JOINT STOCK COMPANY
AIR ASTANA

Consolidated Financial Statements
for the year ended 31 December 2024

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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; and
- preventing and detecting fraud and other irregularities.

The consolidated financial statements for the year ended 31 December 2024 were authorised for issue on 13 March 2025 by the management of the Group.

On behalf of the management of the Group:

Peter Foster	**Ibrahim Canliel**	**Saule Khassenova**
Chief Executive Officer	**Chief Financial Officer**	**Chief Accountant**
Almaty, Republic of Kazakhstan	Almaty, Republic of Kazakhstan	Almaty, Republic of Kazakhstan

13 March 2025

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180 Dostyk Avenue, Almaty,
A25D6T5, Kazakhstan

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 program. 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.	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

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.	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.

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.	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;

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.	— 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.

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:

М. Косаев

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

13 March 2025

'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)**	20	**0.151**	**0.225**

**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	**Ibrahim Canliel**	**Saule Khassenova**
Chief Executive Officer	**Chief Financial Officer**	**Chief Accountant**
Almaty, Republic of Kazakhstan	Almaty, Republic of Kazakhstan	Almaty, Republic of Kazakhstan

13 March 2025

АО «ЭЙР АСТАНА»

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 16 to 68.

'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 16 to 68.

’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)*	20	**1.104**	**12,383.706**

* 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.

The number of ordinary shares used in calculation as of 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 16 to 68.

'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 program	-	-	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 16 to 68.

’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)**

Continued on the next page

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 16 to 68

’000 USD	**Notes**	**2024**	**2023**
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 equivalentsheld 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 16 to 68.

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.

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-segments 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 recognizes 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 program

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.

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; and

– 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.

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.

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 programs 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 recognized 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.

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 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.

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 realizable 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 broker's 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 programs 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 program) and engines. The C-check is heavy maintenance with approved performance intervals. It takes place 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 anticorrosion prevention program. 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 upon 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 dependant 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 recognized 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.

Classification and subsequent measurement

Financial assets

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; 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.

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; and
- 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.

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; and
- 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.

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 per cent 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.

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 ninety percent 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.

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; and
- 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 and 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); or

- 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.

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).*

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the management to make judgments, 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 judgments 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 judgment 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 for impairment of accounts receivable 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 program

The Group's Nomad Club Loyalty program 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 program 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 program's point value. Outstanding unutilized 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.

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 judgment 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 full service brand Air Astana and Low Cost brand FlyArystan segments for the purpose of segments' performance evaluation. The Group's main activities can be summarized as follows:

Air Astana

The brand's aviation activities consist of mainly domestic and international passenger and cargo air transportation as full service airline.

FlyArystan

The brand's aviation activities consist of mainly domestic and international passenger and cargo air transportation as 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 recognized the depreciation of right-of-use assets arising from these intercompany lease transactions with FlyArystan. These transactions are treated as inter-segment 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.

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**

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 a part of 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 recognized 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 Eliminations**	**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**

’000 USD	**Operating segments 2023 Air Astana**	**2023 FlyArystan**	**2023 Intergroup Eliminations**	**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**

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
In-flight 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**

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 utilized fully (tax loss carried forward as of 31 December 2023: the total amount of tax loss carried forward was utilized 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 utilized 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.

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	Building, 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							
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 65,256 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.

Right of use assets, included in property, plant and equipment, are as follows:

’000 USD	Rotable spare parts	Building, 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 nineteen Airbus aircraft under leases related to the FlyArystan brand with a net book value of USD 340,451 thousand (2023: eighteen 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**

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 of 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.

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 pre-delivery 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.

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 license was recalled, and Delta Bank JSC experienced temporary suspension of its license 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**

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 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**

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, a general annual 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 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 shares 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
Weighted average 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**

21. Share-based payments

The Group operates share-based payment programs as part of the total remuneration package provided to employees. These programs include share award plans in which shares are provided to employees at no cost, subject to the Group achieving specified performance targets. All the programs 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 of 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 1 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 program refers to the Group's Nomad Club program.

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 utilization 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 judgment 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; and
- 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.

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 in regards of 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.

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 Dollar, 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).

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**

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 set 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, the IATA notifies the airlines about the amount of debt from each agent in excess of its guarantee or insurance protected amount. In addition, the 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, 5 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: 9 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 program. 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 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.

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 government, bank and financial institution counterparties, most of 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 Credit rating	**Gross carrying amount**	**12 month ECL**	**Carrying amount**	**Gross carrying amount**	**12 month ECL**	**Carrying amount**
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 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.

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 abovementioned 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.

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.

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; and
- 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 of 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.

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 categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized 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.

28. Commitments and contingencies

Capital commitments

In 2011 the Group finalized 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 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.

Taxation contingencies

The taxation system in Kazakhstan is relatively new and is characterized 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 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**

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:

	2024		**2023**	
'000 USD 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:

'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 13 March 2024.