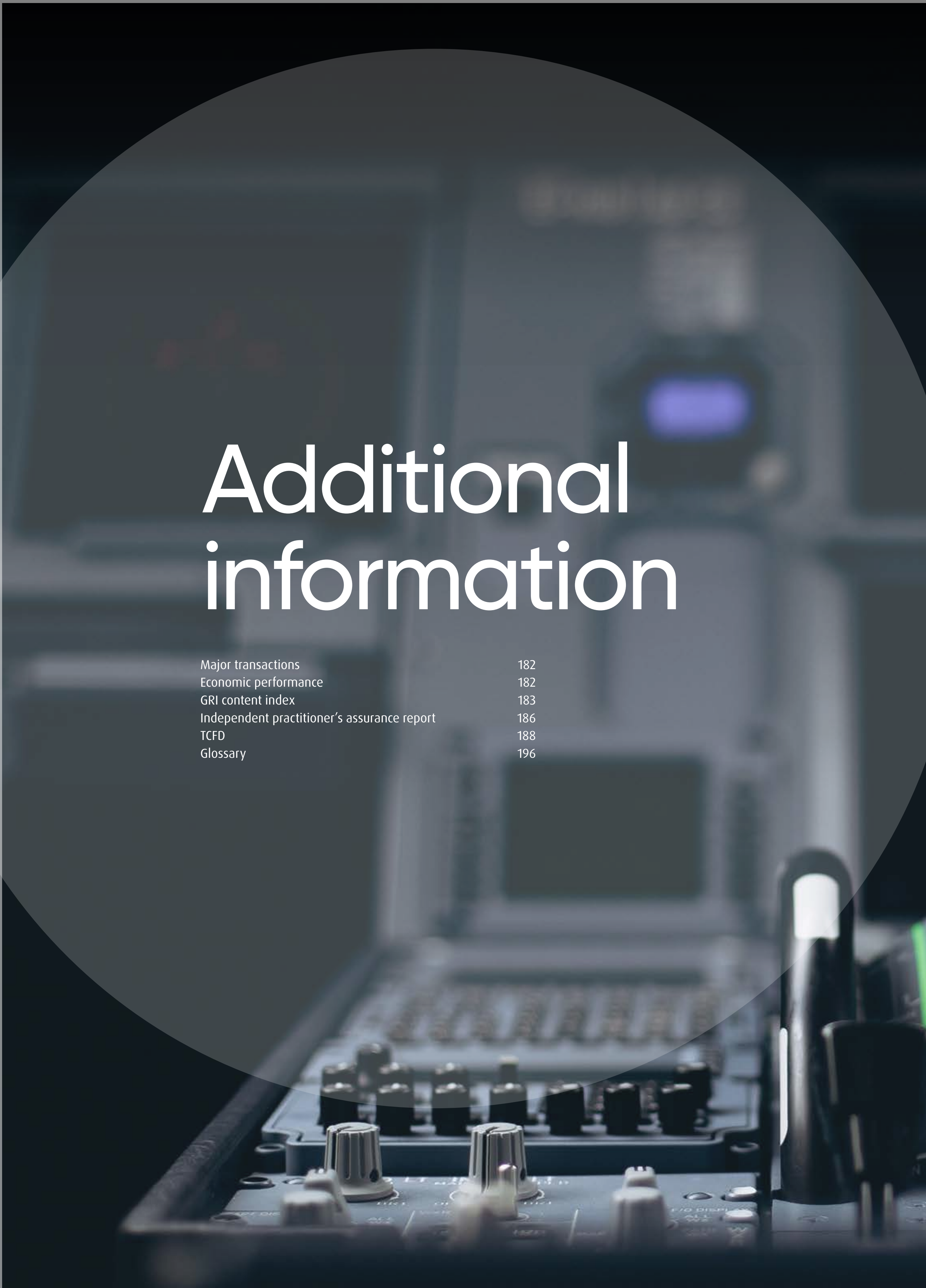
'000 USD	2024	2023
Audit fee	547	515
Non-audit fees related to IPO	-	444
Other non-audit fees	36	90
	583	1,049

31. Subsequent events

There were no events after the reporting date that require separate disclosure.

32. Approval of the consolidated financial statements

The consolidated financial statements were approved by the management of the Group and authorised for issue on 14 March 2024.



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Additional information

Major transactions

Agreements on transfer of rights and obligations under the Airbus A320neo Family Fleet Management Programme for maintenance of PW1100G engines between International Aero Engines, LLC, FlyArystan JSC (as a new party accepting part of the rights and obligations) and Air Astana JSC (as a party transferring part of the rights and obligations).

Acquisition of seven (7) Airbus A321neo LR aircraft on operating lease with deliveries from 2026 from ALC Clover Ireland Limited.

Economic performance

Through its core activities and socio-economic investments, the Group contributes to the local and national economies wherever it operates. Recognising its duties as a corporate citizen, it operates its business in a responsible, efficient and profitable manner and is committed to supporting sustainable development through:

- Enhancing efficiency and productivity in its core business activities
- Paying taxes
- Creating both direct and indirect employment opportunities
- Supporting local economies by sourcing from local suppliers and developing supply chains

Comprehensive details regarding the economic performance of Air Astana Group are available in the audited financial statements of this Integrated Report, on pages 130 to 140.

Direct economic value generated and distributed data is reported only for Kazakhstan, as it represents our significant market based on operational scale and impact; no other country, region, or market meets the criteria for separate reporting.

USD '000	2024	2023	2022
Direct economic value generated	**1,331,227**	1,189,320	1,039,377
Revenue	1,309,148	1,174,514	1,032,382
Economic value distributed	**1,074,145**	978,384	827,813
Operating cash costs	**756,600**	679,396	597,677
Employee wages and benefits	**226,659**	193,067	148,907
Payments to providers of capital	**54,619**	62,769	38,495
Payment to government	**33,990**	43,137	42,650
Community investments	**2,277**	15	84
Economic value retained	**257,082**	**210,936**	**211,564**

This year, the Group has enhanced the calculation of direct economic value generated and distributed by refining the classification of cash costs and including income tax in the 'taxes paid' component. These improvements reflect our ongoing commitment to increasing the accuracy and transparency of our reporting. As a result, figures from previous years have been recalculated to ensure consistency with the updated methodology.

Additional information

GRI content index

The Air Astana Group has reported in alignment with the GRI Standards for the period from 1 January 2024 to 31 December 2024.

GRI standard/disclosure	Location of disclosures/reasons for omission
GRI 2: General Disclosures 2021	
2-1 Organisational details	
• Name of the organisation	Cover of the Annual Report 2024
• Ownership and legal form	Notes to the consolidated financial statements, pages 140-179
• Location of headquarters	Almaty, Kazakhstan
• Location of operations	At a glance, pages 11-19
2-2 Entities included in the organisation's sustainability reporting	Air Astana Group
2-3 Reporting period, frequency and contact point	
• Reporting period for financials	1 January 2024 – 31 December 2024
• Reporting period for sustainability data	1 January 2024 – 31 December 2024
• Publication date	April 2025 (Annual)
• Contact point for questions regarding the report	Corporate.governance@airastana.com Sustainability.issues@airastana.com
2-4 Restatements of information	The Company has not performed restatement of the information
2-5 External assurance	Independent practitioner's assurance report, page 186
2-6 Activities, value chain and other business relationships	At a glance, pages 11-19; Business model, pages 32-33; Stakeholder engagement and priorities, pages 38-44; Sustainability, page 46
2-7 Employees	Sustainability, pages 63-66
2-9 Governance structure and composition	Sustainability, page 48; Corporate Governance report, pages 98-127
2-10 Nomination and selection of the highest governance body	Corporate Governance report, pages 98-127
2-11 Chair of the highest governance body	Corporate Governance report, pages 98-127
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance report, pages 98-127
2-13 Delegation of responsibility for managing impacts	Sustainability, page 48; Corporate Governance report, pages 98-127
2-14 Role of the highest governance body in sustainability reporting	Sustainability, page 48
2-15 Conflicts of interest	Corporate Governance report, pages 98-127 Policy for Prevention of Conflicts of Interest
2-16 Communication of critical concerns	Sustainability, pages 50
2-17 Collective knowledge of the highest governance body	Sustainability, page 48
2-18 Evaluation of the performance of the highest governance body	Corporate Governance report, pages 98-127
2-19 Remuneration policies	Corporate Governance report, pages 98-127
2-20 Process to determine remuneration	Corporate Governance report, pages 98-127
2-22 Statement on sustainable development strategy	Sustainability, pages 46-47
2-23 Policy commitments	Sustainability, pages 49-51
2-24 Embedding policy commitments	Sustainability, pages 49-51
2-25 Processes to remediate negative impacts	Sustainability, pages 49-51
2-26 Mechanisms for seeking advice and raising concerns	Sustainability, pages 49-51
2-27 Compliance with laws and regulations	Sustainability, page 58
2-28 Membership associations	International Air Transport Association (IATA), Association of Asia Pacific Airlines (AAPA), IATA Clearing House, Flight Safety Foundation, Airline Passenger Experience Association (APEX), International Society of Air Safety Investigators (ISASI)
2-29 Approach to stakeholder engagement	Stakeholder engagement and priorities, pages 38-44

Additional information **GRI content index** continued

GRI standard/disclosure	Location of disclosures/reasons for omission
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	Sustainability section, page 49
3-2 List of material topics	Sustainability section, page 51
3-3 Management of material topics	Throughout the annual report – see individual indicators for further information
Strategy	Strategy, pages 34-35
Ethics and compliance	Sustainability, pages 49-51
Corporate Governance	Covered in GRI 2-9
Stakeholder engagement	Covered in GRI 2-29
Economic performance (GRI 201: Economic performance 2016)	
201-1 Direct economic value generated and distributed	Additional information, page 182
201-2 Financial implications and other risks and opportunities due to climate change	Sustainability, pages 188-195 Risk Management, page 74
201-4 Financial assistance received from government	No financial assistance has been received from government since the launch of Air Astana
Procurement practices (GRI 204: Procurement practices 2016)	
204-1 Proportion of spending on local suppliers	Sustainability, page 71
Anti-corruption (GRI 205: Anti-corruption 2016)	
205-1 Operations assessed for risks related to corruption	Sustainability, page 50 Principle risks and uncertainties, page 80
205-2 Communication and training about anti-corruption policies and procedures	Sustainability, pages 49-50
205-3 Confirmed incidents of corruption and actions taken	Sustainability, page 51 (d) Not applicable, since no public legal cases regarding corruption brought against the Group or its employees during the reporting period
Aviation safety management systems	Sustainability, pages 61-62
Energy (GRI 302: Energy 2016)	
302-1 Energy consumption within the organisation	Sustainability, page 56 (a) The Group has assessed its fuel consumption from non-renewable sources; however, this information is not disclosed due to strategic considerations (c) (3. 4). Not applicable, since there were no cooling and steam consumption. (d) Not applicable, as the Group does not sell electricity, heating, cooling, or steam
302-4 Reduction of energy consumption	Sustainability, page 56
Emissions (GRI 305: Emissions 2016)	
305-1 Direct (Scope 1) GHG emissions	Sustainability, page 56 (c) Not applicable, as the Group does not generate biogenic CO_2 emissions. (d) Not applicable, as the Group has not established a base year. Emissions performance is measured against a long-term decarbonization trajectory targeting net-zero by 2050, rather than a fixed historical baseline
305-4 GHG emissions intensity	Sustainability, page 56
305-5 Reduction of GHG emissions	Sustainability, page 56
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability, page 56

Additional information **GRI content index** continued

GRI standard/disclosure	Location of disclosures/reasons for omission
GRI 3: Material Topics 2021 continued	
Waste management (GRI 306: Waste 2020)	
306-2 Management of significant waste-related impacts	Sustainability, page 57
306-5 General waste by type and disposal methods	Sustainability, page 57 (b) (c) Not applicable as the Group uses different approach for hazardous and non-hazardous waste disposal
Environmental compliance	Sustainability, page 58
Employment (GRI 401: Employment 2016)	
401-1 New employee hires and employee turnover	Sustainability, page 64
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability, page 65
401-3 Parental leave	Sustainability, page 64
Occupational health and safety (GRI 403: Occupational health and safety 2018)	
403-1 Occupational health and safety management system	Sustainability, pages 59-62
403-2 Hazard identification, risk assessment, and incident investigation	Sustainability, pages 59-60
403-3 Occupational health services	Sustainability, pages 59-60
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability, pages 59-60
403-5 Worker training on occupational health and safety	Sustainability, pages 59-60
403-6 Promotion of worker health	Sustainability, pages 59-60
403-9 Work-related injuries	Sustainability, pages 59-60 (b) (f) Not applicable, as workers who are not employees are not covered by the Occupational Health and Safety system and not controlled by the Group
Training and development (GRI 404: Training and education 2016)	
404-1 Average hours of training per year per employee	Sustainability, page 67
404-2 Programs for upgrading employee skills and transition assistance programmes	Sustainability, pages 67-70
404-3 Percentage of employees receiving regular performance and career development reviews	All employees receive annual appraisal as well as career development review
406-1 Incidents of discrimination and corrective actions taken	Sustainability, page 65
Customer privacy (GRI 418: Customer privacy 2016)	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability, page 51
Innovation and digitalisation	Operating review, page 51
Service quality	Operating review, pages 82-92
Passenger turnover	Operating review, pages 82-92
On-time flight performance	Operating review, pages 82-92
Fleet technological improvements	Operating review, pages 82-92

Additional information

Independent practitioner's limited assurance report on Air Astana JSC's Selected consolidated sustainability information

To the Board of Directors of Air Astana JSC

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected consolidated sustainability information of Air Astana JSC (hereinafter the "Company") and its subsidiary (hereinafter - the "Group") that is disclosed in the Annual Report and is summarised in the Appendix to this report (hereinafter - the "Selected consolidated sustainability information" and the "Annual Report" respectively) as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected consolidated sustainability information is not prepared, in all material respects, in accordance with the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (hereinafter - the "GRI Standards").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Selected consolidated sustainability information

Management of the Company is responsible for:

- The preparation of the Selected consolidated sustainability information in accordance with GRI Standards;
- Designing, implementing and maintaining such internal control as Management of the Company determines is necessary to enable the preparation of the Selected consolidated sustainability information, in accordance with GRI Standards, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Board of Directors are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Selected consolidated sustainability information

Under the GRI Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organizations. The Selected consolidated sustainability information should therefore be read in conjunction with the methodology used by Management of the Company as described in the Annual Report, and for which the Company is solely responsible.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected consolidated sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected consolidated sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group's use of GRI Standards as the basis for the preparation of the Selected consolidated sustainability information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Selected consolidated sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Additional information **Independent practitioner's limited assurance report** continued

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected consolidated sustainability information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected consolidated sustainability information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Selected consolidated sustainability information;
- Performed inquires of relevant personnel on the Selected consolidated sustainability information;
- Conducted limited substantive testing on a sample basis on a Selected consolidated sustainability information to verify that the data have been properly calculated, recorded, compared and disclosed.

Restriction on distribution and use

Our report has been prepared solely for the Board of Directors of the Company in accordance with the agreement between us, to assist the Management of the Company in reporting on the Group's sustainability performance and activities and in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected consolidated sustainability information. The Selected consolidated sustainability information therefore may not be suitable, and is not to be used, for any other purpose.

We permit this report to be disclosed in the Annual Report, which will be published on the Group's website.

The maintenance and integrity of the Group's website is the responsibility of Management of the Company; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected consolidated sustainability information when presented on the Group's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

PricewaterhouseCoopers Tax& Advisory LLP

28 April 2025
Almaty, Kazakhstan

Appendix to the Independent practitioner's limited assurance report

28 April 2025

The Selected consolidated sustainability information for the year ended 31 December 2024 and for the year then ended disclosed pages 50-71, 80, 182 of the Annual Report and prepared in accordance with the GRI Standards and subject to limited assurance procedures are set out below:

GRI Standard	ReportedPerformance (selected consolidated sustainability information)	Pages
201-1	Direct economic value generated and distributed	p. 182
204-1	Proportion of spending on local suppliers	p. 71
205-1	Operations assessed for risks related to corruption	p. 50, 80
205-3	Confirmed incidents of corruption and actions taken	p. 51
302-1	Energy consumption within the organization	p. 56
305-1	Direct (Scope 1) GHG emissions	p. 56
305-4	GHG emissions intensity	p. 56
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 56
306-5	Waste directed to disposal	p. 57
401-1	New employee hires and employee turnover	p. 64
401-3	Parental leave	p. 64-65
403-9	Work-related injuries	p. 60
404-1	Average hours of training per year per employee	p. 67
406-1	Incidents of discrimination and corrective actions taken	p. 65
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 51

Additional information

Task Force on Climate-related Financial Disclosures (TCFD)

GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

TCFD recommendation	Progress to date
(a) Describe the Board's oversight of climate-related risks and opportunities	The Air Astana Group recognises the critical role of robust governance in managing climate-related risks and opportunities. Since 2022 we have continuously enhanced our governance framework to ensure climate considerations are effectively identified, assessed and integrated within the broader strategy and approach to decision-making. The Board is regularly informed about climate-related risks and opportunities (CRRO). This is achieved through reporting mechanism, including quarterly updates on CRRO developments. Sustainability and strategic resilience remain one of the Group's key priorities. The Board of Directors holds primary responsibility for overseeing climate-related risks and opportunities and for developing a strategic response. This includes setting clear strategies and targets, endorsing climate-related policies and initiatives, monitoring and reporting on associated risks and opportunities, implementing robust risk management practices, and actively engaging stakeholders to align with evolving environmental expectations. The Audit Committee is entrusted with ensuring the effectiveness of the Group's risk management framework. Additionally, the Risk Committee, acting as an advisory body to the CEO, conducts preliminary assessments of risk management issues, including climate-related risks. The Audit Committee and the Board of Directors receive quarterly updates on risk management activities, with details outlined in the Risk Management section of this Integrated Report (page 74). The Board of Directors is accountable for the Group's sustainable development strategy, with the ESG Committee overseeing its implementation. The ESG Committee collaborates closely with other Board Committees on interrelated matters. This includes collaboration with the Audit Committee to ensure the effectiveness of the Group's risk management framework to manage risks related to climate. It also includes collaboration with the Strategic Planning Committee to ensure that decisions relating to climate mitigation such as fuel and CO_2 efficiency are considered in procurement decisions. For example, this is reflected in the procurement of next-generation aircraft with enhanced fuel efficiency and lower emissions to align with the Group's sustainability objectives.
(b) Describe management's role in assessing and managing climate-related risks and opportunities	The active engagement of management in assessing and addressing climate-related risks is essential to the Group's operations. By implementing proactive measures to mitigate these risks and seize emerging opportunities, the Group strengthens its resilience and ensures sustainable growth in an increasingly complex global environment. The CEO holds primary responsibility for overseeing the Group's sustainable development and climate governance. In close collaboration with the senior management team, the CEO leads efforts to identify, evaluate, and manage climate-related risks effectively and to coordinate a resilience response. Supporting these initiatives, the Risk Committee serves as an advisory body to the CEO, playing a crucial role in risk identification, assessment, monitoring, and reporting. Together, the Risk Committee and the senior management team develop and implement targeted actions to manage climate-related risks, ensuring they are integrated into the Group's broader strategic objectives. This is supported by regular management reviews, quarterly Board reporting, and the incorporation of climate risks into the Group's overall risk assessment framework.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Progress to date
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Air Astana Group defines the time horizons for climate-related risks and opportunities as follows: Short-term: 0-1 year – aligned with the budget Medium-term: 2-5 years – aligned with the business plan Long-term: 6-25 years – aligned with the net-zero target by 2050 and the useful economic life of fleet vehicles. The following risks and opportunities have been identified over the short-, medium- and long-term time horizons: **TRANSITION RISKS** Air Astana Group is exposed to regulatory changes to reduce emissions, specifically carbon regulation and regulation relating to the use of sustainable fuels. **Regulatory: Carbon regulation** Air Astana Group is primarily exposed to carbon regulation through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), as Kazakhstan is a participant in the scheme. Under CORSIA, the airline is required to offset CO_2 emissions from international flights above 85% of 2019 levels in 2024-2035 by purchasing carbon credits. As CORSIA progresses through its phases, offsetting costs may increase, impacting operational expenses. While the European Union Emissions Trading System (EU ETS) applies to intra-European flights, Air Astana has limited exposure due to the absence of scheduled intra-European operations, apart from occasional technical flights. As a result, the financial impact of EU ETS on the airline remains minimal. Domestically, Kazakhstan currently has no regulation on CO_2 emissions for aviation, meaning there are no immediate compliance obligations or carbon pricing risks in the short term. However, in the medium term, regulatory developments may introduce new carbon pricing mechanisms or emissions reduction requirements for domestic aviation. If implemented, such policies could lead to additional compliance costs. **Technology: Sustainable Aviation Fuel mandates** The introduction of Sustainable Aviation Fuel (SAF) mandates in key markets where Air Astana Group operates, including Europe and other international regions, may impose regulatory requirements for a minimum SAF blend in jet fuel. This could lead to increased fuel costs, or an inability to procure SAF due to the lack of availability in the marketplace. While the availability of SAF in Central Asia remains limited, global advancements in SAF production and policy-driven incentives may gradually extend to the region. Compliance with these mandates could necessitate investment in new fuelling infrastructure, partnerships with SAF producers, and potential airfare pricing adjustments to manage rising costs. However, these developments also present an opportunity for Air Astana to strengthen its sustainability credentials, access green financing, and align with international aviation decarbonisation goals.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

STRATEGY (continued)

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Progress to date
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term (continued)	**PHYSICAL RISKS** Air Astana Group recognises that climate change poses acute and chronic physical risks that may impact flight operations, airport infrastructure, and financial performance across its extensive network of international and domestic destinations. **Physical: Acute** Acute physical risks, including extreme heat, heavy precipitation, pluvial flooding, wind gusts, and wildfires, can cause immediate operational disruptions such as flight delays, cancellations, safety risks, and increased maintenance costs. Rising temperatures can affect aircraft performance, particularly at high-altitude or hot-weather airports, leading to payload restrictions and higher fuel consumption. Heavy precipitation and flooding may disrupt ground operations, while strong wind gusts present challenges for take-off, landing, and en-route turbulence. Additionally, wildfires near key destinations can impact operations due to reduced air quality, airport closures, and visibility concerns. **Physical: Chronic** Chronic physical risks, such as rising maximum temperatures, prolonged changes in snow depth, increasing asphalt binder temperatures, and fluvial flooding, present long-term challenges for aircraft efficiency, fuel consumption, and operational planning. Higher ambient temperatures may increase cooling requirements for aircraft systems, affecting overall energy efficiency. Changes in snow accumulation patterns could impact winter operations, requiring adjustments in de-icing strategies and airport turnaround times. While runway infrastructure is managed by airport authorities, higher temperatures can lead to longer take-off distances and potential restrictions on aircraft weight, affecting scheduling and route planning. **OPPORTUNITES** Air Astana Group recognises that the transition to a low-carbon economy presents strategic opportunities to enhance operational efficiency, strengthen market positioning, and create long-term value. **Resource efficiency: Fleet modernisation and fuel efficiency** Investment in advanced, fuel-efficient aircraft aligns with global aviation decarbonisation targets and offers potential opportunities for resource efficiencies. **Resource efficiency: Optimising flight operations** Optimising flight operations can reduce flight times, flight management and fuel use. **Competitive positioning and sustainability leadership: Sustainable Aviation Fuel initiatives** Involvement in SAF initiatives supports the availability of SAF in the marketplace, can enhance the airline's sustainability credentials and provide a competitive edge in key markets. **Competitive positioning and sustainability leadership: Engaging new stakeholders in a low-carbon economy** The global shift towards sustainability presents an opportunity to strengthen relationships with stakeholders who prioritise climate action. Air Astana Group can attract environmentally conscious consumers, institutional investors focused on green financing, and suppliers committed to ESG-aligned business practices.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

STRATEGY (continued)

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Progress to date
(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	At Air Astana Group, we address material climate-related risks and opportunities when developing or updating our ESG Strategy, Low-Carbon Development Program, and financial planning. **TRANSITION RISKS** Exposure to carbon regulation and SAF regulation can result in increased operating and compliance costs due to increased carbon credit purchasing obligations under CORSIA, increased exposure to broader carbon tax regimes, and increased costs of fuel. It may also be necessary to adapt to changes in infrastructure in the event that SAF use is mandated. To integrate climate transition risks into financial planning, we assess the potential impact of carbon pricing, SAF adoption costs and fuel efficiency investments on our financial model. By incorporating long-term sustainability planning into budgeting, we ensure financial resilience while meeting evolving regulatory requirements. **Fleet and operations** To minimise our carbon exposure and reduce fuel dependency, we have committed to a comprehensive fleet modernisation plan that prioritises fuel-efficient aircraft purchases and older aircraft retirements. By phasing out older aircraft and investing in next-generation models we are significantly reducing our emissions intensity. Additionally, we continuously invest in fuel efficiency enhancements in flight operations, including advanced fuel management software to optimise consumption, improve route planning, and reduce emissions. These measures align with our commitment to operational excellence and sustainability. As Kazakhstan's leading airline, we recognise the importance of mitigating climate change impacts, ensuring regulatory compliance, and capitalising on emerging opportunities in sustainable aviation. Given that exposure to carbon regulation changes and SAF mandates will lead to higher operating costs, fleet efficiency is a crucial mitigation strategy. **Net-zero strategy** We have also developed a comprehensive ESG Strategy (2023–2032) that aligns with six priority UN SDGs. This strategy outlines our long-term commitment to sustainability and positions us as a regional leader in responsible aviation. Additionally, our Low-Carbon Development Program (LCDP) systematises efforts to reduce emissions, optimise fuel consumption, and prepare for future regulatory changes. In 2024, we revised our net zero commitment, moving our target from 2060 to 2050 in alignment with the global aviation industry's goals, rather than Kazakhstan's national target. Following this decision, we recognized the need to update the LCDP accordingly and began this work in 2024. It now incorporates a structured decarbonisation roadmap with near-term targets for the next five years. **Sustainable aviation partnerships for production and procurement of SAF** With the introduction of SAF mandates in key international markets, we anticipate increased fuel costs and potential infrastructure adaptation requirements. Although SAF is not yet widely available, we recognise its importance in aviation decarbonisation and have taken proactive steps to prepare for SAF integration. To address this, we co-financed a pre-feasibility study with KazMunayGas and the European Bank for Reconstruction and Development to assess the potential for SAF production in Kazakhstan. Recognising the absence of local SAF, we have also signed a strategic partnership memorandum with PetroChina International Kazakhstan to explore alternative jet fuel sourcing options. This collaboration focuses on securing Jet A-1 fuel imports and evaluating SAF imports from China to ensure regulatory compliance and supply stability.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

STRATEGY (continued)

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Progress to date
(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning (continued)	**PHYSICAL RISKS** Physical risks are well integrated into the organisation's strategy and financial planning, given that weather events can result in operational delays and disruption. Our strategic response necessitates continued investment in operational contingency planning, flight schedule optimisation, and enhanced safety measures for crews and passengers, which are embedded into financial planning. Air Astana Group is also integrating climate risk assessments into its business strategy, leveraging advanced weather-prediction tools, and collaborating with industry stakeholders to mitigate climate-related disruptions across its network. **OPPORTUNITIES** Air Astana Group operates one of the youngest fleets globally. This modern fleet comprises fuel-efficient aircraft such as the Airbus A320neo and A321neo, which contribute to reduced fuel consumption and lower CO_2 emissions. Continued investment in advanced, fuel-efficient aircraft aligns with global aviation decarbonisation targets and offers potential operating cost reductions. Operational efficiency remains a key opportunity for reducing emissions and controlling costs. Air Astana Group is continuously enhancing fuel-efficient flight operations, including pilot training on fuel-saving techniques, optimised route planning, improved aircraft weight management, and other. These measures not only lower carbon emissions but also improve overall fuel economy, contributing to long-term financial and environmental benefits. Recognising the importance of SAF in reducing aviation's carbon footprint, our strategic partnerships to explore the feasibility of producing SAF in Kazakhstan underscore the Group's commitment to sustainable practices, and positions it to capitalise on emerging opportunities in SAF development. Involvement in SAF initiatives can enhance the airline's sustainability credentials, provide a competitive edge in key markets. The global shift towards sustainability presents an opportunity to strengthen relationships with stakeholders who prioritise climate action. Air Astana Group can attract environmentally conscious consumers, institutional investors focused on green financing, and suppliers committed to ESG-aligned business practices. By positioning itself as a sustainability-driven airline, the Group can enhance brand value, improve investor confidence, and establish strategic partnerships with key stakeholders in the evolving low-carbon economy.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

STRATEGY (continued)

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Progress to date
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Air Astana Group is implementing strategic and operational measures to reduce climate-related emissions, enhancing its resilience to climate risks. In 2024 Air Astana Group collaborated with a consultancy firm to conduct a climate scenario analysis that assessed potential risks and opportunities associated with climate change, including physical impacts and regulatory and technological shifts. **Transition risk and opportunity assessment** Transition risks and opportunities arise from the global shift towards a low-carbon economy, driven by market trends, policies, technological advancements, and regulations. Air Astana Group selected four NGFS scenarios for calculation of transition risks: 1. NDC (Nationally Determined Contributions) – This action plan aims to reduce emissions and adapt to climate impacts. NDC sets country-specific emissions reduction targets for adapting to climate impacts. 2. Below 2C – This scenario assumes a gradual tightening of climate regulation. In this scenario, the likelihood of limiting global warming to 2°C is estimated at 67%. 3. Delayed transition – This scenario assumes that annual emissions will not decrease until 2030, followed by a sharp tightening of carbon regulation. 4. Net zero – This scenario aims to limit global warming to 1.5°C through stringent climate regulation and achieving net-zero CO_2 emissions by approximately 2050. Multiple time horizons were considered, including short-term, medium-term and long-term. For the purposes of the assessment, model REMIND-MAgPIE was selected as the most appropriate in terms of price trends and reflecting all the necessary parameters. REMIND-MAgPIE is a comprehensive IAM framework that simulates, in a forward-looking projection, the dynamics within and between the energy, land use, water, air pollution and health, economy and climate systems. The models were created over a decade ago and are continually being improved to provide up-to-date scientific evidence to decision and policy makers and other relevant stakeholders on climate change mitigation and SDGs strategies. **Physical risk assessment** For the physical risk analysis that includes both acute and chronic events a special tool was used which provides on-demand granular climate-related risks information. The tool is underpinned by climate projections sourced from reliable climate models participating in the CORDEX initiative, that combines global and regional models. Projections are obtained by selecting outputs for multiple IPCC experiments and scenarios: RCP 2.6 (low-emissions future), RCP 4.5 (intermediate emissions future), RCP 8.5 (high-emissions future). For the analysis of physical risks Air Astana Group identified aircraft fleet and supply chain as the most exposed assets to climate-related physical risks. A total of 29 locations that create the biggest financial profit for Air Astana Group and present significant part of the Group's value chain were selected for the scenario analysis. The key physical climate-related risks were assessed against these scenarios and time horizons. **Resilience** The scenario analysis identified transition risks relating to carbon regulation, SAF costs and physical risk impacts as key elements to continue to monitor. No significant impacts were identified in the short and medium term. Due to the significant uncertainty associated with climate-related scenario analysis, the Group will continue to monitor climate-related risk and opportunity assessment in line with best practice.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

RISK MANAGEMENT

Disclose how the organisation identifies, assesses, and manages climate-related risk.

TCFD recommendation	Progress to date
(a) Describe the organisation's processes for identifying and assessing climate-related risks	The Air Astana Group's approach for the identification and assessment of climate-related risks is integrated into its overall risk management framework ensuring alignment with the methodology used for evaluating all other risks faced by the Group. **Identification** The Sustainability department works closely with the Risk management team to identify and assess sustainability risks, including climate-related risks. We identify and assess both physical and transition risks associated with climate change. For this, we collaborate with external consultants, leveraging their expertise in climate risk modelling, regulatory analysis, and industry best practices to ensure a comprehensive and informed approach. Physical risks include acute weather events and chronic climate changes that may impact flight operations, infrastructure and supply chains. Transition risks encompass regulatory changes, shifts in market preferences, and technological advancements aimed at reducing carbon emissions. Regulatory horizon scanning, scenario analysis and stakeholder engagement informs our approach to identifying risk. **Assessment** We continuously monitor regulatory developments related to climate change, including emissions limits, carbon-pricing mechanisms, and sustainability reporting requirements. Compliance with aviation industry regulations, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and national greenhouse gas reduction targets, is integrated into our risk assessment process. Engagement with regulatory bodies, industry stakeholders and sustainability organisations enables us to assess the risk and to stay ahead of emerging policy changes and industry standards. Climate-related risks are evaluated alongside traditional operational, financial, and strategic risks. Risks are prioritised based on their potential financial impact, operational disruption, regulatory implications, and reputational effects. Details on the Group's risk identification and assessment processes can be found in the Risk Management section of this Integrated Report on page 74.
(b) Describe the organisation's processes for managing climate related risks	Air Astana Group integrates climate-related risk management into its broader Risk Management System, ensuring a systematic and continuous approach. This well structured and collaborative process involves multiple teams and departments. The senior management team is regularly updated on the current risk landscape, including climate-related risks, and reports quarterly to the Audit Committee on the effectiveness of the risk management system. This report includes an assessment of significant risks and the measures taken to mitigate them. To manage identified risks, mitigation actions are developed and assigned to relevant risk owners who are experts in their respective areas. This approach allows the Group to effectively prepare for long-term climate-related challenges while maintaining agility in addressing short-term risks. Mitigation actions for managing climate-related risks are described in the Risk Management section of this Integrated Report on page 74.
(c) Describe how processes for identifying, assessing and managing climate-related risks are incorporated into the business overall risk management.	The Air Astana Group integrates the identification, assessment, and management of climate-related risks into its overall risk management framework, carrying out these processes within its CRMS, as outlined in the Risk Management section of this Integrated Report on page 74.

Additional information **Task Force on Climate-related Financial Disclosures (TCFD)** continued

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendation	Progress to date
(a) Disclose the metrics used by the organisation to assess the climate-related risks and opportunities in line with its strategy and risk management process	Air Astana Group is committed to achieving carbon neutrality by 2050, aligning with the aviation sector's Long-Term Aspirational Goal (LTAG). We are dedicated to implementing sustainable practices, improving fuel efficiency and exploring alternative energy sources to reduce our carbon footprint. The following metrics are disclosed on page 56 within the Sustainability section of this Integrated Report: ▶ Total CO_2 emissions (tonnes) from aircraft operations ▶ CO_2 emissions intensity (Total CO_2 emissions/ASK) ▶ CO_2 emissions intensity (Total CO_2 emissions/RPK) ▶ Energy consumption ▶ Volume of recycled waste ▶ Volume of disposed waste.
(b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG and the related risks	Air Astana Group calculates its CO_2 emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol), which categorises emissions into three main scopes. The majority of our CO_2 emissions fall under Scope 1, comprising direct emissions from our aircraft. However, we acknowledge that greenhouse gas emissions also occur throughout our value chain. Details of our Scope 1 and Scope 2 emissions can be found on page 56 of the Sustainability section in this Integrated Report. Our Scope 1 emissions footprint has undergone independent verification with reasonable assurance by Normec Verifavia, a globally recognised leader in environmental validation, verification, and auditing for the transport sector, accredited by UKAS and COFRAC. Recognising the importance of Scope 3 emissions, we have made significant progress in our plans to begin their calculation in 2025.
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group has sets targets as part of the LCDP which is incorporated into the Group's ESG Strategy and is consistent with Kazakhstan's aim to achieve carbon neutrality by 2060. In 2024, we revised our net zero commitment, moving our target from 2060 to 2050 in alignment with the global aviation industry's goals, rather than Kazakhstan's national target. Following this decision, we recognized the need to update the LCDP accordingly and began this work in 2024. It now incorporates a structured decarbonisation roadmap with near-term targets for the next five years.. The Group is planning to calculate and disclose its Scope 3 emissions in 2025.

Additional information

Glossary

AAK	Aviation Administration of Kazakhstan
ACTK	Available cargo tonne-kilometres
Air Astana Group	Air Astana and FlyArystan brands
AOC	Air Operator Certificate
APEX	Airline Passenger Experience Association
ASK	Available-seat kilometres
CAA	Civil Aviation Administration
CAC	Civil Aviation Committee
CASK	Cost of Available Seat Kilometre
CEET	Cabin Emergency Evacuation Trainers
CRMS	Corporate Risk Management System
CSAT	Customer Satisfaction Ratings
CTK	Cargo tonne-kilometres
E&M	Engineering and Maintenance
EASA	European Aviation Safety Agency
EBITDAR	Earnings before interest, taxes, depreciation, amortisation, and restructuring or rent costs
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECLs	Expected credit losses
EME	Extraordinary market event
ESG	Environmental, Social and Governance
FH	Fuel hedging
FRMS	Fatigue Risk Management System
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GHG	Greenhouse Gas
GRF	Global Reporting Format
GRI	Global Reporting Initiative
HEART	Hospitable, Efficient, Active, Reliable, Trustworthy
HSE	Health, Safety and Environment
IAA	Irish Aviation Authority
IAS	Internal Audit Service
IATA	The International Air Transport Association
ICAO	International Civil Aviation Organisation
IFRS	International Financial Reporting Standards
IOSA	IATA Operational Safety Audit
ISO	International Organization for Standardization
KPI	Key Performance Indicator
LCC	Low-cost carrier
LCDP	Low-Carbon Development Programme
MRO	Maintenance, Repair, Overhaul
NPS	Net Promoter Score
RPK	Revenue Passengers Kilometres
SCAA	State Civil Aviation Agency

About this report

Reporting scope and boundaries

The scope of this Annual Report encompasses Air Astana Group's operations for the period from 1 January to 31 December 2024. Our reporting boundaries primarily focus on activities directly managed and controlled by Air Astana Group. While we strive for transparency and accuracy in reporting, it's important to note that certain data may be subject to limitations, such as availability, reliability, and comparability. We have made reasonable efforts to address these constraints and provide meaningful insights.

Reporting standards and external assurance

In preparing this Annual Report, we have adhered to internationally recognised frameworks and standards to ensure the quality and consistency of our disclosures.

Our disclosures align with the Global Reporting Initiative (GRI 2021) Standards, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the International Financial Reporting Standards (IFRS).

To provide assurance on the accuracy and reliability of our sustainability-related information, we have engaged PricewaterhouseCoopers Tax & Advisory LLP to conduct limited assurance. The financial statements included in this report have been audited by KPMG Audit LLC in accordance with International Standards on Auditing (ISAs).

We are committed to upholding the highest standards of reporting excellence and will continue to engage with independent assurance providers to strengthen the trust and confidence of our stakeholders in our disclosures.

Note:

Throughout this Integrated Report, the terms 'Company', 'Air Astana', 'We' refer to Air Astana JSC while 'Group' encompasses both Air Astana JSC and FlyArystan JSC. Air Astana JSC is a sole shareholder of FlyArystan JSC.

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