

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2019

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**1. GENERAL INFORMATION**

Republican State Enterprise on the Right of Economic Use "Kazaeronavigatsia" of the Civil Aviation Committee of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan (hereinafter referred to as the "Enterprise") was established in accordance with the Resolution of the Government of the Republic of Kazakhstan dated 23 July 2013 No. 736 *On the Reorganisation of Certain Republican State Enterprises of the Civil Aviation Committee of the Ministry of Transport and Communications of the Republic of Kazakhstan* as a merger of:

- Republican State Enterprise on the right of economic use for air traffic control, technical operation of ground support radiotechnical communication and navigational equipment "Kazaeronavigation" of the Civil Aviation Committee of the Ministry of Transport and Communications of the Republic of Kazakhstan; and
- Republican State Enterprise on the right of economic use "Center for Flight Safety" of the Civil Aviation Committee of the Ministry of Transport and Communications of the Republic of Kazakhstan.

The Enterprise was registered by the Justice Department of Astana on 18 September 2013, BIN 130940015918, the last re-registration was carried out on 11 April 2019.

The founder of the enterprise is the Government of the Republic of Kazakhstan (hereinafter, the "Founder").

The rights of the state property subject with respect to the property of the Enterprise are exercised by the State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan.

The body governing the Enterprise is the Civil Aviation Committee of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan.

The core activities of the Enterprise include air navigation services, i.e. activities that include air traffic management, provision of communication, navigation and surveillance systems, meteorological and search and rescue flight support, and provision of air navigation information.

The main purpose of the Enterprise is to ensure flight safety in the airspace of the Republic of Kazakhstan. The Enterprise implements the main purpose of its activities by providing air navigation services and making contributions for flight safety.

The activities of the Enterprise are regulated by the Convention on International Civil Aviation and the current legislation of the Republic of Kazakhstan.

In accordance with the Law of the Republic of Kazakhstan *On Natural Monopolies and Regulated Markets*, air navigation services are classified as natural monopolies in the Republic of Kazakhstan.

The cost of services is based on the established tariffs for air navigation services provided to aircraft. The activities of the Company are divided into regulated and unregulated.

The tariffs for regulated services are approved by the Civil Aviation Committee of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan as from 1 January 2017. The tariffs for unregulated services are established by the Enterprise independently taking into account recommendations of International Civil Aviation Organisation (ICAO).

The Enterprise carries out activities related to provision of medical services in the Republic of Kazakhstan on the basis of:

- Permanent state license No. 19010178 issued by Astana Healthcare Department on 3 May 2019 (date of initial issue is 2 March 2012);
- Certificate No. 1 for compliance with the requirements regulating the activities of medical institutions in civil aviation issued by the Civil Aviation Committee of the Ministry of Investment and Development of the Republic of Kazakhstan on 22 November 2017, valid until 22 November 2020.

The Enterprise provides aviation personnel training and retraining services in the Republic of Kazakhstan on the basis of the Certificate of the Aviation Training Center No. KZ55VGL00000048 issued by the Civil Aviation Committee of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan on 28 January 2019. The certificate of the aviation training center and its scope is issued for a period of not more than 2 years.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**1. GENERAL INFORMATION (continued)**

As at 31 December 2019, the organisational structure of the Enterprise includes the Central Office, which includes the Training Center and the Medical Center, as well as 15 branches registered in the regions of the Republic of Kazakhstan.

The registered address of the Company is: 15 E522 Str., Yessil district, Nur-Sultan, Republic of Kazakhstan.

The accompanying financial statements were authorised for release by the General Director and Chief Accountant of the Company on 27 March 2020.

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