JOINT STOCK COMPANY
AIR ASTANA

Condensed Consolidated Interim Financial Information
for the six-month period
ended 30 June 2021 (unaudited)

JOINT STOCK COMPANY AIR ASTANA

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATIONAND APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

Management is responsible for the preparation and presentation of the condensed consolidated interim financial information of JSC Air Astana (the "Company") and its subsidiary (the "Group") as at 30 June 2021, the results of its operations, cash flows and changes in equity for the six-month period then ended, in compliance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34).

In preparing the condensed consolidated interim financial information, 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 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.

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 financial position of the Group, and which enable them to ensure that the condensed consolidated interim financial information of the Group comply with IAS 34;
- maintaining statutory accounting records in compliance with the legislation of Kazakhstan and IFRS;
- 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 condensed consolidated interim financial information for the six-month period ended 30 June 2021 were authorised for issue on 29 July 2021 by management of the Group.

On behalf of the Group's management:

Peter Foster

President

29 July 2021
Almaty, Republic of Kazakhstan

Ibrahim Canliel

Chief Financial Officer

29 July 2021
Almaty, Republic of Kazakhstan

Azamat Ospanov

Vice-president Finance Accounts, Chief Accountant

29 July 2021
Almaty, Republic of Kazakhstan

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders and Board of Directors of JSC Air Astana

Introduction

We have reviewed the condensed consolidated interim statement of financial position of JSC Air Astana (the "Company") and its subsidiary (the "Group") as at 30 June 2021, and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

M. Косаев

Mukhit Kossayev
Engagement Partner

KPMG Audit LLC

Almaty, Republic of Kazakhstan

29 July 2021

JOINT STOCK COMPANY AIR ASTANA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

(in thousands of USD)

	Notes	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Revenue and other income			
Passenger revenue	5	292,377	185,056
Cargo and mail	5	18,711	8,147
Other	5	3,240	3,011
Gain from sale and leaseback transaction	5	-	6,257
Total		**314,328**	**202,471**
Operating expenses			
Depreciation and amortisation	10	(57,923)	(51,444)
Fuel		(54,232)	(51,077)
Employee costs	6	(43,764)	(35,156)
Engineering and maintenance	6	(38,729)	(32,152)
Handling, landing fees and route charges	6	(29,621)	(26,759)
Passenger service	6	(26,827)	(20,386)
Selling costs	6	(11,540)	(9,364)
Aircraft crew costs	6	(4,767)	(9,482)
Insurance		(3,470)	(3,312)
Lease costs	6	(2,162)	(2,342)
Information technology		(2,015)	(1,942)
Consultancy, legal and professional services		(1,435)	(1,543)
Property lease cost		(1,317)	(1,235)
Taxes, other than income tax		(1,097)	(1,272)
Impairment (loss)/gain on trade receivables		(23)	93
Other		(3,560)	(17,916)
Total operating expenses		**(282,482)**	**(265,289)**
Operating profit/(loss)		**31,846**	**(62,818)**
Finance income	7	5,312	774
Finance costs	7	(25,804)	(16,477)
Foreign exchange loss, net		(5,372)	(7,090)
Profit/(loss) before tax		**5,982**	**(85,611)**
Income tax (expense)/benefit	8	(1,114)	19,384
Profit/(loss) for the period		**4,868**	**(66,227)**
Basic and diluted profit/(loss) per share (in USD)	18	**286**	**(3,896)**

On behalf of the Group's management:

АО «ЭЙР АСТАНА»

Peter Foster
President

29 July 2021
Almaty, Republic of Kazakhstan

Ibrahim Canliel
Chief Financial Officer

29 July 2021
Almaty, Republic of Kazakhstan

Azamat Ospanov
Vice-president Finance Accounts, Chief Accountant

29 July 2021
Almaty, Republic of Kazakhstan

The notes on pages 9-34 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of condensed consolidated interim financial information is on page 2.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

(in thousands of USD)

	Notes	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Profit/(loss) for the period		**4,868**	**(66,227)**
Other comprehensive income to be reclassified into profit or loss in subsequent periods:			
Realized net loss from cash flow hedging instruments	23	5,843	5,690
Income tax effect from cash flow hedging instruments	23	(1,169)	(1,138)
Other comprehensive income for the period, net of income tax		**4,674**	**4,552**
Total comprehensive income (loss) for the period		**9,542**	**(61,675)**

The notes on pages 9-34 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of condensed consolidated interim financial information is on page 2.

JOINT STOCK COMPANY AIR ASTANA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (UNAUDITED)
(in thousands of USD)

	Notes	30 June 2021 (unaudited)	31 December 2020
ASSETS			
Non-current assets			
Property and equipment	9	711,697	705,112
Intangible assets		1,350	1,646
Prepayments for non-current assets	13	11,786	12,353
Guarantee deposits	11	15,144	20,410
Trade and other receivables	14	4,285	3,285
Deferred tax asset	8	6,483	8,771
		750,745	**751,577**
Current assets			
Inventories	12	49,998	46,371
Prepayments	13	10,990	15,386
Income tax prepaid		4,497	3,266
Trade and other receivables	14	16,169	10,220
Other taxes prepaid	15	13,594	15,166
Guarantee deposits	11	1,371	5,814
Cash and bank balances	16	230,408	201,354
Other financial assets	17	7,623	-
		334,650	**297,577**
Total assets		**1,085,395**	**1,049,154**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	17,000	17,000
Functional currency transition reserve		(9,324)	(9,324)
Reserve on hedging instruments, net of tax		(40,012)	(44,686)
Retained earnings		60,285	55,417
Total equity		**27,949**	**18,407**
Non-current liabilities			
Loans	22	52,343	53,004
Lease liabilities	23	588,896	572,322
Provision for aircraft maintenance	20	48,856	45,537
Employee benefits		1,504	1,559
		691,599	**672,422**
Current liabilities			
Loans	22	77,209	111,009
Lease liabilities	23	117,341	132,340
Deferred revenue	19	65,413	38,112
Provision for aircraft maintenance	20	54,386	37,533
Trade and other payables	21	51,498	39,331
		365,847	**358,325**
Total liabilities		**1,057,446**	**1,030,747**
Total equity and liabilities		**1,085,395**	**1,049,154**

The notes on pages 9-34 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of condensed consolidated interim financial information is on page 2.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

(in thousands of USD)

	Share capital	Functional currency translation reserve	Reserve on hedging instruments	Retained earnings	Total equity
At 1 January 2020	**17,000**	**(9,324)**	**(53,845)**	**149,350**	**103,181**
Loss for the period (unaudited)	-	-	-	(66,227)	(66,227)
Other comprehensive income: Realised loss on cash flow hedging instruments, net of tax (unaudited)	-	-	4,552	-	4,552
Total comprehensive income for the period (unaudited)	-	-	**4,552**	**(66,227)**	**(61,675)**
At 30 June 2020 (unaudited)	**17,000**	**(9,324)**	**(49,293)**	**83,123**	**41,506**
At 1 January 2021	**17,000**	**(9,324)**	**(44,686)**	**55,417**	**18,407**
Profit for the period (unaudited)	-	-	-	4,868	4,868
Other comprehensive income: Realised loss on cash flow hedging instruments, net of tax (unaudited)	-	-	4,674	-	4,674
Total comprehensive income for the period (unaudited)	-	-	**4,674**	**4,868**	**9,542**
At 30 June 2021 (unaudited)	**17,000**	**(9,324)**	**(40,012)**	**60,285**	**27,949**

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JOINT STOCK COMPANY AIR ASTANA
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

(in thousands of USD)

	Notes	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
OPERATING ACTIVITIES:			
Profit/(loss) before tax		**5,982**	**(85,611)**
Adjustments for:			
Depreciation and amortisation of property and equipment and intangible assets	10	57,923	51,444
Gain on sale of property, equipment and inventory		(838)	(6,648)
Impairment allowance for prepayments, trade receivables, guarantee deposits	7	(296)	(112)
Write-down of obsolete and slow-moving inventories	12	(152)	(359)
Vacation accrual	21	316	3,065
Maintenance - provisions	6, 20	23,224	19,311
Reversal/(accrual) in customer loyalty program liabilities	19	(1,336)	967
Foreign exchange loss, net		5,372	7,090
Finance income, excluding impairment	7	(5,152)	(774)
Finance costs, excluding impairment	7	25,799	16,477
Effect of COVID-19 related rent concessions	6	881	(1,353)
Gain from early return of engine	23	(490)	-
Impairment of property, plant and equipment		-	13,526
Operating cash flow before movements in working capital		**111,233**	**17,023**
Change in trade and other accounts receivables		(6,915)	23,650
Change in prepayments		5,002	20,077
Change in inventories		(2,917)	(4,628)
Change in trade and other payables and provision of aircraft maintenance		7,872	(16,803)
Change in deferred revenue		28,637	(29,854)
Change in other financial assets		(2,961)	(308)
Cash generated from operations		**139,951**	**9,157**
Income tax paid		(801)	(3,633)
Interest received		477	769
Net cash generated from operating activities		**139,627**	**6,293**
INVESTING ACTIVITIES:			
Purchase of property and equipment		(19,270)	(19,395)
Proceeds from disposal of property, plant and equipment		1,713	1,323
Proceeds from sale and leaseback transaction		-	33,410
Purchase of intangible assets		(67)	(178)
Bank and Guarantee deposits placed		(1,518)	(6,212)
Bank and Guarantee deposits withdrawn		5,314	7,853
Net cash (used in)/generated from investing activities		**(13,828)**	**16,801**

The notes on pages 9-34 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of condensed consolidated interim financial information is on page 2.

(in thousands of USD)

	Notes	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
FINANCING ACTIVITIES:			
Repayment of lease liabilities	23	(39,521)	(56,695)
Interest paid	23	(28,417)	(14,443)
Repayment of borrowings and additional financing from sale and leaseback	23	(28,181)	(59,336)
Proceeds from borrowings	23	-	146,709
Net cash (used in)/generated from financing activities		**(96,119)**	**16,235**
NET INCREASE IN CASH AND BANK BALANCES		**29,680**	**39,329**
Effect of exchange rate changes on cash and bank balances held in foreign currencies		(621)	(950)
Effects of movements in ECL on cash and bank balances		(5)	(5)
CASH AND BANK BALANCES, at the beginning of the period	16	**201,354**	**176,442**
CASH AND BANK BALANCES, at the end of the period	**16**	**230,408**	**214,816**

The notes on pages 9-34 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of condensed consolidated interim financial information is on page 2.

1. NATURE OF ACTIVITIES

JSC Air Astana (the "Company") is a joint stock 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 Company was re-registered as a joint stock Group on 27 May 2005.

The Company has a subsidiary JSC «Aviation Group «Air Kazakhstan» (hereinafter – the "Subsidiary") which was acquired in November 2019. Together they are referred to as the "Group".

In November 2019 the Company obtained control of the Subsidiary by acquiring one hundred percent of the shares, which are 101,665 shares, and voting interests for KZT 2. At the time of the acquisition the Subsidiary had negative net assets of KZT 7 thousand. Taking control of the Subsidiary will enable the Group to establish a new low-cost airline operating under the Fly Arystan brand. The Subsidiary did not operate during 2021.

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.

The Group operated its maiden flight on 15 May 2002, a Boeing-737 service from Almaty to Kazakhstan's national capital, Nur-Sultan (Astana at the time). As at 30 June 2021 and 31 December 2020, the Group operated 34 turbojet aircraft that are acquired under lease.

The Company re-registered its office in 2010 from Nur-Sultan (Astana at the time), Kazakhstan to Zakarpatskaya street 4A, Almaty, Kazakhstan as the Company's main airport of operations is Almaty International Airport.

The shareholders of the Group are JSC "National Welfare Fund "Samruk-Kazyna" (which holds the investment on behalf of the Government of the Republic of Kazakhstan) and BAE Systems Kazakhstan Limited, which own 51% and 49% of the shares of the Group, respectively.

Impact of COVID-19

The new coronavirus infection, COVID-19, that has caused a pandemic since the first quarter of 2020, still has significant impact on the aviation industry particularly due to travelling restrictions as well as social distancing requirements and local lockdowns in different countries.

The decline in demand and flight restrictions caused a material deterioration of revenue during the first three quarters of 2020. The trend changed substantially towards the end of the third quarter of 2020 for the Company. International flights restarted gradually and continued with additions through the current year. Besides a historically high demand in existing destinations such as Frankfurt, Amsterdam, Dubai, Istanbul, Tashkent and Moscow, the Company noted an increased demand for direct routes to leisure destinations. Antalya flights were extended through the winter for the first time, Sharm-el Sheikh flights were restarted and direct flights were introduced to the Maldives.

In the first half of 2021, both international and domestic routes continued further restoration and expansion. As a result, during the first six months of 2021 domestic passenger traffic increased by 127%, whereas international passenger traffic decreased only by 8% in comparison with the same period of 2020. In March 2021 the Government of the Republic of Kazakhstan launched a massive vaccination programme. Moreover, in the first half of 2021 vaccination started all over the world. Management expect that these measures will contribute to improvement of the situation going forward. The Group reshaped its route network and introduced cost cutting policies to cope with the post-pandemic low-level demand by concentrating more on direct leisure routes internationally and growing its domestic routes. These actions greatly facilitated the recovery of the Group which is demonstrated by the fact that the six-month profit of the Group reached its prepandemic level for the first half of 2019.

In response to the pandemic, the Group prioritized safety of its customers and employees across all touchpoints of its operations and concentrated on financial liquidity to ensure that it is well positioned for recovery. Actions under these priorities include:

- Protecting the health and safety of employees and customers;

- Encouraging vaccination amongst employees;
- Adoption of new cleaning procedures on all flights, including disinfectant electrostatic spraying on aircraft and sanitizing high-touch areas before each flight;
- Taking steps to help employees and customers practice social distancing and stay safe, including requiring employees and customers to wear masks; and
- Strict office regulations including monitoring of each person, obligatory use of masks, social distancing, reporting of any health matters and immediate distancing, random testing. This was widely communicated to all staff using multiple communication channels including email and corporate mobile application. These measures are in addition to the distance working that reduced the risk of contracting COVID-19 significantly.

Liquidity

The Group took extensive measures to reduce the cash outflow by imposing rigorous cost control measures, deferral of all non-essential investment and negotiating deferral of payments with major creditors at the start of the pandemic.

In 2020 priority for all airlines was set at securing cash and access to credit facilities. While some airlines with better outlook secured such credit facilities with banks, a range of airlines had no option but to accept bailouts of their Governments or accept financial aid or State guarantees with certain conditions attached. The Company was among a few airlines that successfully managed the crisis without needing Government bailout.

As the demand both for international and domestic routes shows improvements, the Group's management decided to make a partial early repayment of the loan in amount of USD 28 million ahead of schedule during the first half of 2021.

In addition, the Company accomplished the following mitigation actions against liquidity risk:

- Reducing expenditures burn by rigorous cost control, reduction of subcontracted labour, extended leave and downtime;
- Deferral of all non-essential capital expenditures;
- Review of heavy maintenance events and deferrals in accordance with utilization limits recommended by the manufacturers;
- Deferring lease payments from three to twelve months; and
- Aggressively managing costs through lower capacity, reducing fuel expense and other cost initiatives including reduced work schedules and voluntary employee leaves of absence and eliminating nearly all discretionary spending.

Going concern

As part of the Company's consideration of the appropriateness of adopting the going concern assumption in preparing the interim financial information, a range of severe scenarios has been reviewed. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions, along with the Group's proposed responses over the course of the next 12 months. These include a range of estimated impacts primarily based on the length of time various levels of restrictions are in place and the severity of the consequent impact of those restrictions on the demand for the Group's services. Management has sensitised the revenue, profit and cash flow impact of reduced trading activity and a negative impact of changes.

The scenarios are most sensitive to the assumptions made for the expected recovery period. A key judgement applied is the likely time period of restrictions on movement of people and social distancing. The Group analysed its actual performance and adjusted plans based on the actual situation. Forecast statistics takes into account restrictions on routes assumed in the scenarios and opening of new routes in order to cover part of available demand. With the positive impact of mass vaccinations in Kazakhstan and at destinations gaining meaningful levels, the Group expects that international routes will continue to recover gradually in the first half of 2022. Under each scenario, mitigating actions are all within management control and can be initiated as they are related to discretionary spending, and do not impact the ability to meet demand. These actions include cost cutting and stopping all non-essential and non-committed capital expenditures in the next 6-12 months. Management assume no significant structural changes to the business will be needed in any of the scenarios modelled. As at 30 June 2021, the cash position of the Group remains strong. Under all the scenarios modelled, after taking mitigating actions as needed, management's forecasts did not indicate a cash deficit within the next 12 months.

With regard to the new Delta variant of COVID-19, management believes that its impact would not be as significant compared to the impact of the first COVID wave in March-April 2020 when there was no vaccine availability at all in addition to a very limited experience –both conditions are significantly different today. The Government of Kazakhstan imposed a limit on extension of international flights in response to the Delta variant of COVID-19. However, management does not expect negative effects from such policies, since the Group's past experience showed that controlled capacity on limited flights did not necessarily deliver a negative impact and the Group managed to re-shape the business to improve earnings before interest, taxes and depreciation. The most recent financial results for the six-month period ended 30 June 2021 indicate that even with the current international capacity, which was already significantly reduced from pre-COVID levels, the Company managed to achieve a profit that was better than the pre-crisis results. As such, being subject to international capacity restrictions for some time would not affect the management's conclusion that the Group is capable of operating under going concern assumption. Accordingly, management considered it appropriate for the going concern assumption to be adopted in preparing the condensed consolidated interim financial information.

2. BASIS OF PREPARATION

Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2020. This condensed interim financial information should be read in conjunction with those financial statements. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

Functional currency

Even though the national currency of Kazakhstan is the Kazakhstani tenge ("tenge"), the Company's functional currency is determined as the US Dollar ("USD"). The USD reflects the economic substance of the underlying events and circumstances of the Group and is the functional currency of the primary economic environment in which the Group operates. All currencies other than the currency selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in USD have been premeasured in USD in accordance with the relevant accounting standard requirements.

As requested by shareholders, the Group prepares two sets of financial statements with presentation currency Kazakhstani tenge and USD as shareholders believe that both currencies are useful for the users of the Group's financial statements. This interim condensed consolidated financial information for the six-month period ended 30 June 2021 has been presented in USD. All financial information presented in USD has been rounded to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in this condensed consolidated interim financial information are the same as those applied in the last annual financial statements.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2021.

The Group has early adopted *COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16* issued in March 2021. Prior to this amendment IFRS 16 introduced an optional practical expedient with limited applicability period for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The amendment in 2021 extended the availability of the practical expedient by one year. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2021.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing this condensed consolidated interim financial information.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to* IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*);*
- *Reference to Conceptual Framework (Amendments to* IFRS 3*);*
- *Classification of Liabilities as Current or Non-current (Amendments to* IAS 1*);*
- IFRS 17 *Insurance Contracts and amendments to* IFRS 17 *Insurance Contracts;*
- *Onerous contracts – Cost of Fulfilling a Contract (Amendments to* IAS 37*); and*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to* IAS 16*).*

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that were applied to the Group's annual financial statements for 2020 prepared in accordance with IFRS, except for liquidity and going concern as described above.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and the information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 1 – Liquidity and going concern assumptions;
- Note 8 – Income tax expense.

5. REVENUE

Passenger revenue	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Scheduled passenger flights	269,003	174,451
including:		
Fuel surcharge	*24,081*	*21,984*
Airport services	*12,659*	*9,544*
Excess baggage	*2,293*	*1,512*
Charter flights	23,374	10,605
	292,377	**185,056**

Passenger revenue increased by USD 107,321 thousand, or 58%, for the period ended 30 June 2021 as compared to the same period in 2020.

Cargo and mail revenue	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Cargo-Charter	12,319	-
Cargo-Regular	5,622	7,502
Mail	770	645
	18,711	**8,147**

Other income	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Other income	1,558	644
Gain on disposal of spare parts and other assets	838	285
Income from ground services	542	631
Advertising revenue	216	323
Penalties on agency contracts	-	613
Other	86	515
	3,240	**3,011**

In January 2020 the Group conducted a sale and leaseback transaction by selling one Airbus A-321. The Group measured 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 recognized a net gain of USD 6,257 thousand which represents the excess of the sales proceeds over lease liabilities and the changes in aircraft related asset.

During the six-months periods ended 30 June 2021 and 30 June 2020, passenger, cargo and mail revenue, representing total revenue from contracts with customers, were generated from the following destinations:

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Domestic	131,612	73,328
Europe	34,391	36,844
Asia	18,233	27,369
Middle East	56,282	21,773
Russia	26,246	20,184
CIS Regional (excluding Russia)	44,324	13,705
Total passenger, cargo and mail revenue	**311,088**	**193,203**

6. OPERATING EXPENSES

Employee costs	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Wages and salaries of operational personnel	29,155	23,921
Wages and salaries of administrative personnel	6,795	5,655
Social tax	3,465	2,130
Wages and salaries of sales personnel	2,251	1,956
Other	2,098	1,494
	43,764	**35,156**

The average number of employees during the six-month period ended 30 June 2021 was 5,373 (30 June 2020: 5,559).

Engineering and maintenance	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Maintenance – provisions (Note 20)	23,224	19,311
Spare parts	4,498	4,001
Maintenance – components	1,808	3,976
Maintenance – variable lease payments	7,883	3,806
Technical inspection	1,316	1,058
	38,729	**32,152**

Handling, landing fees and route charges	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Handling charge	12,518	10,301
Aero navigation	9,096	10,122
Landing fees	7,295	5,694
Meteorological services	82	38
Other	630	604
	29,621	**26,759**

Passenger service	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Airport charges	12,560	8,920
Catering	6,860	5,395
In-flight entertainment	2,192	1,824
Security	1,113	1,146
Other	4,102	3,101
	26,827	**20,386**

Selling costs	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Reservation costs	7,670	5,596
Advertising	1,860	1,565
Commissions	1,023	2,028
Interline commissions	88	59
Other	899	116
	11,540	**9,364**

Aircraft crew costs	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Accommodation and allowances	3,213	3,451
Training	1,539	2,215
Contract crew	15	3,816
	4,767	**9,482**

Lease costs	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Effect of COVID-19 related concessions (Note 23)	881	(1,353)
Lease of engines and rotable spare parts	665	660
Leased engine on wing costs	324	728
Variable lease charges	164	51
Lease return costs	128	180
Fixed lease charges of aircraft and engine	-	2,076
	2,162	**2,342**

7. FINANCE INCOME AND COSTS

Finance income	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Financial assets and liabilities held at FVTPL (Note 17)	4,662	-
Interest income on bank deposits	471	765
Reversal of impairment allowance on financial assets	160	-
Other	19	9
	5,312	**774**

Finance costs	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Interest expense on lease liabilities (Note 23)	18,974	14,025
Interest expense on bank loans (Note 23)	6,756	1,314
Accrual of impairment allowance on financial assets	5	547
Financial assets and liabilities held at FVTPL (Note 17)	-	508
Other	69	83
	25,804	**16,477**

8. INCOME TAX (EXPENSE)/BENEFIT

The Group's income tax (expense)/benefit for the six-month period ended 30 June was as follows:

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Current income tax		
Current income tax	-	(524)
Adjustment recognised in the current year in relation to the current tax of prior years	5	-
	5	**(524)**
Deferred tax expense		
Reversal of temporary differences	(2,508)	19,908
Recognition of previously unrecognised tax losses	1,389	-
	(1,119)	**(19,908)**
	(1,114)	**19,384**

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.

The tax effect on the major temporary differences that give rise to the deferred income tax assets and liabilities as at 30 June 2021 and 31 December 2020 is presented below.

Deferred tax assets	**30 June 2021 (unaudited)**	**31 December 2020**
Lease liabilities	101,920	102,052
Provision for aircraft maintenance	20,648	16,614
Tax loss carried forward	12,675	21,561
Trade and other payables	2,659	2,030
Trade receivables	1,591	1,562
Other	970	-
Total	**140,463**	**143,819**
Deferred tax liabilities		
Right of use assets	(94,403)	(94,146)
Property and equipment and intangible assets	(34,580)	(37,300)
Inventories	(2,222)	(2,031)
Other financial asset	(1,389)	
Prepaid expenses	(1,386)	(1,451)
Other	-	(120)
Total	**(133,980)**	**(135,048)**
Net deferred tax assets	**6,483**	**8,771**

As at 30 June 2021and 31 December 2020 the Group concluded that it is probable that future taxable profits will be available against which the deferred tax asset will be utilised.

Movements in deferred tax assets and liabilities presented above were recorded in profit or loss accounts, except for USD 1,169 thousand related to carried forward corporate income tax losses, which were recognised in equity relating to the realised portion of deferred tax on cash flows hedge. (2020: USD 1,138 thousand).

In accordance with the local tax legislation both hedged and unhedged foreign currency losses are treated as deductible expenses for the purpose of corporate income tax calculations. If such deductible expenses cannot be fully utilised in the year of origination the tax code permits an entity to carry forward the accumulated tax losses for the next ten years.

The income tax rate in the Republic of Kazakhstan, where the Group is located, at 30 June 2021 and 31 December 2020 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% (2020: 20%) to the actual income tax benefit recorded in the Group's statement of profit or loss:

	Six-month period ended 30 June 2021 (unaudited)	**Six-month period ended 30 June 2020 (unaudited)**
Profit/(loss) before tax	**5,982**	**(85,611)**
Corporate income tax %	20%	20%
Income tax (expense)/benefit at statutory rate	(1,196)	17,122
Recognition of previously unrecognised tax losses	1,389	-
USD forex effect	(748)	1,015
Tax effect of non-deductible expenses	(559)	(231)
Overprovided in prior year	-	1,478
Income tax (expense)/benefit	**(1,114)**	**19,384**

9. PROPERTY AND EQUIPMENT

	Rotable spare parts	Office equipment and furniture	Building, premises and land	Vehicles	Leased aircraft	Equipment-in-transit and construction-in-progress	Total
Cost							
At 1 January 2020	**80,090**	**8,646**	**34,138**	**3,094**	**811,277**	**10,205**	**947,450**
Additions (unaudited)	1,396	321	519	115	91,152	1,715	95,218
Disposals (unaudited)	(1,634)	(16)	(416)	(27)	(33,907)	-	(36,000)
Transfers to inventory (unaudited)	57	-	-	-	-	-	57
Transfers (unaudited)	3,010	-	-	-	277	(3,287)	-
At 30 June 2020 (unaudited)	**82,919**	**8,951**	**34,241**	**3,182**	**868,799**	**8,633**	**1,006,725**
At 1 January 2021	**77,536**	**9,011**	**33,800**	**2,940**	**976,141**	**382**	**1,099,810**
Additions (unaudited)	4,759	232	1,682	36	58,654	216	65,579
Disposals (unaudited)	(7,451)	(180)	-	(167)	(11,722)	-	(19,520)
Transfers from inventory (unaudited)	309	-	-	-	-	-	309
Transfers to inventory (unaudited)	(44)	-	-	-	-	-	(44)
Transfers (unaudited)	(573)	-	-	-	757	(184)	-
At 30 June 2021 (unaudited)	**74,536**	**9,063**	**35,482**	**2,809**	**1,023,830**	**414**	**1,146,134**
Accumulated depreciation and impairment							
At 1 January 2020	**33,187**	**5,655**	**4,908**	**1,631**	**284,876**	**-**	**330,257**
Charge for the period (unaudited) (Note 10)	5,346	447	1,558	128	43,547	-	51,026
Impairment	-	-	-	-	13,526	-	13,526
Disposals (unaudited)	(562)	(15)	-	(109)	(10,993)	-	(11,679)
At 30 June 2020 (unaudited)	**37,971**	**6,087**	**6,466**	**1,650**	**330,956**	**-**	**383,130**
At 1 January 2021	**36,312**	**6,346**	**7,501**	**1,513**	**343,026**	**-**	**394,698**
Charge for the period (unaudited) (Note 10)	4,317	422	1,590	100	51,131	-	57,560
Disposals (unaudited)	(5,991)	(135)	-	(148)	(11,547)	-	(17,821)
At 30 June 2021 (unaudited)	**34,638**	**6,633**	**9,091**	**1,465**	**382,610**	**-**	**434,437**
Net book value							
At 30 June 2020 (unaudited)	**44,948**	**2,864**	**27,775**	**1,532**	**537,843**	**8,633**	**623,595**
At 30 June 2021 (unaudited)	**39,898**	**2,430**	**26,391**	**1,344**	**641,220**	**414**	**711,697**

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.

The Group's obligations under leases are secured by the lessors' title to the leased assets, which have a carrying amount of USD 641,220 thousand (unaudited) (2020: USD 633,115 thousand) (Note 23).

As per the loan agreement with Halyk Bank the Technical Center (Hangar) in Nur-Sultan with a carrying amount of USD 19,040 thousand was pledged in favor of Halyk Bank on 5 May 2021 (Note 22).

Rotable spare parts include aircraft modification costs.

10. DEPRECIATION AND AMORTISATION

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Depreciation of property, plant and equipment (Note 9)	57,560	51,026
Amortisation of intangible assets	363	418
Total	**57,923**	**51,444**

11. GUARANTEE DEPOSITS

	30 June 2021 (unaudited)	31 December 2020
Non-current		
Guarantee deposits for leased aircraft	14,292	19,064
Other guarantee deposits	1,037	1,491
Impairment allowances	(185)	(145)
	15,144	**20,410**
Current		
Guarantee deposits for leased aircraft	294	124
Guarantee deposits to secure Letters of Credit for maintenance liabilities (Note 24)	-	4,425
Other guarantee deposits	1,084	1,277
Impairment allowances	(7)	(12)
	1,371	**5,814**
	16,515	**26,224**

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 USD.

In 2020 the Company changed the term of standby letter of credit with Natixis bank, and as a result, a portion of the cash collateral in the amount of USD 5 million was returned by Natixis bank to the Company's account. The remaining amount of cash collateral (USD 4.4 million) was returned by Natixis bank in 2021.

Guarantee deposits for leased aircraft and maintenance liabilities are receivable as follows:

	30 June 2021 (unaudited)	31 December 2020
Within one year	294	4,549
After one year but not more than five years	5,573	5,925
More than five years	8,767	13,212
	14,634	**23,686**
Fair value adjustment	(48)	(73)
	14,586	**23,613**

12. INVENTORIES

	30 June 2021 (unaudited)	31 December 2020
Spare parts	33,238	32,193
Goods in transit	6,219	715
Crockery	4,088	4,553
Fuel	2,969	4,687
Promotional materials	1,339	2,042
Uniforms	1,074	1,284
De-icing liquid	646	853
Blank forms	276	413
Other	1,704	1,338
	51,553	**48,078**
Less: cumulative write-down for obsolete and slow-moving inventories	(1,555)	(1,707)
	49,998	**46,371**

13. PREPAYMENTS

	30 June 2021 (unaudited)	31 December 2020
Non-current		
Advances paid for services	6,518	4,593
Prepayments for non-current assets	5,268	7,760
	11,786	**12,353**
Current		
Advances paid for services	9,972	13,435
Advances paid for goods	1,499	1,467
Prepayments for leases with transfer of legal title	20	982
	11,491	**15,884**
Impairment allowances	(501)	(498)
	10,990	**15,386**

As at 30 June 2021 non-current prepayments include prepayments to Boeing as pre-delivery payment for the remaining three aircraft (Note 25).

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.

14. TRADE AND OTHER RECEIVABLES

	30 June 2021 (unaudited)	31 December 2020
Non-current		
Due from employees and Ab-initio pilot trainees	3,748	3,285
Receivable from lessors	537	-
Other financial assets	47,271	47,538
	51,556	**50,823**
Less: impairment allowance	(47,271)	(47,538)
	4,285	**3,285**
Current		
Trade receivables	17,296	10,897
Due from employees and Ab-initio pilot trainees	897	1,419
	18,193	**12,316**
Less: impairment allowance	(2,024)	(2,096)
	16,169	**10,220**

The movements in impairment allowance on trade and other receivables for the periods six-months ended 30 June 2021 and 30 June 2020 were:

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
At the beginning of the period	**(49,634)**	**(49,881)**
Accrued during the period	(33)	(1,577)
Reversed during the period	149	1,123
Foreign currency difference	223	584
At the end of the period	**(49,295)**	**(49,751)**

In 2016, due to the significant credit quality deterioration of KazInvestBank JSC following the recall of its banking license, and Delta Bank JSC on 22 May 2017 further followed by the temporary suspension of its license for accepting new deposits and opening new accounts, management reclassified the deposits held with these banks in the amount USD 14,234 thousand and USD 44,785 thousand, respectively, from the bank deposit line item to non-current trade and other receivables and assessed them for impairment. Based on the assessment, management recognised an impairment allowance of approximately 90% for KazInvestBank JSC and Delta Bank JSC as at 31 December 2016.

At the end of June 2017 the temporary administration of KazInvestBank JSC transferred a portion of its assets and liabilities to SB Alfa Bank JSC (Alfa Bank) which acts as an intermediary, collecting funds from the borrowers under the transferred corporate loans and distributing the proceeds among depositors. The Group has agreed to transfer part of its deposit claims to KazInvestBank JSC into Alfa-Bank JSC.

On 24 January 2018 the court's rule on the forced liquidation of KazInvestBank JSC came into effect. The compensation of the remaining claims of KazInvestBank JSC will depend on the actions of the liquidation commission.

In July-November 2017 the Company collected USD 4,376 thousand in cash through enforcement proceedings against Delta Bank JSC. On 2 November 2017, the National Bank decided to revoke the license of Delta Bank JSC. On 13 February 2018 the court ruled on the forced liquidation of Delta Bank JSC. In December 2019 management of the Company recognised an additional impairment allowance for KazInvestBank JSC, Alfa Bank and Delta Bank JSC. As at 30 June 2021 the allowance for those banks comprises 100% of the gross balances.

Receivable from lessors represents the amount of variable lease reimbursement claimed by the Group as a result of maintenance performed that occurred prior to the reporting date.

Amounts due from trainees of the Ab-initio pilot program in respect of 50% of their initial training costs are classified as interest free loans. The remaining costs are classified by the Group as a prepayment of its expenses and are amortised over a period of seven years, during which period the Group has a right to oblige these expenses also to become payable by the pilot trainees should such pilot trainee terminate his/her employment. The alumni of the Ab-initio pilot program can either repay the remaining training cost by cash or defer for the future so that this amount becomes payable only if they leave the Group. Amounts due from those cadets who opted to defer the payments and stay with the Company were reclassified to deferred expenses and are amortized using the straight line method over the remaining amortization term.

The Group's net trade and other receivables are denominated in the following currencies:

	30 June 2021 (unaudited)	31 December 2020
Tenge	11,921	8,364
US Dollar	3,493	2,359
Euro	2,354	1,330
Russian Rouble	731	214
Other	1,955	1,238
	20,454	**13,505**

15. OTHER TAXES PREPAID

	30 June 2021 (unaudited)	31 December 2020
Value-added tax recoverable	13,398	14,896
Other taxes prepaid	196	270
	13,594	**15,166**

Value-added tax receivable is recognised within current assets as the Group annually applies for reimbursement of these amounts, which is usually successful.

16. CASH AND BANK BALANCES

	30 June 2021 (unaudited)	31 December 2020
Term deposits with local banks with original maturity less than 3 months	87,601	62,705
Current accounts with foreign banks	80,741	85,451
Current accounts with local banks	61,940	53,074
Cash on hand	131	122
Accrued interest	7	9
	230,420	**201,361**
Impairment allowance	(12)	(7)
	230,408	**201,354**

At 30 June 2021, current accounts with banks in tenge earn interest in the range of 6% to 7.5% per annum (31 December 2020: 5% to 7% per annum), in USD in the range of 0.15% to 0.2% per annum (31 December 2020: 0.15% to 0.35%). As at 30 June 2021 short-term deposits with banks earn interest of up to 0.15% per annum (2020: up to 0.27%).

Cash and bank balances are denominated in the following currencies:

	30 June 2021 (unaudited)	31 December 2020
US Dollar	200,627	177,753
Tenge	19,462	18,187
Euro	4,018	752
British Pound	2,530	284
Russian Rouble	1,203	582
Chinese Yuan	547	2,493
Uzbek Som	405	61
Indian Rupee	219	635
Other	1,397	607
	230,408	**201,354**

17. OTHER FINANCIAL ASSETS

The Company 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 Company the excess between the actual price of crude oil and the ceiling price specified in the agreements. As at 30 June 2021 the fair value of the derivative instruments resulted in a net gain of USD 4,662 thousand (2020: net loss of USD 508 thousand) (Note 7). The fair value has been determined using a valuation model with market observable parameters.

	Call option (purchase)
At 1 January 2020	**234**
Acquisition	308
Unrealized loss on financial assets and liabilities at fair value through profit or loss (Note 7)	(342)
Realized loss on financial assets and liabilities at fair value through profit or loss (Note 7)	(166)
At 30 June 2020 (unaudited)	**34**
At 1 January 2021	
Acquisition	3,650
Unrealized gain on financial assets and liabilities at fair value through profit or loss (Note 7)	3,567
Realised gain on financial assets and liabilities at fair value through profit or loss (Note 7)	1,095
Payments on exercised contracts	(689)
At 30 June 2021 (unaudited)	**7,623**

18. EQUITY

As at 30 June 2021 and 31 December 2020, share capital was comprised of 17,000 authorised, issued and fully paid ordinary shares with a par value of KZT 147,150 per share at the time of purchase.

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 Group's distributable reserves are limited to the balance of retained earnings as recorded in the Group's statutory financial statements prepared in accordance with IFRS. A distribution cannot be made when equity is negative or if distribution would result in negative equity or the Group's insolvency. As at 30 June 2021 the Group had retained earnings, including the profit for the current period, of USD 60,285 thousand (31 December 2020: USD 55,417 thousand), and total equity of USD 27,949 thousand (31 December 2020: USD 18,407 thousand).

No dividends were declared during the six months ended 30 June 2021 (No dividends were declared during the six months ended 30 June 2020).

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 period of 17,000 shares (2020: 17,000). The Group has no instruments with potential dilutive effect.

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Profit/(loss) for the period	4,868	(66,227)
Number of ordinary shares	17,000	17,000
Profit/(loss) per share – basic and diluted (USD)	**286**	**(3,896)**

19. DEFERRED REVENUE

	30 June 2021 (unaudited)	31 December 2020
Unearned transportation revenue	57,142	28,505
Customer loyalty program	8,271	9,607
	65,413	**38,112**

Unearned transportation revenue represents the value of sold but unused passenger tickets, the validity period of which has not expired excluding recognized 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.

20. PROVISION FOR AIRCRAFT MAINTENANCE

	30 June 2021 (unaudited)	31 December 2020
Engines	75,593	62,906
D-Check	9,717	6,807
Landing gear	3,725	2,301
Provision for redelivery of aircraft	3,630	3,701
C-Check	3,421	4,314
Auxiliary Power unit	3,156	3,041
	103,242	**83,070**

The movements in the provision for aircraft maintenance were as follows for the six-month period ended 30 June 2021 and the year ended 31 December 2020:

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
At 1 January	**83,070**	**91,262**
Accrued during the period (Note 6)	23,333	19,362
Reversed during the period (Note 6)	(109)	(51)
Used during the period	(3,052)	(4,368)
Recognised in property, plant and equipment	-	5,334
	103,242	**111,539**

Under the terms of certain 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 planned utilisation of these provisions is as follows:

	30 June 2021 (unaudited)	31 December 2020
Within one year	54,386	37,533
During the second year	17,470	16,428
During the third year	6,206	7,921
After the third year	25,180	21,188
Total provision for aircraft maintenance	**103,242**	**83,070**
Less: current portion	54,386	37,533
Non-current portion	**48,856**	**45,537**

Significant judgment is involved in determining the provision for aircraft maintenance. 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;
- it is assumed that aircraft will be operated within standard norms and conditions; and
- and no provisions have been made for unscheduled maintenance.

21. TRADE AND OTHER PAYABLES

	30 June 2021 (unaudited)	31 December 2020
Trade payables	29,019	21,847
Advances received	9,220	5,869
Due to employees	4,572	5,892
Deposits received	3,422	2,010
Accrued bonuses	2,078	139
Other taxes payable	1,266	1,109
Vacation pay accrual	1,395	1,079
Pension contribution	436	424
Deferred revenue refund*	-	843
Other	90	119
	51,498	**39,331**

*Giving customers flexibility to plan, re-book and travel including extending expiration of Nomad Club loyalty points through March 2021, the Company has provided more than USD 12,377 thousand of cash refunds in 2020. As at 31 December 2020 the Company also recognised trade payables related to ticket refund of USD 843 thousand which were repaid during 2021.

The Group's trade and other payables are denominated in the following currencies:

	30 June 2021 (unaudited)	31 December 2020
Tenge	28,974	21,745
US Dollar	16,906	11,240
Euro	2,494	3,111
Russian rouble	177	150
GBP	233	147
Other	2,714	2,938
	51,498	**39,331**

22. LOANS

	30 June 2021 (unaudited)	31 December 2020
Non-current		
Bank loan	52,343	53,004
	52,343	**53,004**
Current		
Current portion of bank loan	76,717	105,968
Interest payable	492	5,041
	77,209	**111,009**

On 12 August 2019 the Group opened a credit line in JSC Halyk Bank for USD 40,000 thousand for 3 years, for the purpose of working capital financing. On 20 March 2020 the Group signed an addendum to the loan agreement and increased the loan amount up to USD 65,000 thousand. On 21 April 2020 another addendum was signed between parties further increasing the loan amount to USD 115,000 thousand.

On 15 September 2020 the Group signed an addendum to the loan agreement with Halyk Bank bringing the credit line to USD 160,000 thousand (from USD 115,000 thousand) and extending its tenor to 10 September 2025, mirroring the previous tenor of the EBRD loan (until September 2025). The loan at EBRD was fully refinanced with Halyk Bank's credit facilities on 20 September 2020. The credit line allows to take borrowing both in KZT and USD. As per the loan agreement with Halyk Bank the Technical Center (Hangar) in Nur-Sultan with a carrying amount of USD 19,040 thousand was pledged in favor of Halyk Bank on 5 May 2021.

The Group's loans are denominated in the following currencies:

'000 USD	**30 June 2021**	**31 December 2020**
Tenge	83,160	115,865
US Dollar	46,392	48,148
	129,552	**164,013**

23. LEASE LIABILITIES

For the years from 2012 to 2014 the Group acquired ten aircraft under fixed interest lease agreements with transfer of title. The lease term for each aircraft is twelve years. The Group has an option to purchase each aircraft for a nominal amount at the end of the lease.

Loans provided by financial institutions to the lessors in respect of six new Airbus aircraft which were delivered during 2012 and 2013 were guaranteed by European Export Credit Agencies while three Boeing 767 aircraft which were delivered in 2013 and 2014 were guaranteed by the US Export Import Bank. The Group's obligations under leases with transfer of title are secured by the lessors' title to the leased assets. These assets have a carrying value of USD 641,220 thousand (2020: USD 633,115 thousand) (Note 9). The Group's leases 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 include covenants as regards to change of ownership of the Group. These requirements have been met during the six-month period ended 30 June 2021.

	Minimum lease payments		**Present value of minimum lease payments**	
	30 June 2021 (unaudited)	**31 December 2020**	**30 June 2021 (unaudited)**	**31 December 2020**
Not later than one year	147,679	161,337	117,341	132,340
Later than one year and not later than five years	554,770	525,764	494,751	463,503
Later than five years	99,071	114,849	94,145	108,819
	801,520	**801,950**	**706,237**	**704,662**
Less: future finance charges	(95,283)	(97,288)	-	-
Present value of minimum lease payments	**706,237**	**704,662**	**706,237**	**704,662**
Included in the financial statements as:				
- current portion of lease obligations			117,341	132,340
- non-current portion of lease obligations			588,896	572,322
			706,237	**704,662**

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

	Loans (Note 22)	Lease liabilities	Total
Balance as at 1 January 2021	**164,013**	**704,662**	**868,675**
Changes from financing cash flows			
Repayment of borrowings	(28,009)	-	(28,009)
Repayment of lease liabilities	-	(39,521)	(39,521)
Interest paid	(11,242)	(17,175)	(28,417)
Repayment of additional financing	(172)	-	(172)
Total changes from financing cash flows	**(39,423)**	**(56,696)**	**(96,119)**
The effect of changes in foreign exchange rates	(1,794)	(49)	(1,843)
Other changes			
New leases	-	44,252	44,252
Interest expense (Note 7)	6,756	18,974	25,730
Non-cash settlement due to netting with guarantee deposits	-	(5,297)	(5,297)
Effect of COVID-19 related concessions (Note 6)	-	881	881
Gain from early return of engine	-	(490)	(490)
Total other changes	**6,756**	**58,320**	**65,076**
Balance at 30 June 2021	**129,552**	**706,237**	**835,789**

	Loans (Note 22)	Lease liabilities	Total
Balance as at 1 January 2020	**16,825**	**606,502**	**623,327**
Changes from financing cash flows			
Repayment of borrowings	(59,336)	(56,695)	(116,031)
Receipts of borrowings	144,869	-	144,869
Interest paid	(350)	(14,093)	(14,443)
Additional financing on sales and leaseback transaction	1,840	-	1,840
Total changes from financing cash flows	**87,023**	**(70,788)**	**16,235**
The effect of changes in foreign exchange rates	(415)	(232)	(647)
Other changes			
New leases	-	79,604	79,604
Effect of COVID-19 related concessions (Note 6)	-	(1,353)	(1,353)
Interest expense (Note 7)	1,314	14,025	15,339
Total other changes	**1,314**	**92,276**	**93,590**
Balance at 30 June 2020	**104,747**	**627,758**	**732,505**

On 1 July 2015 the Group designated a portion of its US dollar lease obligations 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 30 June 2021, a foreign currency loss of USD 50,015 thousand (31 December 2020: USD 55,857 thousand), before income tax of USD 10,003 thousand (31 December 2020: USD 11,171 thousand) representing an effective portion of the hedge, is deferred in the hedging reserve within equity. As a result of the functional currency 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 recognized in equity shall remain in equity until the forecasted revenue cash flows are received.

During the first half of 2021 the amount reclassified from the hedging reserve to foreign exchange loss in the statement of other comprehensive income was USD 5,843 thousand (before income tax of USD 1,169 thousand) (six months ended 30 June 2020: USD 5,690 thousand (before income tax of USD 1,138 thousand).

24. 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 as discussed below.

Capital management

The Group manages its capital to ensure the Group will be able to continue as going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of net debt (comprising loans and lease obligations in Notes 22 and 23) and equity of the Group (comprising issued capital, functional currency transition reserve, reserve on hedging instruments and retained earnings as detailed in Note 18).

The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. 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 on a base of 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 30 June 2021 there was no significant concentration of credit risk in respect of trade accounts receivable (Note 14).

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, management reconsidered its cash management policy and the Group has reviewed the credit ratings of the main banks in Kazakhstan and placed its main amounts due from banks in banks with ratings of "BB" or higher, except for KazInvestBank and Delta Bank, which are disclosed in Note 14.

As at 30 June 2021, the majority of current accounts with local banks are placed with top rated local Kazakhstan banks with a credit rating of Ba1, Moody's.

Despite of the COVID-19 impact as at 30 June 2021 Management believes that there has been no significant increase in credit risk of major banks and debtors in comparison to the prior year end.

Interest rate risk

The Group is not exposed to significant interest rate risk because the Group 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 currency giving rise to this risk is primarily the Tenge. For amounts of assets and liabilities denominated in foreign currencies refer to Notes 14, 16, 21 and 22.

The Group management believes that it has taken appropriate measures to support the sustainability of the Group business under the current circumstances in respect of foreign currency risk.

Foreign currency sensitivity analysis

The Group is mainly exposed to the risk of change of exchange rates of the USD against tenge.

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 condensed consolidated interim financial information of the Group.

	Notes	30 June 2021 KZT (unaudited)	30 June 2021 EUR (unaudited)	31 December 2020 KZT	31 December 2020 EUR
Assets					
Other taxes prepaid	15	13,594	-	15,166	-
Trade and other receivables	14	11,921	2,354	8,364	1,330
Income tax prepaid		4,497	-	3,266	-
Cash and bank balances	16	19,462	4,018	18,187	752
Guarantee deposits		77	405	59	504
Total		**49,551**	**6,777**	**45,042**	**2,586**
Liabilities					
Trade and other payables	21	28,974	2,494	21,745	3,111
Loans	22	83,160	-	115,865	-
Lease liabilities		3,007	-	2,099	-
Total		**115,141**	**2,494**	**139,709**	**3,111**
Net position		**(65,590)**	**4,283**	**(94,667)**	**(525)**

As at 30 June 2021 the following table details the Group's sensitivity of weakening and strengthening of the US Dollar against the tenge by 11% and against the euro by 7%. The mentioned sensitivity rates were used when reporting foreign currency risk internally to key management personnel.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for above mentioned sensitivity ratios. The sensitivity analysis includes trade and other receivables, cash and bank balances, bank deposits, guarantee deposits, trade and other payables, financial assets and liabilities at fair value through profit or loss, loans and lease liabilities.

A negative number below indicates a decrease in profit or loss, and, positive number would be an increase on the profit or loss.

	Weakening of US Dollar		Strengthening of US Dollar	
	Tenge	Euro	Tenge	Euro
30 June 2021	**11%**	**7%**	**(11%)**	**(7%)**
Profit/(loss)	(5,772)	240	5,772	(240)

	Weakening of US Dollar		Strengthening of US Dollar	
	Tenge	Euro	Tenge	Euro
31 December 2020	**11%**	**7%**	**(11%)**	**7%**
Profit/(loss)	(8,331)	(29)	8,331	29

The Group limits the currency risk by monitoring changes in exchange rates of foreign currencies in which trade and other receivables, cash and bank balances, bank deposits, guarantee deposits, trade and other payables, financial assets and liabilities at fair value through profit or loss, 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 financial 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 Treasury Committee and the Board of Directors, which has built an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. 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.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the following:

- the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay; and
- on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

Liquidity and interest risk tables

	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
30 June 2021 (unaudited)					
Financial assets					
Non interest bearing					
Trade and other receivables	15,271	898	3,160	1,125	20,454
Guarantee deposits	221	1,150	5,982	9,162	16,515
Cash and bank balances	230,408	-	-	-	230,408
Financial assets measured at fair value					
Other financial asset	2,795	4,828	-	-	7,623
Financial liabilities					
Non interest bearing					
Trade and other payables	27,459	1,560	-	-	29,019
Fixed rate					
Loans	3,556	81,079	55,292	-	139,927
Lease liabilities	29,668	118,011	554,770	99,071	801,520

	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
31 December 2020					
Financial assets					
Non interest bearing					
Trade and other receivables	8,616	1,604	2,345	940	13,505
Guarantee deposits	1,276	4,538	6,364	14,119	26,297
Cash and bank balances	201,354	-	-	-	201,354
Financial liabilities					
Non interest bearing					
Trade and other payables	25,880	800	-	-	26,680
Fixed rate					
Loans	8,020	116,511	58,092	-	182,623
Lease liabilities	38,045	123,292	525,764	114,849	801,950

Fair values

Cash and bank balances

The carrying value of cash and bank balances approximates their fair value as they either have short-term maturity or are interest-bearing and hence are not discounted.

Financial instruments at fair value through profit or loss

The Company uses options to hedge the risk of jet fuel price movement. The Company uses standard market instruments for fuel hedging purposes, such as "call option" (where the premium is paid in advance by the Company 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 Company hedges only the amount of fuel purchased outside the Repubic of Kazakhstan signing a general agreement with several international banks on the conclusion of derivative transactions. The management of the Company 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 Company.

The fair values (FV) of financial assets and financial liabilities of the Company 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.

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 Company 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. 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. Management believes that their carrying amounts approximate their fair value.

Loans

Loans are recognised at amortised cost. Management believes that their carrying amounts approximate their fair values.

Fair values

Lease liabilities

Lease liabilities are initially recognised at the lower of the fair value of assets received under lease and the present value of minimum lease payments. Management believes that their fair values are lower than carrying amounts by approximately 1%.

Provisions

For provisions which meet the definition of financial liabilities the fair value is not materially different from the carrying amount because the effect of the time value of money is not material.

25. COMMITMENTS AND CONTINGENCIES

Capital commitments

In 2011 the Group finalised an agreement with Boeing to purchase three Boeing-787 aircraft – under lease agreements. The Group is committed to pre-delivery payments in accordance with the agreed payment schedule. Delivery of the Boeing 787 is now deferred to 2023 with the last pre-delivery payments deferred to the fourth quarter of 2022.

The terms of the Group's contract with the above suppliers precludes it from disclosing information on the purchase cost of the aircraft.

Future commitments

Aircraft

Aircraft leases are for terms of between 5 to 10 years. All lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased aircraft at the expiry of the lease period.

The fixed and variable lease payments are denominated and settled in US Dollars. This currency is routinely used in international commerce for aircraft operating leases.

Commitments for leases of aircraft to be delivered from the second half of 2020 to 2022:

	30 June 2021 (unaudited)	31 December 2020
Within one year	9,157	8,958
After one year but not more than five years	102,524	131,245
More than five years	97,804	129,689
	209,485	**269,892**

In 2017 the Group signed operating lease agreements for six Airbus A320neo family aircraft to replace some current leases on expiry and for future expansion. Three A320neo aircraft were delivered in 2020 and one A321LR was delivered in March 2021 with the remaining two A321LR aircraft to be delivered in the second half of 2021.

In 2020 the Group signed operating lease agreements for one A320CEO that was delivered in February 2021 and for three A321LR with expected delivery dates in 2022-2023 for future expansion.

Unsecured stand-by Letters of Credit as at 30 June 2021 were USD 27,468 thousand.

Insurance

Aviation insurance

The Group puts substantial attention in conducting insurance coverage for its aircraft operations and hence places aviation risks in major international insurance markets (e.g. LIoyd'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;
- Commercial general liability insurance (Public Liability);
- 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 characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions with respect to IFRS treatment of revenues, expenses and other items in the 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.

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 this condensed consolidated interim financial information, if the authorities were successful in enforcing their interpretations, could be significant.

The functional currency of the Company is the US Dollar, as it best reflects the economic substance of the underlying events and circumstances of the Company. The Tax Code of the Republic of Kazakhstan does not contain provisions which would regulate questions arising from the application of a functional currency different from tenge in the accounting books. However, the Tax Code requires all taxpayers in Kazakhstan to maintain their tax records and to settle tax liabilities in tenge. Therefore the Company 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. Management believes that such approach is the most appropriate under the current legislation.

Operating Environment

The Group’s operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. In addition, the first months of 2020 have seen significant global market turmoil triggered by the outbreak of the coronavirus. Together with other factors, this has resulted in a sharp decrease in the crude oil price and the stock market indices, as well as a continuing depreciation of the Kazakhstan Tenge. During 2021 the crude oil prices increased and the Kazakhstan tenge remained relatively stable, however, starting from July 2021 a new wave of the COVID-19 outbreak has lad to a highest number of daily new cases since the beginning of the epidemic. Due to this the Government of Kazakhstan tightened the quarantine regime in all regions. These developments are further increasing the level of uncertainty in the Kazakhstan business environment.

This consolidated interim financial information reflect 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 management’s assessment.

26. RELATED PARTY TRANSACTIONS

Control relationships

The shareholders of the Group are JSC “National Welfare Fund “Samruk-Kazyna” (which holds the investment on behalf of the Government of the Republic of Kazakhstan) and BAE Systems Kazakhstan Limited, which own 51% and 49% of the shares of the Group, respectively.

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:

	Six-month period ended 30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)
Wages and salaries	2,892	2,239
Social tax	268	103
	3,160	**2,342**

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. These 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 Group has established its buying, pricing strategy and approval process for purchases and sales of products and services. Such buying, pricing strategy and approval processes do not depend on whether the counterparties are state-controlled entities or not.

Having considered the potential for transactions to be impacted by related party relationships, the entity's pricing strategy, buying and approval processes, and what information would be necessary for an understanding of the potential effect of the relationship on the condensed consolidated interim financial information, management is of the opinion that the following transactions require disclosure as related party transactions:

	Six-month period ended 30 June 2021 (unaudited)	30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)	31 December 2020
Services received	**Transaction value**	**Outstanding balance**	**Transaction value**	**Outstanding balance**
State-owned companies	15,730	(4,506)	9,426	(3,952)
Shareholders and their subsidiaries	4,195	(501)	1,428	(26)
	19,925	**(5,007)**	**10,854**	**(3,978)**

Services from related parties are represented by airport, navigation and meteorological forecasting services.

	Six-month period ended 30 June 2021 (unaudited)	30 June 2021 (unaudited)	Six-month period ended 30 June 2020 (unaudited)	31 December 2020
Services provided by the Group	**Transaction value**	**Outstanding balance**	**Transaction value**	**Outstanding balance**
Shareholders and their subsidiaries	655	175	632	1,031
	655	**175**	**632**	**1,031**

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.

27. SUBSEQUENT EVENTS

In July 2021 the Group made a partial repayment of the Halyk Bank loan in amount of USD 10 million ahead of schedule.

28. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was approved by management of the Group and authorised for issue on 29 July 2021.