QAZAQ AIR JSC

Financial statements in accordance with IFRS Accounting Standards and Independent Auditor's Report

31 December 2025

Content

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Notes to the Financial Statements

Management of QAZAQ AIR JSC (hereinafter – the "Company") is responsible for the preparation of the financial statements as at 31 December 2025, the financial results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRS Accounting Standards (hereinafter – "IFRSs") issued by the International Accounting Standards Board (hereinafter – "IASB").

In preparing the financial statements, 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;
- application of reasonable estimates and assumptions;
- additional disclosures when compliance with requirements of IFRSs are insufficient to enable users of the financial statements to understand the impact of specific transactions, as well as other events and conditions on the financial position and results of the Company's operations; and
- assessment of the Company's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls;
- maintaining of proper accounting system, allowing preparation of the Company's financial position information at any time with reasonable accuracy, and to ensure compliance with IFRSs, issued by the IASB;
- maintaining statutory accounting records in compliance with law of the Republic of Kazakhstan;
- adopting of measures within its competence to safeguard assets of the Company;
- detecting and preventing fraud and other abuses.

The financial statements of the Company for the year ended 31 December 2025 were approved by the management on 6 May 2026.

Umraliyev A.D.
Chairman of the Management Board

Kim D.A.
Finance director

Kissekova G.K.
Chief accountant

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ
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Independent Auditor's Report

To the Shareholders and the Board of Directors of QAZAQ AIR JSC

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of QAZAQ AIR JSC (the «Company») as at 31 December 2025, and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers LLP
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Independence

We are independent of the Company in accordance with the ethical requirements of the Law on Audit Activity that are relevant to our audit of the financial statements in the Republic of Kazakhstan and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Republic of Kazakhstan and the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Approved by:

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP

(General State License of the Ministry of Finance of the Republic of Kazakhstan №0000005 dated 21 October 1999)

Signed by:

Kumarbek Berdikulov
Auditor in charge
(Qualified Auditor's Certificate №МФ-0000188 dated 06 August 2014)

Astana, Kazakhstan

6 May 2026

In thousands of tenge	Note	2025	2024
Revenue and other income			
Revenue and other operating income	8	24,012,679	21,110,232
Total revenue and other operating income		**24,012,679**	**21,110,232**
Operating expenses			
Fuel		(5,454,385)	(4,656,055)
Employee costs	9(a)	(4,980,386)	(3,962,290)
Depreciation and amortization		(2,679,541)	(2,975,408)
Handling, landing fees and route charges	9(b)	(3,102,490)	(2,943,895)
Engineering and maintenance services	9(c)	(2,157,793)	(2,783,199)
Passenger service	9(d)	(2,234,479)	(1,805,777)
Business trip expenses		(350,622)	(599,253)
Insurance		(495,475)	(566,736)
Information technology		(755,467)	(430,796)
Property lease cost		(305,886)	(267,503)
Selling costs	9(e)	(268,718)	(225,148)
Consultancy, legal and professional fees	9(f)	(388,303)	(206,938)
Training costs		(277,074)	(206,654)
Outsourcing costs		(40,463)	(11,876)
Aircraft licenses		(24,916)	(10,886)
Other expenses		(62,018)	(233,667)
Total operating expenses, net		**(23,578,016)**	**(21,886,081)**
Profit/(Loss) from operations before impairment		**434,663**	**(775,849)**
Impairment (loss)/reversal	12	(1,564,110)	13,005
Operating loss		**(1,129,447)**	**(762,844)**
Finance income	10	198,828	195,082
Finance costs	10	(262,306)	(1,503,287)
Net foreign exchange gain/(loss)		51,935	(105,289)
Loss before income tax		**(1,140,990)**	**(2,176,338)**
Corporate income tax benefit	11	307,665	6,123,967
(LOSS)/PROFIT FOR THE YEAR		**(833,325)**	**3,947,629**
Other comprehensive income		–	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(833,325)**	**3,947,629**

The financial statements of the Company for the year ended 31 December 2025 were approved by the management on 6 May 2026.

Umraliyev A.D.
Chairman of the Management Board

БСН 150440000668
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Kim D.A.
Finance director

Kissekova G.K.
Chief accountant

AO «QAZAQ AIR»
Statement of Financial Position as at 31 December 2025

In thousands of tenge	Note	31 December 2025	31 December 2024
ASSETS			
Property and equipment	12	24,223,128	25,548,841
Intangible assets		14,242	17,930
Advances given	13	81,100	–
Total non-current assets		**24,318,470**	**25,566,771**
Inventories	14	2,076,395	2,172,631
Trade and other receivables	15	412,155	209,576
Corporate income tax prepayment		62,794	29,629
Prepayments and deferred expenses	13	1,095,537	1,306,761
Cash and cash equivalents	16	2,276,645	2,170,307
Total current assets		**5,923,526**	**5,888,904**
TOTAL ASSETS		**30,241,996**	**31,455,675**
EQUITY			
Share capital	17	34,532,259	34,532,259
Accumulated loss		(10,750,377)	(16,180,815)
TOTAL EQUITY		**23,781,882**	**18,351,444**
LIABILITIES			
Borrowings	18	1,601,372	9,208,075
Deferred tax liability	11	1,258,276	–
Total non-current liabilities		**2,859,648**	**9,208,075**
Trade and other payables	19	1,458,665	2,378,505
Other taxes payable other than corporate income tax		108,397	62,088
Deferred income	20	1,516,596	1,117,354
Contract liabilities	21	516,808	338,209
Total current liabilities		**3,600,466**	**3,896,156**
TOTAL LIABILITIES		**6,460,114**	**13,104,231**
TOTAL LIABILITIES AND EQUITY		**30,241,996**	**31,455,675**

The financial statements of the Company for the year ended 31 December 2025 were approved by the management on 6 May 2026.

Umraliyev A.D.
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In thousands of tenge	Note	Share capital	Accumulated loss	Total equity
As at 1 January 2024		34,276,509	(43,875,625)	(9,599,116)
Profit for the year		–	3,947,629	3,947,629
Other comprehensive income for the year		–	–	–
Total comprehensive income for 2024		**–**	**3,947,629**	**3,947,629**
Transactions with the shareholder of the Company				
Share capital contribution	17	255,750	–	255,750
Recognition of discount on loans received from the shareholder	11, 18	–	24,495,868	24,495,868
Reversal of the discount on derecognition of the loan	18	–	(748,687)	(748,687)
Total transactions with the shareholder of the Company for 2024		**255,750**	**23,747,181**	**24,002,931**
As at 31 December 2024		**34,532,259**	**(16,180,815)**	**18,351,444**
Profit for the year		–	(833,325)	(833,325)
Other comprehensive income/(loss) for the year		–	–	–
Total comprehensive loss for 2025		**–**	**(833,325)**	**(833,325)**
Transactions with the shareholder				
Recognition of discount on loans received from the shareholder	11, 18	–	6,263,763	6,263,763
Total transactions with the shareholder of the Company for 2025		**–**	**6,263,763**	**6,263,763**
As at 31 December 2025		**34,532,259**	**(10,750,377)**	**23,781,882**

The financial statements of the Company for the year ended 31 December 2025 were approved by the management on 6 May 2026.

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In thousands of tenge	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers		26,067,454	22,640,190
Cash paid to suppliers		(17,308,149)	(15,196,191)
Cash paid to employees		(5,074,872)	(4,318,646)
Cash paid for taxes other than corporate income tax		(830,115)	(693,126)
Other cash receipts		2,107	4,681
Cash flows from operating activities before interests and corporate income tax paid		**2,856,425**	**2,436,908**
Interests received	10	198,828	195,082
Interest paid	18	(204,191)	-
Corporate income tax paid		(31,181)	(29,629)
Net cash flows from operating activities		**2,819,881**	**2,602,361**
Cash flows from investing activities			
Purchases of property and equipment		(2,669,972)	(3,965,173)
Purchases of intangible assets		(569)	(1,055)
Net cash flows used in investing activities		**(2,670,541)**	**(3,966,228)**
Cash flows from financing activities			
Contribution to share capital	17	–	255,750
Proceeds from borrowings	18	262,647	–
Repayment of borrowings	18	(262,647)	–
Net cash flows from financing activities		**–**	**255,750**
Net increase/(decrease) in cash and cash equivalents		**149,340**	**(1,108,117)**
Cash and cash equivalents as at 1 January		2,170,307	3,264,088
Effect of foreign exchange differences		(43,415)	14,293
Change in provision for expected credit losses		413	43
Cash and cash equivalents as at 31 December	16	**2,276,645**	**2,170,307**

The financial statements of the Company for the year ended 31 December 2025 were approved by the management on 6 May 2026.

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1 General Information

QAZAQ AIR Joint Stock Company (hereinafter – the "Company") was established on 1 April 2015 in accordance with the legislation of the Republic of Kazakhstan. The Company operates as a regional airline providing regular domestic passenger air transportation services, as well as a number of international routes to Uzbekistan, Kyrgyzstan and Russia. The Company is based in Astana and operates an interregional hub route network, including socially important routes subsidised by the state.

As at 31 December 2025, the Company owned and operated five De Havilland Dash-8 Q400 NextGen turboprop aircraft, all of which are registered in the aircraft registry of the Republic of Kazakhstan. The Company has a certified line maintenance station and an approved aviation training centre, is an official member of IATA and is certified in accordance with the IOSA industry safety standard.

Until 6 May 2025, the immediate Parent Company and the ultimate controlling party of the Company was Samruk-Kazyna National Wealth Fund JSC, wholly owned by the Government of the Republic of Kazakhstan.

On 24 December 2024, as part of the Government's initiative to transition the Company to a competitive environment, a package of binding transaction documents, including a sale and purchase agreement, was signed between the then sole shareholder, Samruk⍰Kazyna Sovereign Wealth Fund JSC, and PC Central Asia Aviation Holdings (part of SOVICO Group, Vietnam) and PC Kazasia Holdings Limited.

The transaction was completed on 6 May 2025, when the parties officially announced a strategic partnership and the transfer of 49% of the Company's shares to PC Central Asia Aviation Holdings and 2% to PC Kazasia Holdings Limited. Based on the terms of the agreement, neither investor nor the remaining shareholder obtained unilateral ability to direct the Company's relevant activities. Accordingly, management concluded that no party obtained control over the Company as at and after 6 May 2025.

The investors' commitments include preserving the Company's civil aviation profile, maintaining regular passenger services and avoiding decisions that may expose the Company to sanctions risks. The strategic cooperation framework also provides for a fleet expansion programme requiring the acquisition of not less than 20 aircraft from the Boeing 737 or Airbus A320/321 families over a defined period, representing a transformational expansion of the Company's current operating capacity. The investors are also obliged to enter into a technical support agreement with the Company. These arrangements are intended to provide the Company with access to VietJet's brand, commercial platform, reservation systems, operational expertise, and maintenance capabilities.

The Company is registered at the address: Republic of Kazakhstan, Astana, Yesil district, 20, Mangilik Yel Ave.

These financial statements are presented in thousands Kazakhstani tenge ("tenge"), unless otherwise stated. Tenge is the Company's functional currency.

2 Operating Environment of the Company

The Company operates primarily within the Republic of Kazakhstan, with passenger air transportation carried out across domestic routes and selected international destinations such as Uzbekistan, Kyrgyzstan and Russia. The Company's operational and financial performance is therefore influenced by the economic and geopolitical situation in Kazakhstan and the surrounding region.

In 2025, the Company's operating environment was also affected by structural changes arising from the completion of the privatization transaction with investors from SOVICO Group and PC Kazasia Holdings Limited, as described in Note 1.

In Kazakshtan inflation rate was relatively stable throughout 2025 and increased to 12.3% in December 2025 compared to 8.6% in December 2024. Economic growth in 2025 amounted to 6.4%, and according to analysts' forecasts, the growth rate of the national economy in 2026 will remain at 6.2%.

As at 31 December 2025, the official exchange rate published by the Kazakhstan Stock Exchange (the "KASE") was KZ Tenge 505.53 per US Dollar 1 (31 December 2024: Tenge 525.11 per 1 US Dollar).

In general, the economy of the Republic of Kazakhstan continues to reflect characteristics of an emerging market. Meanwhile, the airline industry is experiencing sustainable growth, with passenger volumes reaching 15,4 million passengers in 2025, representing a 4,8% increase compared to 2024. The industry remains exposed to political, legislative, financial, and regulatory factors.

2 Operating Environment of the Company (continued)

The economic environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to support the sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal and political developments, which are beyond the Company's control.

3 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB under the historical cost convention. The material accounting policies applied in the preparation of these financial statements are set out in each respective Note. Apart from the accounting policy changes effective from 1 January 2025 these policies have been consistently applied to all the periods presented, unless otherwise stated (refer to the changes in presentation disclosed below).

These financial statements are directed to primary users, being investors who lend or provide equity capital to the reporting entity. These financial statements assume that the primary users have a reasonable knowledge of business and economic activities and review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena reported in these financial statements.

These financial statements aim disclosing only information that management considers is material for the primary users. Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Going concern

Management prepared these financial statements on a going concern basis. In making this assessment, management considered the Company's financial position, current operating intentions, profitability trends, access to financial resources, and the impact of macroeconomic developments on the Company's operations.

In 2025, positive cash flows from operating activities amounted to 2,819,881 thousand tenge (2024: 2,602,361 thousand tenge). As at 31 December 2025, the balance of cash and cash equivalents on the Company's accounts amounted to 2,276,645 thousand tenge (31 December 2024: 2,170,307 thousand tenge). Profit from operating activities before impairment losses amounted to 434,663 thousand tenge in 2025 (2024: loss of 775,849 thousand tenge). The majority of the Company's borrowings relate to long-term loans obtained from Samruk-Kazyna JSC to finance the acquisition and scheduled maintenance of aircraft.

As described in Note 1, a change in the Company's shareholder structure took place in May 2025. The transaction also includes investment commitments by the new shareholder aimed at supporting the Company's further development.

Management prepared a five-year business plan (hereinafter – the "Business Plan") covering the period 2026–2030. The Business Plan has not yet received formal approval from the Board of Directors; such approval is scheduled for June 2026. The Business Plan incorporates a fleet expansion programme that has not yet commenced and remains subject to the availability of external financing and timely aircraft delivery.

Management separately assessed the Company's projected financial performance and cash flow generation capacity on the basis of the existing fleet alone, excluding the effect of the planned fleet expansion programme. This assessment demonstrated that, even in the absence of fleet expansion, the Company's current operations are expected to generate sufficient operating cash flows to meet its obligations as they fall due over a period of at least twelve months from the date of authorisation of these financial statements. Management therefore concluded that the Company's operations represent a continuing activity capable of sustaining the business independently of the fleet expansion programme. This assessment also supports the recoverability of the deferred tax asset recognised in respect of accumulated tax losses carried forward (Note 11), as cumulative taxable income over the remaining statutory carry-forward period, projected on the basis of the existing fleet, is expected to exceed the outstanding tax loss pool of 31,816,229 thousand tenge, providing adequate headroom for full utilisation of the recognised losses.

3 Basis of preparation (continued)

Management has neither the intention nor the need to liquidate the Company or cease its operations, and believes that the combination of positive operating cash flows from the existing fleet, the investment commitments of the new shareholders, and the projected profitability trajectory provide a reasonable basis for adopting the going concern assumption.

Changes in presentation

During the year, the Company updated the presentation and disclosure of its accounting policies related to property and equipment (aircraft) to align with the cost model under IAS 16 and the impairment requirements of IAS 36. Based on the results of the analysis performed and the clarification of accounting policies, management concluded that the Company has historically applied the aircraft accounting cost model, and all past adjustments were impairment related and recognised in profit or loss in accordance with IAS 36. The related disclosures describing the method of accounting for aircraft have been updated accordingly and are presented in Note 12.

The updated presentation provides more reliable and more relevant information about the Company's accounting policies. As this change relates solely to the presentation and description of accounting policies, and does not affect the measurement of assets, liabilities, equity, income or expenses, no reclassifications or restatements were required for prior periods, and the comparative information has not been revised.

Profit/(Loss) from operations before impairment presentation in the Statement of Profit or Loss and Other Comprehensive Income

The subtotal 'Profit / (Loss) from operations before impairment' is presented to provide users of the financial statements with more decision-useful information about the Company's underlying operating performance and its comparability between periods, as impairment losses are driven by market-based valuation factors and are not indicative of the results of the Company's day-to-day operating activities.

Amendment of the financial statements after issue

Any changes to these financial statements after issue require approval of the General meeting of shareholders of the Company.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Company makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Recognition of deferred tax assets – see further information in the Note 11.

Useful lives of property and equipment – see further information in the Note 12.

Recoverable amount of aircraft – see further information in the Note 12.

Interest rates applied in determining the fair value of borrowings – see further information in the Note 18.

5 Adoption of New or Revised Standards and Interpretations

The following new standards and the amendments became effective from 1 January 2025:

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

The adoption of these amendments did not have a material impact on the Company's financial statements.

6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Company has not early adopted.

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, then amended on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027).*
- *IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).*
- *Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).*
- *Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).*

The Company does not expect that these new standards and amendments will have a material impact on Company's financial statements.

- *IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).* In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Company is currently assessing the impact of the amendments on its financial statements.

7 Balances and Transactions with Related Parties

The Parent Company and ultimate controlling party

During the reporting period, the nature of the Company's related-party relationships changed following the disposal of the controlling stake by the former sole shareholder.

- Until 6 May 2025, the Company was controlled by Samruk-Kazyna National Wealth Fund JSC ("Samruk-Kazyna"). During this period, Samruk-Kazyna was the Parent and ultimate controlling party.
- From 6 May 2025 onwards, in accordance with the governance rights established in the Charter, both Samruk-Kazyna (49%) and PC Central Asia Aviation Holdings (49%) hold governance rights that provide the ability to participate in decisions over financial and operating policy, including mandatory representation on the Board of Directors and quorum requirements for decision-making. These rights meet the indicators of significant influence set out in the Company's accounting policy.

Accordingly, transactions and balances with Samruk-Kazyna are disclosed for the period before 6 May 2025 (as the Parent Company) and for the period after that date (as an investor with significant influence).

Balances and transactions with Related Parties

Expenses

In thousands of tenge	**2025**	**2024**
Purchase of goods and services:		
Entities under common control	472,476	4,310,611
State enterprises	408,473	387,822
Total	**880,949**	**4,698,433**

Borrowings

In thousands of tenge	**31 December 2025**	**31 December 2024**
Samruk-Kazyna		
Borrowings	1,601,372	9,208,075
Total	**1,601,372**	**9,208,075**

Share capital

In thousands of tenge	**31 December 2025**	**31 December 2024**
Samruk-Kazyna		
Issue of shares	–	255,750
Total	**–**	**255,750**

Related parties include the former Parent Company and all other entities over which that former Parent Company had control until 6 May 2025, and, from that date onwards, the shareholders that hold governance rights providing significant influence over the Company. Transactions with these related parties are conducted in the ordinary course of business and on terms comparable to those applied to transactions with non-related parties, except for the loan provided by Samruk-Kazyna, the terms of which differ from market conditions (refer to Note 18).

Transactions with entities related to the Government

The Company works with a number of enterprises that are under the control of the Government of the Republic of Kazakhstan. The Company applies the exemption provided by IAS 24 Related Parties to provide simplified disclosures for transactions with entities associated with the Government of the Republic of Kazakhstan.

7 Balances and Transactions with Related Parties (continued)

The Company carries out transactions with enterprises associated with the Government of the Republic of Kazakhstan. These transactions are part of the normal activities of the Company and are carried out on terms comparable to the terms of interaction with enterprises not associated with the Government of the Republic of Kazakhstan.

Key management compensation

Key management includes Directors (executive and non-executive), members of the Executive Committee.

Key management compensation is presented below:

	2025		2024	
In thousands of tenge	**Expense**	**Accrued liability**	**Expense**	**Accrued liability**
Salary and bonuses	197,441	–	108,165	–
Social contributions	23,733	–	11,086	–
Total	**221,174**	**–**	**119,251**	**–**

8 Revenue and Other Operating Income

Material Accounting Policy

Revenue from passenger transportation

The Company identifies two performance obligations – passenger transportation and charter flights. Ticket sales are reported as revenue at a point in time when performance obligation related to passenger transportation service has been satisfied. The cost of tickets sold and still valid but not used by the reporting date is recognised as deferred passenger transportation revenue (deferred income). This item is reduced either when the Company performs the transportation service or when the passenger requests a refund for the ticket. A certain portion of revenue from unused tickets is recognised at the actual flight date in the amount presuming that the probability that a customer will claim the Company to fulfil its obligations for the service is remote.

In thousands of tenge	**2025**	**2024**
Revenue from passenger transportation		
Regular passenger transportation	23,568,479	20,664,566
including:		
– airport taxes	*1,310,289*	*1,101,207*
– excess baggage	*256,942*	*191,051*
Charter flights	49,679	123,914
Total revenue from contracts with customers	**23,618,158**	**20,788,480**
Other operating income	394,521	321,752
Total other operating income	**394,521**	**321,752**
Total revenue and other operating income	**24,012,679**	**21,110,232**

For the year ended 31 December 2025, share of revenue from domestic passenger traffic comprised 75% (2024: 74%) of total passenger transportation revenue.

8 Revenue and Other Operating Income (continued)

During 2025 and 2024, revenue from the transportation of passengers, cargo and mail were received in the following areas:

In thousands of tenge	2025	2024
Domestic flights	18,075,331	15,621,572
International flights	5,937,348	5,488,660
Total revenue and other operating income	**24,012,679**	**21,110,232**

During 2025 and 2024, there was no single client that brought more than 10% to the total revenue from operations. In 2025, the Company operated seven socially significant routes subsidized by the Civil Aviation Committee of the Ministry of transport of the Republic of Kazakhstan, which were obtained on a competitive basis (2024: six routes).

9 Operating Expenses

(a) Employee costs

In thousands of tenge	2025	2024
Wages and salaries of operational personnel	3,682,845	3,009,677
Wages and salaries of administrative personnel	625,233	501,790
Social tax and social contribution	537,859	323,742
Wages and salaries of sales department	134,449	127,081
Total employee costs	**4,980,386**	**3,962,290**

As at 31 December 2025 the number of employees in the Company was 312 (31 December 2024: 301).

(b) Handling, landing fees and route charges

In thousands of tenge	2025	2024
Ground handling	1,040,304	1,123,074
Air navigation	769,223	788,386
Landing fees	718,955	589,073
Security	370,454	336,134
De-icing fluids	203,554	107,228
Total handling, landing fees and route charges	**3,102,490**	**2,943,895**

(c) Engineering and maintenance

In thousands of tenge	2025	2024
Spare parts pool and maintenance	1,943,870	1,882,328
Engine rental	-	545,330
Transportation expenses	164,086	243,013
Maintenance in the parking lot	26,119	15,508
Other	23,718	97,020
Total engineering and maintenance	**2,157,793**	**2,783,199**

Decrease in engine rental expenses in 2025 was due to optimization of the maintenance program.

9 Operating Expenses (continued)

(d) Passenger service

In thousands of tenge	2025	2024
Airport fees and charges	1,895,836	1,489,274
Catering	249,857	296,638
Other	88,786	19,865
Total passenger service	**2,234,479**	**1,805,777**

(e) Selling costs

In thousands of tenge	2025	2024
Commissions payable to airline ticketing agencies	224,578	188,646
Credit card service charges	28,817	26,687
Other	15,323	9,815
Total selling costs	**268,718**	**225,148**

(f) Consultancy, legal and professional fees

In thousands of tenge	2025	2024
Consulting services	332,027	156,870
Aircraft audit costs	-	36,393
Financial statements audit services	43,298	7,863
Other	12,978	5,812
Total consultancy, legal and professional fees	**388,303**	**206,938**

In 2025, consulting costs included costs in the amount of 315,550 thousand tenge for the preparation and conduct of the Company's privatization process with the involvement of an independent consultant (2024: 153,450 thousand tenge).

10 Finance Income and Costs

Material accounting policy

For all financial instruments measured at amortized cost, interest income or expenses are recognised at the effective interest rate that is discounted to expected future cash payments or receipts through the expected life of the financial instrument, or a shorter period, where applicable, are adjusted to the net carrying amount of the financial asset or financial liability.

In thousands of tenge	Note	2025	2024
Financial income			
Interest income on bank deposits		198,828	195,082
Total financial income		**198,828**	**195,082**
Financial costs			
Interest expenses	18	262,306	1,499,452
Finance services		–	3,835
Broker services		–	–
Total financial costs		**262,306**	**1,503,287**

11 Corporate Income Tax

Material accounting policy

During the years ended 31 December 2025 and 2024, the Company applied the corporate income tax rate of 20% established in the Republic of Kazakhstan. Corporate income tax expenses include current and deferred tax. Current and deferred taxes are recognised in profit or loss for the period, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current corporate income tax

Current corporate income tax includes the amount of tax that is expected to be paid or refunded on taxable profit or loss for the year, which is calculated based on tax rates in effect or in substance in effect at the reporting date, and income tax adjustments of previous years.

Deferred corporate income tax

Deferred corporate income tax is recognised for temporary differences arising between the carrying amounts of assets and liabilities, which are determined for the purposes of their recognition in the financial statements, and their tax base. Deferred corporate income tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred corporate income tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred corporate income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred corporate income tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred corporate income tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Critical accounting estimates and judgments in applying accounting policies

Recognition of deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable income and future tax planning strategies. The tax code allows a business to carry forward accumulated tax losses for the next ten years. Management has concluded that it is high probable that sufficient taxable profit will be available to utilize the deferred tax asset by comparing the pre-tax profit projected in the Business Plan with the tax loss carry forward as at 31 December 2025.

Deferred tax assets and deferred tax liabilities arise from different sources of temporary differences. Deferred tax assets mainly relate to unused tax losses and other deductible temporary differences, whereas deferred tax liabilities arise primarily from taxable temporary differences associated with the loan from Samruk-Kazyna and, to a lesser extent, property and equipment, reflecting impairment and differences between tax and accounting depreciation.

As at 31 December 2024, the Company had unrecognised deferred tax assets of 418,533 thousand tenge. During the year ended 31 December 2025, the Company reassessed the recoverability of these deferred tax assets and recognised them in full, as management concluded that it had become probable that sufficient future taxable profits would be available against which they could be utilised. The related tax benefit was recognised in profit or loss for the year ended 31 December 2025.

Deferred tax liabilities recognised directly in equity relate to taxable temporary differences arising from the loan from Samruk-Kazyna, to the extent that the underlying transaction was recognised directly in equity.

In thousands of tenge	**2025**	**2024**
Current corporate income tax expense	–	–
Deferred corporate income tax benefit	307,665	6,123,967
Corporate income tax benefit	**307,665**	**6,123,967**

11 Corporate Income Tax (continued)

Reconciliation of the effective tax rate:

	2025		2024	
	In thousands of tenge	%	In thousands of tenge	%
Loss before taxation	(1,140,990)	100	(2,176,338)	100
Corporate income tax calculated at the established rate applicable to the Company	228,198	20.0	435,268	20.0
Tax effect of non-deductible expenses	(339,066)	(29.7)	(64,254)	(3.0)
Change in unrecognised deferred tax	418,533	36.7	5,752,953	264.3
Corporate income tax benefit	**307,665**		**6,123,967**	

Change in temporary differences during the year:

In thousands of tenge	1 January 2025	Recognised in profit or loss	Recognised in equity	31 December 2025
Tax loss carried-forward	7,407,600	(1,044,354) [1]	–	6,363,246
Trade and other payables	64,306	13,760	–	78,066
Provision on trade and other receivables, Inventory, Cash	32,146	27,450	–	59,596
Other taxes payable	4,790	7,388	–	12,178
Deferred tax assets	**7,508,842**	**(995,756)**	**–**	**6,513,086**
Loan from the Shareholder	(5,829,928)	44,600	(1,565,941)	(7,351,269)
Property and equipment	(1,256,795)	839,550	–	(417,245)
Intangible assets	(3,586)	738	–	(2,848)
Deferred tax liabilities	**(7,090,309)**	**884,888**	**(1,565,941)**	**(7,771,362)**
Net deferred tax asset/(liability)	**418,533**	**(110,868)**	**(1,565,941)**	**(1,258,276)**
Unrecognised deferred tax asset	(418,533)	418,533	–	–
Total net deferred tax asset/ (liability)	**–**	**307,665**	**(1,565,941)**	**(1,258,276)**

[1] During 2025, the Company refined the opening balance of tax losses carried forward used in the deferred tax calculation by 252,510 thousand tenge in order to align it with the underlying tax records. Accordingly, the movement in the line item "Tax loss carry-forwards" includes a current year deferred tax movement of 993,852 thousand tenge and a deferred tax adjustment of 50,502 thousand tenge arising from this opening balance refinement.

11 Corporate Income Tax (continued)

In thousands of tenge	1 January 2024	Recognised in profit or loss	Recognised in equity	31 December 2024
Tax losses carried-forward	7,981,613	(574,013)	–	7,407,600
Trade and other payables	109,074	(12,622)	–	96,452
Taxes payable other than corporate income tax	4,869	(79)	–	4,790
Intangible assets	(2,606)	(980)	–	(3,586)
Deferred tax assets	**8,092,950**	**(587,694)**	**–**	**7,505,256**
Loan from the Samruk-Kazyna	(149,738)	443,777	(6,123,967)	(5,829,928)
Property and equipment	(1,771,726)	514,931	–	(1,256,795)
Deferred tax liabilities	**(1,921,464)**	**958,708**	**(6,123,967)**	**(7,086,723)**
Net deferred tax asset	**6,171,486**	**371,014**	**(6,123,967)**	**418,533**
Unrecognised deferred tax asset	(6,171,486)	5,752,953	–	(418,533)
Total net deferred tax asset/ (liability)	**–**	**6,123,967**	**(6,123,967)**	**–**

As at 31 December 2025, the statutory limitation period for accumulated tax losses in the amount of 31,816,229 thousand tenge (31 December 2024: 36,785,489 thousand tenge) expires within ten years from the date of their origination, in accordance with Article 300 of the Tax Code of the Republic of Kazakhstan.

12 Property and Equipment

Material accounting policy

Recognition and measurement

Items of property and equipment are stated at cost, less accumulated depreciation and impairment, where required.

If significant components that make up an item of property and equipment have different useful lives, they are accounted for as separate items (significant components) of property and equipment.

Subsequent costs

The costs of replacing a significant component of an item of property and equipment increases the carrying amount of that item if it is probable that the Company will receive future economic benefits from that item and its cost can be measured reliably. The carrying amount of the replaced component is written off. Expenses for day-to-day maintenance of items of property and equipment are recognised in profit or loss for the period they are incurred.

Pooling arrangements

Under the spare parts pooling arrangements with third party suppliers, the Company exchanges defective spare parts for similar functioning ones supplied from the supplier's pool to maintain operational continuity. Because the Company does not acquire a new asset under these arrangements and the exchanged items are not recognised as the Company's assets, no derecognition or adjustment to the carrying amount of spare parts is recognised. All exchange and repair service fees incurred under these arrangements are expensed as incurred, as they represent day-to-day repair services rather than subsequent costs that meet the capitalization criteria.

Depreciation

Items of property and equipment are depreciated from the date they are installed and ready for use, and for items of property and equipment built in-house, from the date the item is completed and ready for use. Depreciation is calculated based on the cost of the asset less its estimated residual value.

The individual components of an aircraft (except for the fuselage) are depreciated over the average expected useful life between overhauls, which is based on flight hours or cycles.

12 Property and Equipment (continued)

Major technical inspections and overhauls of owned aircraft (including C-checks, D-checks and engine overhauls) are recognised as separate components of aircraft. Their cost is capitalised and amortised over the period until the next scheduled inspection.

When a new major inspection is performed, the remaining carrying amount of the previous component is derecognised, and the actual cost of the new inspection is capitalised as a new component and amortised over the interval between inspections.

Property and equipment are depreciated on a straight-line basis over their expected useful lives as follows:

Property, plant and equipment group	Useful life
Aircraft (fuselage)	25 years
Machinery and equipment	4 – 25 years
Vehicles	5 – 10 years
Computers and office equipment	4 – 7 years

Impairment of property and equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Critical accounting estimates and judgments in applying accounting policies

Useful lives of property and equipment

The estimation of the useful lives of items of property and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Company. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

In case the remaining useful lives are reviewed and changed, the effect on depreciation is prospectively reviewed.

The residual values of items of property and equipment are reviewed at least at each financial year-end in accordance with the Company's accounting policy. Management applies judgement when determining whether an asset is expected to have a recoverable amount at the end of its useful life.

For aircraft, management assesses that there is no expected recoverable value at the end of the useful life, due to the absence of active secondary markets available to the Company. Accordingly, the Company applies a residual value of zero to all aircraft.

This represents a critical accounting estimate, as any change in the residual value assumption would have a direct impact on annual depreciation. Were the residual value assumption for aircraft to change materially, the effect would be recognised prospectively as a change in accounting estimate.

Recoverable amount of aircraft

For impairment testing purposes, management determined that each individual aircraft represents a separate cash-generating unit, as each aircraft generates largely independent cash inflows and is assessed separately under the fair value less costs of disposal approach.

In prior periods, the Company recognised impairment losses in respect of certain aircraft. In accordance with IAS 36, management reassessed the recoverable amount of the aircraft as at 31 December 2025.

12 Property and Equipment (Continued)

The recoverable amount was determined based on fair value less costs of disposal. Market value benchmarks were obtained from the Cirium Ascend aircraft valuation database, an independent and internationally recognised source of aircraft market data. These benchmark values were further adjusted to reflect the specific technical condition, maintenance status and utilisation of each aircraft based on an independent valuation performed by Tengri Consult LLP.

As a result of the reassessment in 2025, additional impairment losses of 1,725,391 thousand tenge were recognised on certain aircraft, while impairment losses previously recognised on other aircraft were partially reversed in the amount of 161,281 thousand tenge. The net impairment expense of 1,564,110 thousand tenge was recognised in profit or loss for the year, primarily due to changes in market value benchmarks.

A reasonably possible change of 5% in the market value benchmarks would result in a change in the fair value of aircraft of approximately 884,523 thousand tenge.

Movements in the carrying amount of property and equipment were as follows:

12 Property and Equipment (Continued)

In thousands of tenge	Aircraft	Vehicles	Machinery and equipment	Computers and office equipment	Construction in progress	Total
Cost						
As at 1 January 2024	43,663,299	46,552	287,395	136,363	27	44,133,636
Additions	–	43,659	14,343	13,186	4,206,187	4,277,375
Disposals	–	(22,401)	(15)	(1,214)	–	(23,630)
Transfer from inventory	–	–	–	–	163,546	163,546
Internal transfers	4,271,269	–	–	–	(4,271,269)	–
As at 31 December 2024	**47,934,568**	**67,810**	**301,723**	**148,335**	**98,491**	**48,550,927**
Additions	–	14,990	18,353	25,372	2,854,968	2,913,683
Disposals	–	(4,734)	–	(218)	–	(4,952)
Transfer from inventory	–	–	–	–		
Internal transfers	2,842,286	–	–	–	(2,842,286)	–
As at 31 December 2025	**50,776,854**	**78,066**	**320,076**	**173,489**	**111,173**	**51,459,658**
Accumulated depreciation						
As at 1 January 2024	(19,899,362)	(33,703)	(24,408)	(109,960)	–	(20,067,433)
Charge for the year	(2,923,475)	(7,114)	(28,098)	(12,601)	–	(2,971,288)
Disposals	–	22,401	15	1,214	–	23,630
Impairment charge to profit or loss	13,005	–	–	–	–	13,005
As at 31 December 2024	**(22,809,832)**	**(18,416)**	**(52,491)**	**(121,347)**	**–**	**(23,002,086)**
Charge for the year	(2,623,910)	(10,438)	(27,909)	(13,029)	–	(2,675,286)
Disposals	–	4,734	–	218	–	4,952
Impairment charge to profit or loss	(1,564,110)	–	–	–	–	(1,564,110)
As at 31 December 2025	**(26,997,852)**	**(24,120)**	**(80,400)**	**(134,158)**	**–**	**(27,236,530)**
Book value						
As at 31 December 2024	25,124,736	49,394	249,232	26,988	98,491	25,548,841
As at 31 December 2025	**23,779,002**	**53,946**	**239,676**	**39,331**	**111,173**	**24,223,128**

During 2025, internal transfers increased the cost of aircraft after the completion of major repairs, which include basic maintenance of three aircrafts (C-check), major repairs of two engines.

12 Property and Equipment (Continued)

As at 31 December 2025, the initial cost of fully amortized fixed assets in use is 236,055 thousand tenge (31 December 2024: 116,079 thousand tenge).

As at 31 December 2025 and 31 December 2024, all of the Company's aircraft were pledged as collateral for loans received from Samruk-Kazyna (Note 18).

13 Prepayments and deferred expenses

Material accounting policy

Deferred expenses represent prepayments for insurance services, licenses and software. These amounts are amortized on a straight-line basis over the periods to which the related services pertain.

Prepayments are carried at cost less any allowance for impairment. A prepayment is classified as non-current if the related goods or services are expected to be received after more than twelve months, or if it relates to an asset that will be recognised as a non-current asset upon initial recognition.

In thousands of tenge	**31 December 2025**	**31 December 2024**
Long term		
Advances given	81,100	–
Total	**81,100**	**–**
Short term		
Prepayment for services	731,426	520,551
Deferred expenses	139,780	421,730
Prepayment for goods	219,538	362,495
Prepayment for other taxes	4,793	1,985
Total	**1,095,537**	**1,306,761**

14 Inventories

Material accounting policy

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined on a FIFO (first-in-first-out) method, except for fuel and anti-icing fluids, which are costed on a weighted average basis and includes the costs of acquiring inventories and other costs to bring inventories to present location and bringing them into the appropriate condition.

Net realizable value is the estimated selling price of inventories less all estimated costs of completion and selling expenses.

In thousands of tenge	**31 December 2025**	**31 December 2024**
Spare parts	1,727,813	1,598,475
Aviation fuel	337,265	419,062
Uniform	53,545	45,333
Other materials	105,972	113,179
Total	**2,224,595**	**2,176,049**
Inventories write-off to net realisable value	(148,200)	(3,418)
Total	**2,076,395**	**2,172,631**

15 Trade and Other Receivables

Material accounting policy

Trade and other receivables are measured at amortized cost. Trade receivables that do not contain a significant financing component are initially recognised at the transaction price.

The Company recognises expected credit losses (ECL) on trade receivables, guarantee deposits and other receivables applying the lifetime ECL model to these balances.

In assessing whether there has been a significant increase in the credit risk of a financial asset since initial recognition and in assessing ECLs, the Company analyses reasonable and verifiable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's past experience and a reasonable assessment of credit quality and includes forward-looking information.

The Company considers credit risk to have increased significantly when a receivable is more than 30 days past due, and classifies receivables as in default when they are more than 90 days past due. Write-offs are recognised when the Company has no reasonable expectation of recovering the balance.

The loss allowance is deducted from the carrying amount of receivables.

In thousands of tenge	31 December 2025	31 December 2024
Trade receivables	228,633	177,252
Value added tax recoverable	197,128	173,646
Receivable of employees	135,867	8,151
Total	**561,628**	**359,049**
Provision for expected credit losses	(149,473)	(149,473)
Total	**412,155**	**209,576**

The movement of the provision for expected credit losses is presented in the following table:

In thousands of tenge	2025	2024
As at 1 January	(149,473)	(140,661)
(Accrual)/Reversal	–	(8,812)
As at 31 December	**(149,473)**	**(149,473)**

Information about the Company's exposure to credit, currency and impairment risks in relation to financial assets is disclosed in Note 22.

16 Cash and Cash Equivalents

In thousands of tenge	31 December 2025	31 December 2024
Short-term deposits with original maturity less than 90 days in Kazakhstani banks	1,164,413	1,948,279
Current accounts in Kazakhstani banks	1,111,437	222,533
Cash on hand	1,102	215
Total	**2,276,952**	**2,171,027**
Provision for expected credit losses	(307)	(720)
Total	**2,276,645**	**2,170,307**

16 Cash and Cash Equivalents (Continued)

This cash is not restricted in use.

Information about the Company's exposure to credit, currency and impairment risks in relation to financial assets is disclosed in Note 22.

17 Share Capital

Ordinary shares are classified as equity. Additional costs directly related to the issuance of ordinary shares and stock options are reflected, taking into account the tax effect, as a decrease in equity.

Share capital

In thousands of tenge	**31 December 2025**	**%**	**31 December 2024**	**%**
Central Asia Aviation Holdings	16,920,807	49	–	–
Samruk-Kazyna	16,920,807	49	34,532,259	100
Kazasia Holdings Limited	690,645	2	–	–

As at 31 December 2025, the Company's authorised, issued and fully paid share capital consisted of 268,100 ordinary shares (31 December 2024: 268,100 ordinary shares), all ranking pari passu and free from encumbrance, held 49% by Samruk-Kazyna (131,369 shares), 49% by PC Central Asia Aviation Holdings (131,369 shares) and 2% by PC Kazasia Holdings Limited (5,362 shares), amounting in total to 34,532,259 thousand tenge.

Dividends

During 2025 and 2024 the Company did not declare or pay dividends.

18 Borrowings

Material accounting policy

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Company and its original lenders of borrowings with substantially different terms, as well as a substantial modification of the terms and conditions of an existing financial liability, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are considered 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, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability. In addition, qualitative factors, such as the currency in which the instrument is denominated, changes in the interest rate basis, new conversion features attached to the instrument and changes in loan covenants, are also considered. If an exchange of borrowings or a modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on extinguishment. Any difference arising on extinguishment is recognised in profit or loss, unless the economic substance of the transaction indicates that it represents a capital transaction with a shareholder acting in its capacity as owner, in which case it is recognised in equity. 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.

Modifications of borrowings that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any resulting gain or loss recognised in profit or loss, unless the economic substance of the transaction indicates that it represents a capital transaction with a shareholder acting in its capacity as owner, in which case the relevant amount is recognised in equity.

18 Borrowings (Continued)

Critical accounting estimates and judgments in applying accounting policies

Interest rates applied in determining the fair value of borrowings

In February 2019, the Company signed a 12-year loan agreement with the Parent Company for the purchase of two new DHC-8 Q400NG aircraft from Bombardier Inc. in the amount of 16,000,000 thousand tenge with principal repayment in bullet payment at the end of the term and interest is payable at the rate of 0.1% per annum semi-annualy starting in 60 months from the date of the first tranche. The Company recognised a discount of 8,169,673 thousand tenge at the dates of receipt of tranches under this loan for the difference between market rates at the dates of receipt and the nominal rate of 0.1% per annum. In accordance with the supplementary agreement dated 23 February 2024, the repayment period was extended until 1 December 2044, and the interest rate was reduced to 0.0% per annum in 2024 and to 2.5% per annum starting from 1 January 2025 until the end of the loan term. The principal was payable in the amount of 425,000 thousand tenge per year by 1 December of each year, starting from 2026 and the payment of the remaining principal in the amount of 8,154,000 thousand tenge in 2044.

In October 2019, the Company received a loan from the Parent Company for 15 years for the purchase of three DHC-8 Q400NG aircraft in the amount of 20,344,416 thousand tenge with repayment of the principal at the end of the term and interest is payable semi-annually starting in 24 months from the date of the first tranche at a rate of 2.5% per annum. On 2 November 2022, the repayment period of the remuneration was increased to 60 months from the date of the first tranche. The Company recognised a discount in the amount of 8,909,680 thousand tenge on the date of receipt of tranches on this loan for the difference between the market rates on the date of receipt and the nominal rate of 2.5% per annum. In accordance with the additional agreement dated 26 March 2024 to the loan agreement, the amount of the credit line was increased to 21,000,000 thousand tenge with a maturity date of 1 December 2044 and the interest rate was reduced to 0.0% per annum for 2024. The rate of 2.5% per annum starting from 1 January 2025 remained unchanged until the end of the loan term. The principal is payable in the amount of 425,000 thousand tenge per year by 1 December of each year, starting in 2026 and the payment of the remaining principal in the amount of 14,904,000 thousand tenge in 2044.

During 2024, due to the restructuring of loan agreements, the Company recognised a discount in the amount of 30,619,835 thousand tenge, which is recorded in the statement of changes in equity in the amount of 24,495,868 thousand tenge, net of tax effect in the amount of 6,123,967 thousand tenge (Note 11).

The transaction documentation signed on 24 December 2024, following fulfilment of the conditions precedent under the sale and purchase agreement on 6 May 2025, provided for a further restructuring of the above loans. In accordance with the revised terms, effective from 1 January 2025, the interest rate was reduced from 2.5% to 0.1% per annum, with annual interest payments at the end of each year, and the principal became repayable in a balloon payment at the end of the loan term in 2044.

In 2025, the Company performed the 10% test in respect of amendments to the Samruk-Kazyna loan agreements and concluded that the changes in contractual terms resulted in substantial quantitative modifications. Accordingly, the original liabilities were derecognised and new financial liabilities were recognised.

The fair value of the new liabilities was determined using a market discount rate of 19% at the respective modification dates. The difference between the fair value of the restructured loans was recognised in equity as a capital contribution to the extent that the lender was acting in its capacity as shareholder. The amount recognized is equal to 7,829,703 thousand tenge, net of tax effect in the amount of 1,565,941 thousand tenge (Note 11).

18 Borrowings (Continued)

Reconciliation of changes in liabilities and cash flows from financing activities

In thousands of tenge		
Balance as at 1 January 2025		9,208,075
Loans received from Halyk Bank		262,647
Repayment of loans to Halyk Bank		(262,647)
Accrued interest expense	10	262,306
Interests paid		(204,191)
Reclassification of interest overpayment to advances given		164,885
Gain on loans received from Samruk-Kazyna		(7,829,703)
Total changes on the loans		**(7,606,703)**
Balance as at 31 December 2025		**1,601,372**
Balance as at 1 January 2024		37,579,771
Accrued interest expense	10	1,499,452
Gain on loans received from Samruk-Kazyna		(30,619,835)
Derecognition of the unamortised discount		748,687
Total changes on the loans		**(28,371,696)**
Balance as at 31 December 2024		**9,208,075**

The Company provided its purchased aircraft as collateral for these loans (Note 12). Under the sale and purchase agreement (Note 1), the borrower is required to purchase the bonds issued by the lender in order to release the aircraft from the pledge by the end of 2026.

19 Trade and Other Payables

Material accounting policy

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost using the effective interest method.

Trade and other payables are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

In thousands of tenge	**31 December 2025**	**31 December 2024**
Trade payables	917,910	1,925,562
Wages and salaries to employees	494,006	330,121
Other trade payables	46,749	122,822
Total	**1,458,665**	**2,378,505**

Information about the Company's exposure to currency risk and liquidity risk in relation to trade and other payables is disclosed in Note 22.

20 Deferred Income

Deferred income from transportation represents the value of sold but unused passenger tickets that have not yet expired. As at 31 December 2025, deferred income amounted to 1,516,596 thousand tenge (31 December 2024: 1,117,354 thousand tenge).

21 Contract liabilities

Contract liabilities represent prepayments received from travel agents.

Revenue recognised in relation to contract liabilities: 338,209 thousand tenge of revenue was recognised in the current reporting period related to the contract liabilities as at 31 December 2024.

22 Financial Risk Management

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits.

The Company's Management Board is responsible for developing the Company's risk management policy and overseeing its implementation. The Company's Management Board regularly reports on its work to the Board of Directors in accordance with the established procedure.

Credit risk

The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises from trade receivables, and cash and cash equivalents and as a result of the Company's lending and other transactions with counterparties, giving rise to financial assets.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position.

The maximum exposure to credit risk for trade receivables, and cash and cash equivalents with banks as at the reporting date was as follows:

		Book value	
In thousands of tenge	**Note**	**31 December 2025**	**31 December 2024**
Trade receivables	15	228,633	177,252
Cash and cash equivalents other than cash on hand	16	2,276,645	2,170,812
Total		**2,505,278**	**2,348,064**

Trade and other receivables

The Company's exposure to credit risk mainly depends on the individual characteristics of each customer/client. As at 31 December 2025, there is no significant concentration of credit risk on trade account receivables (31 December 2024: none).

The Company allocates each position exposed to credit risk based on data that is determined to predict the risk of loss (including, but not limited to, external ratings, audited financial information, management accounts and cash flow projections, and counterparty information available in the media) and through the application of expert judgment. Credit risk levels are determined using qualitative and quantitative factors that are indicative of default risk and are consistent with external credit rating definitions obtained from Standard & Poor's and Moody's.

Cash and cash equivalents

As at 31 December 2025, the Company had cash and cash equivalents excluding cash on hand totaling 2,275,542 thousand tenge (31 December 2024: 2,170,092 thousand tenge) (Note 16). Cash and cash equivalents are placed with banks rated B+ to BBB(+/-) by Standard & Poor's and Moody's.

Impairment of cash and cash equivalents was estimated based on expected credit losses under contractual maturities, which reflect the short terms of exposures. The Company considers, based on external counterparty credit ratings, that its cash and cash equivalents have low credit risk.

22 Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to liquidity management is to ensure, to the extent possible, that the Company has sufficient liquidity at all times to meet its obligations on time, both under normal and stressful conditions, without incurring unacceptable losses or exposing reputation of the Company.

The Company seeks to maintain a stable funding base primarily consisting of borrowings, trade and other payables.

In addition to existing loans from the shareholder, the Company also has access to facilities under existing financing arrangements with Halyk Bank, which provide it with a committed credit line. The amount of committed undrawn facilities available to the Company as at 31 December 2025 was KZT 700 000 thousand (2024: KZT 0 thousand), which expire in 2028.

Information on the remaining contractual maturities of financial liabilities at the reporting date is provided below. Gross and undiscounted amounts are presented, excluding the effect of offset agreements. It is not expected that the cash flows taken into account in the maturity analysis could be materially earlier or significantly different.

In thousands of tenge	Book value	Cash flows under the contract	Less than 2 months	Less than 12 months	Less than 60 months	Over 60 months
31 December 2025						
Non-derivative financial liabilities						
Trade payables	917,910	917,910	917,910	–	–	–
Loan from Samruk-Kazyna	1,601,372	38,357,714	–	–	–	38,357,714
Total	**2,519,282**	**39,275,624**	**917,910**	**–**	**–**	**38,357,714**

In thousands of tenge	Book value	Cash flows under the contract	Less than 2 months	Less than 12 months	Less than 60 months	Over 60 months
31 December 2024						
Non-derivative financial liabilities						
Trade payables	1,925,562	1,925,562	1,925,562	–	–	–
Loan from Samruk-Kazyna	9,208,075	38,357,714	–	–	–	38,357,714
Total	**11,133,637**	**40,283,276**	**1,925,562**	**–**	**–**	**38,357,714**

Market risk

Market risk for the Company primarily arises from changes in airfare pricing and aviation fuel prices, both of which can significantly affect operating results. Airfare pricing is influenced by competitive dynamics in the domestic and regional markets, passenger demand and seasonal factors. Fuel price risk arises from fluctuations in global oil prices, which directly affect the cost of aviation fuel — one of the Company's largest operating expenses.

The Company does not use derivative instruments to manage exposure to fuel price movements or pricing volatility. Management monitors market developments on an ongoing basis and adjusts ticket pricing and capacity where possible to mitigate the impact of adverse market movements.

Currency risk

The Company is exposed to currency risk arising primarily from cash and cash equivalents and trade payables denominated in foreign currencies, mainly US dollars.

With respect to other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to maintain the net exposure at risk within acceptable limits by buying or selling foreign currency at spot rates, when necessary, to eliminate short-term imbalances.

22 Financial Risk Management (Continued)

The Company's exposure to currency risk as at 31 December 2025 was as follows:

In thousands of tenge	Russian ruble	US dollar	Euro	Pound	Total as at 31 December 2025
Financial assets:					
Cash and cash equivalents	43,439	1,041,507	431	–	1,085,376
Other assets	42,814	–	9,666	–	52,480
Total financial assets	86,253	1,041,507	10,097	–	**1,137,857**
Financial liabilities:					
Trade payables	2,555	457,611	6,524	1,931	468,621
Other payables	–	–	3,205	–	3,205
Total financial liabilities	**2,555**	**457,611**	**9,729**	**1,931**	**471,826**
Clean position	**83,698**	**583,896**	**369**	**(1,931)**	**669,236**

The Company's exposure to currency risk as at 31 December 2024 was as follows:

In thousands of tenge	Russian ruble	US dollar	Euro	Pound	Total as at 31 December 2024
Financial assets:					
Cash and cash equivalents	150,026	55,426	8,413	836	214,701
Total financial assets	**150,026**	**55,426**	**8,413**	**836**	**214,701**
Financial liabilities:					
Trade payables	9,648	940,516	10,066	1,293	961,523
Total financial liabilities	**9,648**	**940,516**	**10,066**	**1,293**	**961,523**
Clean position	**140,378**	**(885,090)**	**(1,653)**	**(457)**	**(746,822)**

A reasonably possible strengthening/weakening of tenge, as shown below, against all other currencies as at 31 December 2025 and 2024, would have affected profit or loss, net of taxes, by the amounts shown below. A change in the exchange rate would have no effect on equity. This analysis assumes that all other variables, especially interest rates, remain constant and do not take into account the impact of forecast sales and acquisitions.

	31 December 2025							
In thousands of tenge	**Tenge/ US dollar 12%**	**Tenge/ US dollar (8%)**	**Tenge/ Russian ruble 20%**	**Tenge/ Russian ruble (14%)**	**Tenge/ Pound sterling 17,3%**	**Tenge/ Pound sterling (11%)**	**Tenge/ Euro 19%**	**Tenge/ Euro (10%)**
Impact on profit or loss and equity	70,067	(46,712)	16,739	(11,718)	(334)	212	70	(37)

	31 December 2024							
In thousands of tenge	**Tenge/ US dollar 9.1%**	**Tenge/ US dollar (7.34%)**	**Tenge/ Russian ruble 2%**	**Tenge/ Russian ruble (22.95%)**	**Tenge/ Pound sterling 12%**	**Tenge/ Pound sterling (9.2%)**	**Tenge/ Euro 9%**	**Tenge/ Euro (6%)**
Impact on profit or loss and equity	(797)	650	28	(322)	(1)	0,4	(1)	1

22 Financial Risk Management (Continued)

Income analysis

The Company analyses the impact of risks on earnings before taxes, interest and depreciation and amortization (hereinafter – "EBITDA") calculated by the Company as follows:

In thousands of tenge	2025	2024
Revenue and other income	24,012,679	21,110,232
Cost of sales	(19,016,757)	(17,491,620)
Gross income	**4,995,922**	**3,618,612**
Administration expenses	(1,158,055)	(865,942)
Selling expenses	(630,438)	(457,260)
Other operating income/(expenses), net	218,325	57,600
EBITDA	**3,425,754**	**2,353,010**

The costs incurred for independent consultants related to the transfer of the Company to a competitive environment for 2025 in the amount of 311,550 thousand tenge (2024: 153,450 thousand tenge) are non-recurring in nature and, in accordance with the Company's accounting policy, are excluded from the expense calculation used by the Company for the purpose of determining EBITDA.

23 Fair Value Disclosures

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level 3 measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorizing financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

The fair value of the Company's aircraft was determined using valuation inputs sourced from global indicative data - Cirium Ascend aircraft valuation database. As these market-based reference inputs required significant adjustments to reflect the aircraft's condition, utilization profile and marketability, the resulting valuation was classified within Level 3 of the fair value hierarchy in accordance with IFRS 13.

Management believes that the fair value of the Company's financial assets and liabilities is approximately equal to their book value. The basis for determining fair value is disclosed below. Management classifies the fair value of the Company's financial assets and liabilities in Level 2 of the fair value hierarchy.

24 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company is not subject to external regulatory requirements regarding equity capital.

25 Contingencies and Commitments

Insurance

The Company maintains all compulsory insurance policies required by the legislation of the Republic of Kazakhstan. In addition, the Company has voluntary aviation insurance policies covering "all risks" relating to damage to aircraft, civil liability and war and allied perils.

25 Contingencies and Commitments (Continued)

Environmental protection issues

Environmental legislation in Kazakhstan continues to develop and is subject to ongoing changes. Management believes that the Company has complied with applicable environmental regulations and that there are no present obligations or exposures that would have a material effect on the financial statements. As in the previous year, no claims or penalties related to environmental matters were identified.

Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Contingent tax liabilities in the Republic of Kazakhstan

Kazakhstan's tax legislation is subject to frequent changes and varying interpretations by governmental authorities. Tax authorities may conduct reviews of the accuracy of tax calculations for the preceding five years and may assess significant additional taxes, fines and penalties. Management believes that the Company's tax positions are appropriate; however, interpretations by the authorities may differ, and the effect of such differences, if any, could be material.