



AirArabia

ANNUAL REPORT 2021

His Highness Sheikh
KHALIFA BIN ZAYED AL NAHYAN
President of the United Arab Emirates



His Highness Sheikh Dr.
SULTAN BIN MOHAMMAD AL QASIMI
Member of the Supreme Council Ruler of Sharjah



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OUR VISION

“To be one of the world’s leading budget airlines”

In terms of:

- Profit Margin
- Innovation
- Reputation
- Operational Excellence

OUR MISSION

“To revolutionise air travel in the region through an innovative business approach offering superb value for money and a safe, reliable operation”

To achieve this, we will:

- Be known for our low fares
- Grow our business profitably
- Build motivated multi-functional teams
- Demonstrate the highest operational standards
- Manage our costs ruthlessly



CHAIRMAN & GROUP CHIEF EXECUTIVE OFFICER MESSAGE

Dear Shareholders,

We said in our letter to you last year that the road to recovery will be gradual and that the aviation industry will play a leading role in economic recovery. We are glad to say that the year 2021 has seen the path towards recovery continuing, especially in the second half of the year, and that airlines contributed immensely to local economies. It is important to also highlight that even though the pandemic impact on air transport is still very much tangible, airlines have witnessed ease of restrictions and a better operating environment.

Air Arabia's operational and financial performance remained fundamentally strong, and we still managed to register another record year while continuing with our expansion plans. This achievement reflects, once again, the strength of the business model we operate, the group's management team, as well as our diversification and growth strategy.

Although the year 2021 continued to be challenging for the aviation industry worldwide, we witnessed recovery across many markets, driven by ease of travel restrictions and passenger demand. We are proud that Air Arabia managed to deliver such a performance signalling a steady recovery for our operations as well as the industry. The early measures we took to control overall cost, enhance cash position, and ensure business continuity has supported the results achieved in 2021, especially in the last quarter of the year where we saw remarkable performance supported by higher customer demand for our value driven product and stronger yield margins.

Financially, Air Arabia reported a net profit of AED 720 million for the full year ending December 31, 2021, an increase of 475 per cent compared to AED 192 million net loss registered for the full year 2020, which was heavily impacted by COVID-19 pandemic restrictions on air travel. The airline's turnover for the full reached AED 3.17 billion, which represents an increase of 71 per cent and was backed by 73% load factor and more than 6.7 million passengers who flew with the airline from its five hubs in the UAE, Morocco, and Egypt. The fourth quarter performance reported a remarkable net profit of AED 467 million, representing the fifth consecutive profitable quarter that Air Arabia managed to register since the pandemic hit the aviation industry. The strong results have encouraged the Air Arabia's Board of Directors to propose a dividend distribution of 8.5 per cent of share capital, which is equivalent to 8.5 fils per share.

In 2021 and despite the continuing impact of the pandemic, Air Arabia managed to add 44 new routes across its five hubs in the UAE, Morocco, and Egypt. Air Arabia Abu Dhabi added a total of 7 new routes from its base in Abu Dhabi International Airport while Air Arabia Maroc added 16 new routes and Air Arabia Egypt added 15 new routes. We also continued with our strategic growth plans by announcing two new joint ventures in Armenia and Pakistan. In July we announced the signing of an agreement with the Armenian National Interests Fund (ANIF) to launch Armenia's national airline "Fly Arna". This was followed by another agreement in September with Lakson Group, one of Pakistan's leading business conglomerates, to launch "Fly Jinnah" a new low-cost airline based in Pakistan.

Both new joint ventures are managed by Air Arabia Group and will follow the same low-cost business model providing the customer base with a reliable operation and value-driven product.

This robust growth plans cement our position as the leading low-cost carrier operator in the wider region and capitalizes on the Multi-AOC business model we uniquely operate. This clear strategy for growth also extends the existing business model within & beyond the MENA region into key emerging markets while leveraging on Air Arabia's low-cost business model, Group support and economies of scale.

In 2021, we also took delivery of one new Airbus A321 neo-LR aircraft and ended the year with a fleet of 58 Airbus A320 and A321. In October, Air Arabia celebrated 18 years of successful operations by launching its new uniform. Now in its 18th year of successful operations, Air Arabia is regarded as a true low-cost carrier operator that transformed the definition of low-cost travel by providing reliable, trusted and value-driven product offering.

The year 2022 continues to be a challenging one for the industry, while airlines are still managing the lasting impact of the pandemic on the industry, they are now faced with another sudden geo-political challenge in Europe that is impacting operations and driving a fluctuating oil price, which in return adds uncertainty. None-the-less, we remain confident about the fundamentals of the aviation sector and the vital role air travel will continue to play in economic recovery. At Air Arabia, we remain focused on adopting further measures to help improve the overall cost structure of the group while we continue to resume operations where possible.

Finally, we would like to close by expressing gratitude to all our employees for their continuous dedication, especially to our operations crew who continued to be at the frontlines during this time, and to the millions of customers who chose to fly Air Arabia: and as always to shareholders for your continued support.

Abdullah Bin Mohammed Al Thani
Chairman

Adel Abdullah Al Ali
Board Member and Group CEO

THE YEAR 2021 IN REVIEW

Q1

- COVID-19 pandemic impact on the global aviation industry continues
- Air Arabia Group management continues to take decisions to cut costs and enhance liquidity
- Air Arabia resumes operations to various destination from its hubs in the UAE, Morocco, and Egypt.
- Air Arabia reported fourth quarter 2020 net profit of AED 20 million
- Air Arabia supports its ground services technology by signing a new agreement with Amadeus

Q2

- Air Arabia receives a brand-new Airbus A321-200neo LR aircraft
- Air Arabia continues resumption of flights and launches a set of new routes from all its hubs
- Air Arabia's Air Rewards and Etihad Guest partnered to offer exclusive benefits
- Air Arabia reports AED 34 million net profit in first quarter 2021

Q3

- Air Arabia Group and Armenia National Interests Fund (ANIF) signs an agreement to launch "Fly Arna", Armenia's national airline
- Lakson Group and Air Arabia Group sign an agreement to launch "Fly Jinnah", Pakistan's new low-cost airline
- Air Arabia reports a net profit of AED 44 million for second quarter 2021
- Air Arabia continues resumption of flights to various destinations

Q4

- Air Arabia Group celebrates 18th anniversary with the launch of a new uniform
- Air Arabia showcased a special livery commemorating the UAE's 50th anniversary at the Dubai Air Show
- Air Arabia Abu Dhabi launched new routes to four cities in India
- Air Arabia Maroc launches new route to two airports in Istanbul
- Air Arabia reports net profit of AED 209 million in third quarter 2021



ROBUST GROWTH STRATEGY

July 2021 witnessed the signing of an agreement between the Armenian National Interests Fund (ANIF) and Air Arabia Group to launch Armenia's new national airline. "Fly Arna", which stands for 'Armenian National Airlines', will contribute to the nation's tourism, hospitality and business sectors. The carrier will take Yerevan's Zvartnots International Airport as its base and will adopt the low-cost business model operated by Air Arabia.

September 2021 also witnessed Air Arabia Group and Lakson Group, one of Pakistan's leading business conglomerates, joining hands to launch 'Fly Jinnah', Pakistan's new low-cost passenger airline serving domestic and international routes from Pakistan. "Fly Jinnah" will initially be based in Karachi serving a range of domestic routes across Pakistan and then will expand its route network internationally. The new carrier will follow the low-cost business model and provide its customer base with a reliable operation and value-driven product.

Both ventures reflect Air Arabia's robust growth strategy and how the group has become a multi-

brand low-cost airline operator, leveraging the successful and value drive business model that the carrier managed to develop over the past 18 years. This strategy also extends the existing business model within & beyond the MENA region into key emerging markets.

Last year also saw the launch of Air Arabia Abu Dhabi, which is Air Arabia's third hub in the UAE and fifth globally, the only airline to launch operations during the pandemic in July 2020. The carrier has since then grown its fleet to four Airbus A320 aircraft serving fifteen routes from Abu Dhabi International Airport. Air Arabia Abu Dhabi was formed following an agreement by Etihad Airways and Air Arabia Group to establish an independent joint venture company that will operate as a low-cost passenger airline with Abu Dhabi International Airport as its hub. The capital's first low-cost carrier follows the business model of Air Arabia and complements the services of Etihad Airways from Abu Dhabi thereby catering to the growing low-cost travel market segment in the region.



CORPORATE SOCIAL RESPONSIBILITY

Air Arabia's award winning corporate social responsibility program "Charity Cloud" provides sustainable education and healthcare initiatives in underprivileged communities across the world.

Charity Cloud built and operates over 15 schools and clinics in 12 countries and treats over 30,000 patient yearly and provides education for over 10,000 student every year.

Charity Cloud Schools	Charity Cloud Clinic
Sri Lanka	Sudan
India	Yemen
Nepal	Egypt
Turkey	Sri Lanka
Kenya	Bangladesh
Egypt	
Morocco	



FLEET MANAGEMENT

Air Arabia operates one of the youngest fleets in the world comprised entirely of Airbus A320 & A321 aircraft. The carrier has received 1 new A321 neo-LR aircraft in 2021, and thus has a total of 58 aircraft in its fleet.

Even though the pandemic has forced many airlines around the world to differ their existing aircraft orders, Air Arabia has not made such

a decision for its future order signed in 2019 with Airbus to acquire 120 aircraft. Delivery is scheduled to commence in 2024 and will help Air Arabia replace many of its existing aircraft, that by then will be retired from operations, in addition to supporting its overall fleet strength and global network expansion strategy.



AIR ARABIA GROUP

Air Arabia (PJSC), listed on the Dubai Financial Market and traded under ticker symbol: (DFM:AIRARABIA) is a holding company with assets worth over AED 13 billion. Established with a modest capital back in October 2003 as the regions first low-cost carrier, Air Arabia today consists of a group of airlines and

companies offering travel and tourism services across the globe.

Air Arabia Group operates a multi-AOC business model with strategic hubs located across several airports in the Middle East, North Africa, and Asia.



ENVIRONMENTAL,
SOCIAL & GOVERNANCE
(ESG) REPORT



1. Foundation

1.1. Introduction

Environmental, social and governance (ESG) matters are fundamental part of human life. They have also become a more conscious and explicit part of business life. This report provides an initial snapshot of where Air Arabia stands on ESG performance.

Air Arabia is the first publicly listed airline in the Middle East and North Africa region providing the carrier an independent path to growth and profitability; as part of its Investor Relations, Air Arabia is keen to provide insights about the performance not only through annual reports but through the ESG reports that will help investors form their investment decisions and helps Air Arabia gain exposure to a wider range of regional and international investors.

The ESG reports identify strengths and opportunities for improvement at Air Arabia. What is most important is that they will assist the Board and Management in establishing rational priorities going forward and provide benchmarks for measuring improvement.

1.2. Message from Air Arabia Group

Air Arabia (PJSC), listed on the Dubai Financial Market, is the Middle East and North Africa's leading low-cost carrier (LCC) operator. Air Arabia commenced operations in October 2003 and currently operates a total fleet of 58 new Airbus A320 and A321 aircraft, serving some 170 routes from five hubs in the UAE (Abu Dhabi, Sharjah, RAK), Morocco and Egypt. Air Arabia is an award-winning airline that focuses on offering comfort, reliability, and value-for-money air travel. Air Arabia today consists of a group of airlines and companies offering travel and tourism services across the globe.

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- Profit Margin
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- Reputation
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OUR MISSION: "To revolutionize air travel in the region through an innovative business approach offering superb value for money and a safe, reliable operation" to achieve this,

- We will be known for our low fares
- Grow our business profitably
- Build motivated multi-functional teams
- Demonstrate the highest operational standards
- Manage our costs ruthlessly

Air Arabia is not only committed to providing affordable air travel but is also dedicated to uplifting the lives of those who are less fortunate. Taking responsibility and lead on social needs of local and international communities has been part of our success.

To that end the carrier has implemented an award winning corporate social responsibility (CSR) program for sustainable development with an emphasis on providing better education and healthcare for underprivileged communities.

1.3. Our Approach to ESG

Air Arabia is developing a holistic approach to sustainability across the five hubs which lead to underline why understanding, anticipating, and effectively managing environmental, social and governance (ESG) matters is critical to delivering on our mission to serve our clients, customers, and communities.

Air Arabia strive to provide clear, transparent information about how we manage and address the range of ESG issues we encounter in our business.

Since ESG issues touch nearly every aspect of our business, day-to-day management of the individual elements is distributed throughout our operations and functions. As part of our effort to take a more integrated approach to ESG management, we have recently taken steps to enhance our leadership and coordination of ESG efforts and reconsider the way these issues are overseen by our Board of Directors. We provide a wide range of updates to our shareholders at AGM to reconsider the way these issues are overseen as well as providing timely disclosures to relevant investors and lenders, promptly makes its financials available to all stakeholders, and is expanding its ESG reporting

Air Arabia is maintaining strong engineering team looking after MRO needs of the aircrafts, which has become a key part of the airline's remarkable success story. This facility and its staff, equipment, stores, materials, and workshops are all 100% dedicated to the Airbus A320 family. Air Arabia integrate sustainable solutions to reduce the

carbon footprint with four focus areas: reducing energy usage in facilities (offices); reducing business travel impact, managing e-waste, water conservation, pollution certificate etc.

Air Arabia's approach is in full compliance with the SCA and DFM requirements of issuing reports in accordance with the GRI Standards and in alignment with DFM ESG disclosure guidance. ESG matters are important consideration in how we do business, including our corporate governance systems that runs at every level in the organization, risk management and methodology to serve customers and support for local communities. Our main driver is the sustainability and efficiency embedded in the culture and management of the airline. Equally important, we believe that the core items that are critical of our ESG approach are practiced across the organization through efficient operations and environment friendly practices. For Air Arabia, this means we are leveraging our business and policy expertise, and presence to help drive an inclusive recovery, expand, and accelerate sustainability.

2. Environmental

Air Arabia is proactive on multiple fronts to minimize our facilities' environmental footprint and reduce natural resource consumption. This includes meeting and exceeding the requirements of air quality, water and waste standards, recycling and managing our energy usage.

Air Arabia use technological advancements to improve operations, products, services, and

solutions for the benefit of the society. For many years we have been working on reducing the emissions by using less fuel as a response to the energy conservation act. Air Arabia is taking steps to mitigate the emission of fuel, including progressively transitioning its fleet with an average age of 4 to 5 years to the newest and most fuel-efficient aircraft on the market today and disposing of older, less fuel-efficient aircraft.

Air Arabia recognizes the considerable impact of its air transportation business on the environment and is working to reduce that environmental impact and protect the environment through a range of measures in all aspects of its business activities. Air Arabia collaborates with different organizations to advance sustainable development as well as raising awareness about sustainability among employees by engaging in activities that has positive socio-economic impacts and promotes the vision of the company.

Air Arabia is effectively using limited resources through promoting the 3Rs (Reduce, Reuse, Recycle) on board by providing inflight bag across the entire fleet and applying the same in the offices. We continue to conduct activities such as reducing printed manuals, recycling beverage cans from aircraft cabins and offices. We strive to minimize our direct impacts on the environment while concurrently enhancing our services and solutions to help customers to improve their environmental and carbon performance toward meeting their sustainability objectives.



2.1. Emissions and Climate Change

While the aviation industry is not the highest contributor to global emissions, it does make a significant contribution to the global response to climate change as well as emissions from flights that stay in the atmosphere and warm it for several centuries. Because aircraft emissions are released high in the atmosphere, they have a potent climate impact, triggering chemical reactions and atmospheric effects that heat the planet.

Climate change is a pressing global challenge, Air Arabia recognizes that responding to climate change is a particularly important issue for the sustainability of society. That is why we have incorporated climate change goals in our operations by adopting a policy of adding only brand-new aircraft that includes both Airbus 320 and Airbus 321 neo LR to our fleet with four years average

fleet age to avoid unwanted emissions. While ambition is important, we know that what matters most is that we have a clear roadmap - with both a long-term vision and intermediate milestones - for how we will achieve it.

Efficiencies gained through operational improvements can make a big difference. At every step of a plane's operations there are opportunities to reduce fuel burn and consequently, emissions.

Adopting a fleet strategy that consists of new aircraft is considered a key component of emission reduction, if not the most important element. Newer fleets are more fuel efficient and new aircraft also reduce maintenance costs which eventually contributes to less emissions and higher efficiency. We also save fuel through more efficient procedures and weight reduction measures. These can range from ensuring the plane's engines are clean to developing and using new arrivals procedures. For example, we taxi to the runway using just one engine instead of two.

Airports, airlines and air navigation service providers are also working together on so-called 'green departures' where aircraft can take off and climb at a steady rate to reach the most efficient phase of flight - the cruise - faster.

Despite their size, aircraft still burn less fuel when they have less weight on board, so airlines are finding ways to reduce the weight of a vast array

of items carried - everything from food service trolleys to seats and carpets, to loading just the right amount of water for each flight, rather than filling the tanks each time. This results in significant savings, and we are considered one of the leading airlines worldwide adopting such measures.

Carefully tailored techniques, which take advantage of sophisticated navigation technologies, are also being developed to determine the most appropriate flightpaths into airports, specifically those with difficult runway approaches - either in mountainous areas or to avoid flying over communities. These approach techniques can save millions of fuel tonnes and CO2, as well as reducing the impact of aircraft noise around airports.

2.2. Waste Management and Recycling

Solid waste management and disposal is one of the most significant issues in the environmental management of the airline industry. The economically sound and environmentally acceptable disposal of municipal solid waste is a major concern in many industrialized countries.

In 2015 Air Arabia has signed an MOU with Bee'ah - the leading environmental management company in Sharjah. The MoU will have Air Arabia and Bee'ah collaborate and share knowledge and expertise in several key areas relating to both commercial activities and corporate social responsibility (CSR) projects.

As part of its dedication to the environment, Air Arabia works with Bee'ah to enhance its green credentials, augmenting its programme of recycling and waste disposal. It is anticipated that the MoU will encourage sustainable environmental practices to help engender a more prosperous and greener Sharjah.

Bee'ah supplied the recyclables collection containers such as Desk-side blue recycling bins to be placed at Air Arabia Head offices to develop and promote green offices and to encourage people to become more environmentally friendly and to promote recycling: paper, newspapers, cardboard, bottles, cans, plastic, and all other garbage. Additionally, all industrial waste generated by Air Arabia's maintenance hangar is collected and recycled in Bee'ah's world class waste management facility.

As part of the MOU, Bee'ah has endorsed a Recycle awareness campaign to promote the Reduce, Reuse and Recycle making sure to receive all recyclables and handle materials according to the environmental regulation and standards.

Moreover, installing the reverse vending machine (RVM) in Air Arabia's head office; which is a device that takes empty and used bottles or cans, then returns money or other forms of incentivization to the recycler, depending on the quantity of receptacles recycled.

2.3. Indoor Quality

It is a real challenge to provide a quality indoor environment at a reasonable energy cost. Current efforts to improve building energy efficiency, including goals of sustainability and net-zero energy use, are bringing more focus on how to simultaneously achieve energy efficiency and good indoor air quality (IAQ). While energy efficiency and IAQ are sometimes viewed as incompatible, there are many strategies than support both ends.

Air Arabia focuses on the quality of indoor air as it is initial to health and wellbeing through incorporating the environmental guidelines and operating platforms in the design of the aircraft in the early stages. Our fleet is equipped with high-protection HEPA filters that efficiently remove 99.99% of viruses and bacteria in the air. Air Arabia combines all new developments with standards and energy efficiencies that meet best in class practices and consider filtration, relative humidity, fresh air, and temperature control to ensure consistently high levels of air quality.

3. Social

3.1. Ethics and Human Rights

Ethics and integrity are considerable components of entrepreneurial practice at Air Arabia. It is a matter of fact for the Group to adhere to current laws and voluntary commitments, and to consciously respect ethical principles. An important consideration is that business conduct characterized by integrity is a key prerequisite for the Company's long-term success.

Air Arabia has focused on many corporate social responsibility projects and initiatives around the world as part of its dedication towards the community and the environment. The main

objective of these projects and initiatives is to improve the quality of life for children, provide healthcare for elderly and raise funds to support communities.

"Charity Cloud" was implemented in 2007, as part of Air Arabia's CSR program, in collaboration with the Sharjah Charity International, to support economic development of underprivileged

communities around the world. "Charity Cloud" is built on donations from passengers on-board and employees. The money raised from this charity is re-invested in educational and medical care establishments in different countries around the globe. Air Arabia also has a sport sponsoring program and a partnership with "Sharjah Humanitarian City" to help underprivileged communities.

Additionally, Air Arabia partnered with the Sharjah Humanitarian City (SHC) to help people of determination who are flying with the airline and to assist them at airports.

3.2. Team Building

Air Arabia depends on the dedication of our talented team members, who are committed to provide best-in-class service and reliability for our customers. Our culture is defined by our core values, which impact how we interact with each other, our users, our communities, and other stakeholders every day.

For an organization that is home to 90 different nationalities working together, Air Arabia is keen to provide a workplace that is inspiring, motivating, and above all, respectful. Across all our buildings, we incorporate high ceilings, natural light, and good ventilation to support the comfort and health of our users and employees.

Another aspect of team building is the continuous learning and motivation of the employees by understanding what motivates employees, identifying opportunities to improve processes and systems. Continual education and training are seen as a large part of Air Arabia's employees' development and growth through our dedicated Learning and Development (L&D) department as well as our training schools. We offer a variety of opportunities for team members to continue to develop their skills and remain up to date with industry trends.

3.3. Community Engagement

At Air Arabia, our purpose is to advocate people on life's journey – a mission that revolutionize air travel in the region through an innovative business approach offering superb value for money and a safe, reliable operation

Community engagement is important and can lead to great outcomes, Air Arabia believes in responsibility towards team members and users, who, in turn, share their aspirations, concerns and values.

We achieve community engagement through various initiatives across multiple countries. Such initiatives are driven by staff and include employees from different departments and positions within the organization. An example to such community initiatives is when Air Arabia collaborated with Sharjah Social Empowerment; a foundation that helps renovate the homes of those who are in need. A team of 14 Air Arabia employees helped renovate the house of a widow and her 3 children in Sharjah. The employees joined hands with social workers and on-site professionals to take the project forward and complete the task. Another initiative involved a trip to Bangalore in India and included employees who visit 2 orphanages and a home for the elderly. Air Arabia staff visited the sites during which clothes, dates and basic necessities, from food to soap, were distributed. Another initiative took place in Egypt where to young Egyptian children, Mahmoud and Jana, who are patients at the 57357 Children's Cancer Hospital in Egypt, have realized their dreams of taking to the skies, thanks to an initiative by Air Arabia staff. Air Arabia staff are involved in tens of initiatives every year and so far, covered over 15 countries since the start.

4. Governance

Air Arabia has been one of the leading companies in applying the principles of corporate governance among the public companies. Air Arabia strongly believes in the importance of the practical application of governance practices and the strong adherence to the related laws & regulations and the operations within the general framework of the principles of corporate governance which preserves the rights and interests of the company, its investors, its management, and the investment environment surrounding it.

Therefore, Air Arabia, and all its subsidiaries and group companies are committed to all laws and regulations imposed upon them as a global aviation and as a public joint stock company. This covers the Commercial Companies Law number 2 of 2015 and law number 26 of 2020 pertaining to commercial companies. The company is also committed to the strict application of Ministerial Decree No. (518) for the year 2009 followed by the resolution number 7 for the year 2016, and resolution number 3 of 2020 issued by the Minister of Economy and Chairman of the Securities and Commodities Authority regarding corporate governance and corporate discipline, and any decisions that may be issued or amended in future. This cultivates confidence of those major investment bodies around the globe to occupy a position within the owners of Air Arabia.

4.1. Board of Directors

Air Arabia board of directors consists of 7 board members. The current board was appointed by the AGM of 2020 for three years:

1. **Sheikh Abdullah Bin Mohammed Al Thani** - Chairman of the Board
2. **Adel Abdullah Al Ali** - Executive member
3. **Sheikh Mohammed Bin Abdullah Al Thani** - Independent member
4. **Sheikh Khalid Bin Issam Al Qassimi** - Independent member
5. **Waleed Ibrahim Al Sayegh** - Independent member
6. **Matar Al Blooshi** - Independent member
7. **Samer Katerji** - Independent member

4.2. Board Code of Ethics

Air Arabia is fully committed to the highest standards of ethical conduct in running its business and in the personal behavior of its employees, members of the Senior Management Group and members of the board of directors and has issued this Code to provide guidance for you, as an employee to uphold these standards.

This Code covers all individuals working for Air Arabia at all levels and grades including directors, senior managers, members of the

Senior Management Group, employees (including permanent, temporary, and part-time employees), trainees, home workers, agency staff and contractors (collectively referred to as employees in this Code).

Air Arabia's code of ethics includes the following:

- a) Conflicts of interest
- b) Protection of confidential information and other assets
- c) Disclosure and compliance with Listing Rules
- d) Compliance with laws, rules, and regulatory regimes
- e) Reporting
- f) Money laundering and terrorist financing
- g) Competition and fair dealing
- h) Interaction with media shareholders
- i) Personal Conduct

4.3. Corporate Governance Policies

Air Arabia is dedicated to keeping its shareholders fully informed of developments and important information affecting the Company. Air Arabia endeavors to ensure that all shareholders have access to information about the Company's business and that they have the opportunity to meet and hold positive discussions with the board of directors during the Company's General Assembly.

At present, Air Arabia uses the following channels to provide its shareholders with information about the Company:

1. In the agenda, explanatory notes and the directors and auditors' financial statements reports accompanying the notice of the Company's Annual General Assembly.
2. At the Annual General Assembly where the shareholders can direct questions to the Chief Executive Officer, to the Chairman of the board of directors and to the external auditors about anything concerning the Company's business.
3. In disclosures made to the Dubai Financial Market and the Emirates Securities and Commodities Authority.

4. At the "Investor Relations" section on Air Arabia's website –www.airarabia.com which contains the following information:

- Quarterly financial statements
- Studies and reviews on Air Arabia
- Updated information about the board of directors
- Press releases
- The governance report and information about corporate governance in general
- Information regarding the last Annual General Assembly.
- In at least 3 to 4 road shows and conferences locally and internationally to advise the public on its latest updates
- In the Annual report in both hard copy and soft copy which is available online for the public
- At the end of every quarter via a conference call with Air Arabia investors which is attended by the Chief Executive Officer and Director of Finance.

CORPORATE
GOVERNANCE
REPORT 2021





1. Practices of corporate governance

1. Practices of corporate governance

Air Arabia has been one of the leading companies in applying the principles of corporate governance among the public companies. Air Arabia strongly believes in the importance of the practical application of governance practices and the strong adherence to the related laws & regulations and the operations within the general framework of the principles of corporate governance which preserves the rights and interests of the company, its investors, its management and the investment environment surrounding it.

Therefore, Air Arabia, and all its subsidiaries and group companies are committed to all laws and regulations imposed upon them as a global aviation and as a public joint stock company. This covers the Commercial Companies Law number 2 of 2015 and law number 26 of 2020 pertaining to commercial companies. The company is also committed to the strict application of Ministerial Decree No. (518) for the year 2009 followed by the resolution number 7 for the year 2016, and resolution number 3 of 2020 issued by the Minister of Economy and Chairman of the Securities and Commodities Authority regarding corporate governance and corporate discipline, and any decisions that may be issued or amended in future. This cultivates confidence of those major investment bodies around the globe to occupy a position within the owners of Air Arabia.

To reflect the above, Air Arabia had issued the corporate governance manual, which besides many other details, covers the following:

1. Shareholder Communication Statement
2. Code of Ethic and Conduct
3. Share Dealing Policy
4. Whistle Blowing Policy
5. Corporate Social & Environmental Responsibility
6. Dividends Policy

The full manual is posted on the company's intranet and is available for all employees to refer to at any point of time..

2. Board members trades in Air Arabia shares:

The Board of Directors of Air Arabia and senior management are well briefed, informed and aware of the importance of the rules and procedures that govern the dealings of board members and senior managers of the company who, by virtue of their

responsibilities, possess information that is not yet available to the public. In order to raise the level of transparency and disclosure and to allow equal opportunity to all shareholders when dealings in the company's shares, equal even to insiders from within the company, the company issued a statement internally which is included within the corporate governance manual, which sets the conditions and restrictions of insider trading, and the importance to disclose any inside trading in this report.

The company aspires through these actions being taken to protect the rights of all parties concerned, as well as maintaining the company's reputation and enhancing the confidence of shareholders and investors of the company.

There were no trades made by board members in 2021.

3. Board of Directors:

a. Composition of the board:

Air Arabia board of directors consists of 7 board members. The current board was appointed by the AGM of 2020 for three years:

1. Sheikh Abdullah Bin Mohammed Al Thani
Chairman of the Board

2. Adel Abdullah Ali
Executive member

3. Sheikh Mohammed Bin Abdullah Al Thani
Independent member

4. Sheikh Khalid Bin Issam Al Qassimi
Independent member

5. Waleed Ibrahim Al Sayegh
Independent member

6. Matar Al Blooshi
Independent member

7. Samer Katerji
Independent member

Summary biographies of the members:



Sheikh Abdullah Bin Mohammad Al Thani

Air Arabia Chairman since 2003

His Excellency Sheikh Abdullah Bin Mohammed Al Thani holds several prominent positions in UAE. He served as member of the Executive Council of Sharjah and as Chairman of Sharjah Civil Aviation Department. He has a well-known track record in contributions towards developing air transport sector in UAE, as well as significant contributions and support to Economic & Tourism development in Sharjah.



H.E. Waleed Ibrahim Al Sayegh

Air Arabia Board Member since 2017. Director General Sharjah Central Finance Department

With an extensive experience in the fields of Investments and Finance, H.E. Mr. Waleed Al Sayegh is the Director General of Sharjah's Central Finance Department, and a member of UAE's Federal Finance policies committee.

He is also the Chief Executive Officer of Sharjah Asset Management, Sharjah's sovereign investments vehicle, Chairman of Sharjah Holding, and Board member of Tilal Real-estate.

Mr. Al Sayegh's expertise extends in areas of governmental accounting, budgets, management and administration, strategic management, and crisis management. Within the span of 25 years, HE has worked for several private and public entities in the United Arab Emirates.



Adel Abdullah Ali

Board Member and Group Chief Executive Officer, Air Arabia

Adel Al Ali is well known for being at the forefront of the development of modern aviation. His innovative achievements and contribution to air transport and tourism sector in the wider Arab world are globally recognised. He managed to transform Arab aviation in October 2003 when he set up Air Arabia, the Middle East and North Africa's first low-cost carrier (LCC), opening up a market niche in the region whose existence few had suspected.

The pioneering aviator drove Air Arabia's growth in the next decade into the largest low cost carrier in the MENA region, as well as the first publicly owned airline in the Arab World and it's largest by market value. Drawing on his multiple years of experience with industry leaders such as Gulf Air and British Airways, Adel has also been able to guide Air Arabia to become amongst the world's best run Low Cost Carriers, delivering a profit for every year in succession.

Under the leadership of Adel, Air Arabia's business model has gone from strength-to-strength, enabling it to expand operations, enter new ventures and diversify into new revenue streams. Today, the Group holds a portfolio of successful businesses and projects, offering travel, tourism and hospitality services across the globe.

In addition to being the Group Chief Executive Officer of Air Arabia, Adel is also the chairman of Sharjah Information Systems Associates, Alpha Aviation Academy and Cozmo Travel and he is a board member of Sharjah Aviation Services.

Adel has been awarded 'Airline CEO of the year' by various industry forums. He recently received the prestigious 2020 Laureate Award for extraordinary achievement in airline strategy. Earlier he won the "Airline Business Award" at the esteemed Airline Strategy Awards and he was also named 'World's best Low Cost Carrier CEO' during the World LCC Congress. Adel has also entered the "Hall of Fame Award" in honoring his contribution to the Middle East Aviation.



Matar Al Blooshi

Air Arabia Board Member since 2019

Mr. Matar Al Blooshi, a national of the United Arab Emirates, with over 22 years' experience in financial and fund management industry. He started his career in January 1992 with the Central Bank of the United Arab Emirates as a Dealer in the treasury department. In July 1995 he joined Abu Dhabi Investment Company as a Portfolio Manager, in June 1998 he joined First Gulf Bank as Head of Treasury & Investment Division and then he moved to National Bank of Abu Dhabi in March 2001 as a Head of Foreign Exchange and Commodities Department. In February 2005 Mr. Al Blooshi became the Head of Domestic Capital Market Group and the General Manager of Abu Dhabi Financial Services (Subsidiary of National Bank of Abu Dhabi) and he was given the title of Senior Manager / Asset Management Group in October 2006.

Currently Mr. Al Blooshi is the Chief Investment Officer at Das Holding LLC, a Member of the Board of Directors of First Energy Bank in Bahrain, Al Salam Bank Bahrain, Etisalat Misr and Chairman of Maalem Holdings in Bahrain.

Mr. Al Blooshi is a hard-working group leader, with excellent interpersonal analytical and problem solving skills and building numerous contacts within the investment arena.

Mr. Al Blooshi holds a B.A in Banking & Financial Management from University of Arkansas, USA (1991).



Sheikh Mohammed Bin Abdullah Al Thani

Air Arabia Board Member since March 2011, Former Chairman – Department of Statistics.

H.E. Sheikh Mohammed Al Thani is one of the young leaders in Sharjah, and a businessman, with positive footprints in many business fields especially travel and tourism. H.E. assumed the role Director of His Highness Sharjah Ruler's Office in the American University of Sharjah. Late 2011, he was appointed Director General of Sharjah Statistics Center, and then Chairman of that department till 2019.

Besides that, he also serves as Chairman of Gamma Aviation, AM Holding Company, Al Nawras Catering Company, Santos International Company, Ascent Advertising Company and Universal Tourism Company; he is also the Deputy Chairman Sharjah Golf & Shooting Club.



Samer Katerji

Air Arabia Board Member since 2020

Samer A. Katerji – Founding Partner & Managing Director of Trussbridge

Mr. Katerji is an experienced Investment Professional with a demonstrated history of working in the financial services and investments industry for almost 25 years. Throughout his career, Mr. Katerji has led the formulation and structuring of complex corporate finance transactions across a multitude of industries and regional markets. He is skilled in Mergers & Acquisitions (M&A), Strategic Financial Advisory, Capital Optimization and Restructuring as well as structuring of Capital Markets financing instruments, both in equity and debt products. Mr. Katerji also has experience in the transportation and logistics sector and was previously involved in the IPO of Air Arabia PJSC, IPO of Royal Jordanian, IPO of Aramex, and the IPO of DP World.

Mr. Katerji is currently the CEO & Managing Director for Trussbridge, an investment advisory firm located in the DIFC, & regulated by the DFSA. Within this role Mr. Katerji has led and developed a strong execution team to conclude some very high profile transactions in the region, whilst also winning some prestigious awards, within the financial services industry. Prior to this role, Mr. Katerji led the Financial Institutions and Financial Sponsors advisory practice for Citigroup Global Markets in the Middle East and played a key role in the development of the franchise in the region. Mr. Katerji also held key positions at SHUAA Capital in Dubai, PrimeCorp Finance and Middle East Capital Group, in Beirut. Mr. Katerji holds a Masters Degree in Business Administration, Bachelor Degree in Business Administration and Bachelor Degree in Science – Biology from the American University of Beirut. Mr. Katerji is a member of GCC Board of Directors Institute and Arab Bankers Association of North America (ABANA).



Sheikh Mohammed Bin Abdullah Al Thani

Air Arabia Board Member since 2014, Chairman Department of Civil Aviation of Sharjah.

H.E. Sheikh Khalid Bin Isam Al Qassimi is the Chairman of the Department of Civil Aviation in Sharjah, he also is a member of the Executive Council of Sharjah Government, which is Chaired by H.H. Crown Prince of Sharjah.

Through his career, Sheikh Khalid has served in various posts in both Sharjah Airport Authority, and Department of Civil Aviation. In 2012 he was appointed as Director General of Sharjah Civil aviation, and in early 2014 Shk Khalid was nominated as Chairman of Sharjah Civil Aviation.

Besides the above stated responsibilities, Mr. Al Qassimi is a board member of the General Civil Aviation Authority, part of the Federal Government of the United Arab Emirates.

Sheikh Khalid holds a bachelor's degree in commerce, and a master's degree in international business.

Membership in other Public Companies in UAE:

1. Shk Abdullah Bin Mohammed Al Thani: Besides chairing Air Arabia board of directors, H.E. is the Deputy Chairman of Al Buhairah Insurance Company.

2. Mr. Waleed Al Sayegh is board member of Invest Bank

3. Mr. Matar Al Blooshi is a board member of Al Salam Bank (Bahrain)

b. Female representation in the board:

The current board was elected during 2020's AGM. Even though none of the board members are females, females are present in the senior management team.

c. Reasons for not having females on board:

Air Arabia takes all kind of inclusion and equal opportunity very seriously and refutes any kind of possible discrimination. Everyone is given a fair chance, and admission is purely on merit.

Air Arabia opened the nominations to the board membership last in 2020, and all nominees were males.

d. Board Remuneration:

- 2020: No Remuneration was distributed.
- 2020: No Attendance Allowance was given.
- 2021: A board remuneration of AED 8.25M is recommended to the AGM.
- 2021: No other payments, allowances, payments made to board members.

e. Board meetings and attendees:

A table detailing the dates and attendees of the board meetings is presented under appendix 1.

f. Resolutions passed by circulation:

None.

g. Boards Duties & Responsibilities delegated to the management:

Referring to the duties and responsibilities of the board of directors, the Board oversees the company strategically, reviews the strategies and implementation with the executive management, while the Executive management is authorized to run the day-to-day activities of the company, and report to the board the expansion plans, challenges and future objectives.

The board did not delegate a specific task to the management; however, the executive management is given the freedom and responsibility to run the day to day operations and revert to the board for major decision or investments.

h. Transactions with related parties:

No transactions with related parties, other than those disclosed in the audited financial statements.

i. Senior Staff Pay details:

Group CEO: AED 5.4M during 2021 plus accommodation and transportation.

Senior Management team: which is formed of 6 members, and their total remuneration is AED 7.9M which includes, Salaries, Allowances, and children's education.

The corporate structure is presented in appendix 4.

4.External Accounts Auditor: Grant Thornton (GT)

Grant Thornton has been appointed as the Auditors of the Company for the year 2021. It is one of the leading and independent international organizations providing audit, tax and consulting services. Grant Thornton International has been providing professional services for more than a hundred years in more than 130 countries and operating more than 700 offices worldwide. Grant Thornton International has more than 50,000 employees working at the member firms around the world.

Grant Thornton UAE is a member firm of Grant Thornton International Limited, which was established in 1966. Grant Thornton has been able to gain good reputation in providing excellent services to companies locally, regionally and globally. Grant Thornton UAE has more than 250 employees including 20 partners.

Grant Thornton UAE provides services including auditing, tax, consulting, internal audit, fact finding and IT consulting services through its offices in UAE.

b) Statement of fees and costs for the audit or services provided by the external auditor is shown in the following table:

Name of the audit firm and the audit partner	Grant Thornton Auditing and Accounting Dr. Osama El-Bakry (since 2019)
Number of years spent as an external auditor in the Company	Since 2019
Total audit fees for the year 2019	AED 465,000
Fees and costs of other private services other than audit of the financial statements for the year 2021 (AED), if any, and in the absence of any other fees, to be stated clearly	n/a
Details and nature of the other services provided (if any) and in the absence of other services, to be stated clearly	PKF was requested to assess the Goodwill value

5. Audit Committee:

This committee was formed in accordance with the rules and regulations governing corporate governance. The board has also assigned the responsibility of Risk Management to the audit committee.

The committee is formed of three members:

Mr. Waleed Al Sayegh
Chairman

Mr. Matar Al Blooshi
Member

Mr. Samer Katerji
Member

The committee submits its reports and recommendations to the Board of Directors.

The general duties of the committee are as follows:

- Adopt a policy for appointing an contracting with the external auditor.
- Reviewing and auditing the financial statements.
- Articulate the control and audit measures.
- Articulate fiscal and audit policies.
- Issue general audit reports
- Follow whistle blowing policies.
- Oversee insider trading.
- Consider assignments from the board of directors.

The corporate governance manual dictates the detailed duties and responsibilities of the committee.

b. Table with meeting dates and attendees:

Furthermore, appendix 2 contains the committee's meetings and attendance during the year.

6. Nominations and Remuneration committee:

This committee was formed in accordance with the rules and regulations governing corporate governance and is composed of three members:

Shk Mohammed Al Thani
Chairman

Sheikh Khalid Al Qassimi
Member

Mr. Waleed Al Sayegh
Member

The committee report to the board of directors its views and recommendations, and is responsible for the following tasks:

- Set the board's nominations policy, one that supports a mixed gender board.
- Manage the process of board nomination, in line with the rules and regulations governing it including SCA's Chairman's resolution number 7/2016.
- Ensure that independent directors continue to be independent for the duration of their terms of office.

D) Articulate a policy governing board members remuneration, staff bonuses, benefits, incentives and salaries; this is to be reviewed on an annual basis.

E) Review the board structure, and raise recommendations.

F) Identify the company's needs of senior executive management, and other members of the management team and defining the criteria of selection.

G) To annually review the human resources policies, and adopt the human resource policies and training, and ensure proper implementation.

The corporate governance manual contains details of the functions, duties and responsibilities of the committee. Appendix No. 3 contains a schedule of meetings with dates and attendance during the year.

8. Internal trading Supervision Committee:

The corporate governance manual covers the rules and regulations of insiders trading. It stipulates the windows allowed for their trade, and that any trade should not be based on information that is not yet available to the public. It also states the necessity to identify the traders' insider status to the broker to take the necessary approvals from the authorities.

The role of supervising insider trading is assigned to the audit committee.

9. The internal control system

The board confirms its full responsibility over the functionality and robustness of the internal control system.

Head of Internal Audit is Mr. Mohammed Al Basha.

Qualifications: He holds a bachelor's in accounting (1989) and Professional Certification in Audit from USA.

Date of appointment: 2013

The internal control system is an integrated system that imposes procedures, conditions and administrative laws, and monitors their practical implementation throughout the company's operations. This system is not a hindrance and an obstacle to the effectiveness of the work and speed of delivery and performance, but on the contrary, it ensures the company's development of effective performance and the effectiveness of risk

management and internal control system.

The system measures the compliance with policies and procedures, protection of property, economic and effective use of resources. The Board has acknowledged its responsibility for internal control system in the company and the periodic review effectiveness.

Air Arabia has set up an "Internal Control Department" which is headed by Mr. Mohammed Al Basha, who is a chartered accountant and a certified internal auditor, with over 25 years of experience in the field of internal and external audit.

Mr. Al Basha joined Air Arabia at the start of 2013, carrying lengthy and valuable experience having served at international financial institutions.

Objectives of Internal Control department:

The overall Objective of the Internal Audit is to evaluate and improve the effectiveness of control, governance process and risk management within AIR ARABIA.

Internal Audit assists all members of the Management of the Company and the Board of Directors in the effective execution of their responsibilities. To this end, the department provides independent examinations, consultancy, investigations, evaluations, recommendations and comments on areas and activities reviewed. Furthermore, it works in partnership with management and adds value to the organization through advices, guidance and recommendations. The scope of activity extends to group / associate companies also.

Key Accountabilities:

Develop company-wide audit programs to assure protection of corporate assets and be responsible for ensuring the integrity of information; compliances with company policies, procedures and regulations; evaluation of organizational performance; optimization of opportunity / risk; best utilization of resources and formulation of internal control system.

Major duties include:

1. Develop and maintain Company-wide audit policies and practices.
2. Develop Company-wide internal audit plans and programs and Participate in and monitor execution of internal audits programs / assignments.
3. Ensure consistent application of corporate financial and accounting policies and practices.

4. Reviewing the reliability and integrity of the financial, operating and other management information systems and means used to identify measure, classify and report such information.

5. Reviewing the means of safeguarding assets and as appropriate verifying the existence of such assets.

6. Appraising the economy and efficiency with which company's resources are employed and identifying opportunities for improving operating performance.

7. Observe and review the proceedings/functions of various committees as required by Audit Committee so as to express an independent view.

8. Co-ordinate with External/statutory auditors.

9. Review and approve all significant changes in financial and accounting systems, practices and procedures to ensure that internal control.

10. Carry out investigations and audits as suggested by the Senior Management or by the CEO / Board of Directors, to determine the facts and causes of suspected irregularities.

11. Ensure that improvement to existing policies, practices and procedures are developed in order to improve the controls and to safeguard the assets of company.

12. Report to the Board, about the adequacy and effectiveness of the company's system of internal administrative, accounting and financial controls and the quality of operating performance when compared with established standards.

13. Follow-up the status of audit reports and recommendations and submit follow-up Report to the Board and the Audit Committee.

14. Design and schedule the Department's annual audit plans and implement them after Board approval.

15. Make presentation on audit activities and studies on company and subsidiary organizations as required by Audit Committee, Board of Directors / Management.

16. Prepare the Department's annual plans and capital and operating budgets and, once approved, control expenditure and staffing against these plans and budgets.

17. Exercise effective management of the Department's staff in terms of selecting, training, motivating, evaluating and disciplining in appropriate liaison with HR function.

18. To ensure that the resources of the departments are effectively utilized.

19. Fully responsible for co-source / outsource of audit assignments.

10. Details of violations committed.

There were no major violations.

11. Air Arabia's commitment and contribution towards the society and environment:

Without any doubt, the company is part of the society, and cannot be disintegrated from it; and that is why Air Arabia does not only provide value for money convenient travel but also works hard to upgrade the lives of the people in need in the societies it operates within. The company achieves this by sharing the responsibility of these communities locally and regionally, and this plays an integral part of the company's success.

Air Arabia was among the first to introduce a sustainable CSR initiative by launching 'Charity Cloud' project in collaboration with Sharjah Charity International. The program aims in raising funds through certain initiatives such as on-board donations. The fund is raised, collected annually and re-invested in educational and medical care establishments in countries in need across Air Arabia network.

In a bid to improve existing services and assist those in need, Charity Cloud undertook multiple projects over the years. Several clinics were refurbished, and a continuous supply of necessities provided. Paying special attention to educating the leaders of tomorrow, Charity Cloud set up several educational centers and schools.

Apart from the health and educational projects across the region, Air Arabia has also worked on other social initiatives such as facilitation of the children's cancer clinic in Egypt.

The airline takes extreme care to people of determination, and assistance is always provided at airports and during travel. Accordingly, the company has set aside special services to cater to their needs and considered them in all infrastructure plans.

Finally, as an effort towards contributing to and preserving the environment, Air Arabia adopts a policy of acquiring only brand-new aircraft to the fleet to avoid unwanted emissions and reduce it to the minimum.

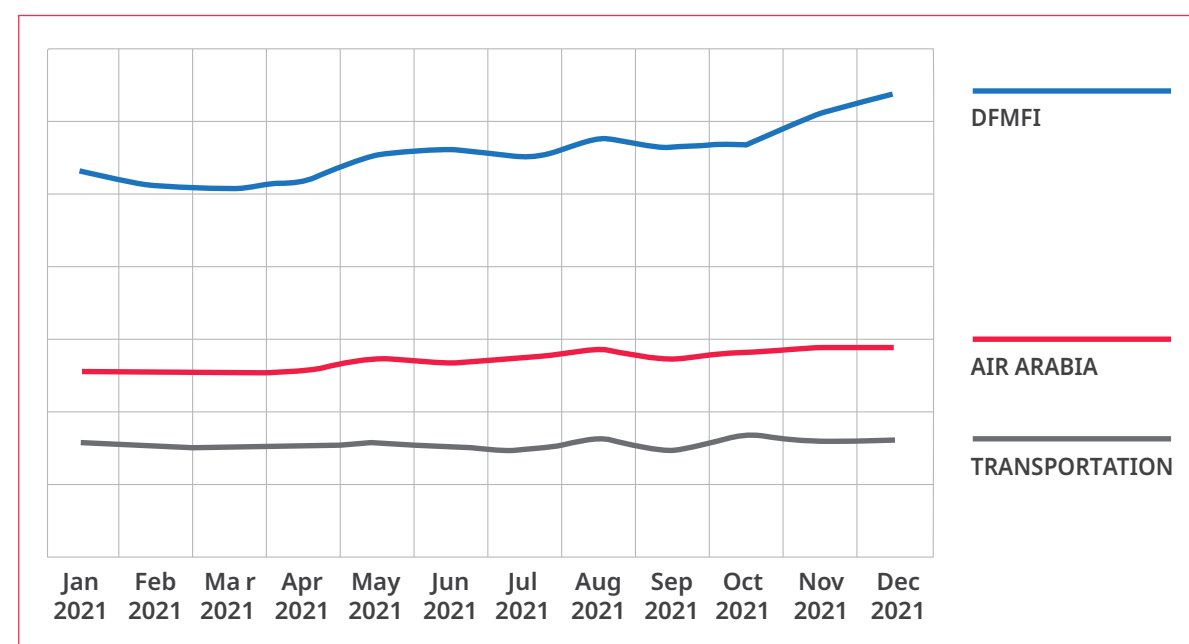
The company also follows a policy of minimizing printed paper and heavily depend on recycled to preserve forests.

12. General Information:

a) Air Arabia Share price details by month end:

Month	Lowest Price	Highest Price	Closing Price
Jan 2021	1.250	1.420	1.25
Feb 2021	1.200	1.290	1.26
Mar 2021	1.220	1.300	1.26
Apr 2021	1.240	1.340	1.28
May 2021	1.280	1.410	1.37
Jun 2021	1.320	1.400	1.33
Jul 2021	1.320	1.380	1.36
Aug 2021	1.320	1.450	1.42
Sep 2021	1.330	1.430	1.36
Oct 2021	1.310	1.410	1.4
Nov 2021	1.360	1.750	1.45
Dec 2021	1.400	1.510	1.45

b) Air Arabia Share price performance vs. market and sector during the year:



c) Air Arabia Ownership breakdown by year end:

Description	Citizenship	Quantity	Percentage
BANK	ARAB	26,000	0.00%
BANK	GCC	5,800,500	0.12%
BANK	OTHERS	50,000	0.00%
BANK	UAE	132,594,371	2.84%
Company	ARAB	1,485,416	0.03%
Company	GCC	125,367,610	2.69%
Company	OTHERS	560,777,524	12.02%
Company	UAE	2,798,609,116	59.97%
Government	UAE	19,309,309	0.41%
Individual	ARAB	74,008,903	1.59%
Individual	GCC	110,289,818	2.36%
Individual	OTHERS	56,472,846	1.21%
Individual	UAE	771,638,745	16.53%
(SOLE PROPERTY)	GCC	900,000	0.02%
(SOLE PROPERTY)	OTHERS	304,600	0.01%
(SOLE PROPERTY)	UAE	9,065,242	0.19%

c) Air Arabia Ownership breakdown by year end:

Investor Name	QTY	%
Sharjah Asset Management LLC	865,904,256	18.55%
AL MAHA HOLDING COMPANY (FZE)	429,613,509	9.21%
East and West International Group	280,266,779	7.9%
Bond Investments LLC	274,375,982	8.2%

e) Shareholders Distribution by ownership:

Tranche by number of shares owned	Number of Shareholders	Total shares owned to the tranche	Percentage to the Capital
Less than 50,000	11,535	148,658,106	3.186
50,000 to 500,000	1,707	234,633,573	5.028
500K to 5M	436	585,137,532	12.539
More than 5M	83	3,698,270,789	79.248
Total	13,761	4,666,700,000	100 %

f) Step taken towards “Investors Relations”

Air Arabia has long established a division for investor relations. Mr. Abdelrahman Bin Taliah currently heads it, along with the Group CEO, Group CFO and group Head of Marketing and Public Relations who together play a very vital role in the division’s activities.

Since its establishment as a publicly listed company, Air Arabia has placed great attention on the investor relations department. The department’s responsibility is split into 2 major areas: first is looking after and servicing retail and small investors through answering their queries, assisting in receiving their past dividends, explaining the investment process and updating their details with the market. The department has set a dedicated email for their service (investorrelations@airarabia.com) and hotline: 065088977, besides having all necessary details available on the IR page:

<http://www.airarabia.com/en/corporate-investor-relations>

On the other hand, the department also looks after high end, sophisticated investors such as fund manager, analysts, and financial institutions.

Moreover, Air Arabia holds a database of analysts, fund manager, investors and interested segment that is invited on a quarterly basis to a conference call where the Group CEO and Group CFO address them with the quarter update, followed by question-and-answer session.

g) Extra Ordinary resolutions:

None.

h) Board Secretary:

- Mr. Abdelrahman Bin Taliah
- Appointed in 2007
- Qualifications:
 - Masters Degree in Strategic Management and Leadership
 - Masters Degree in Project Management
 - Bachelors in Finance and Management
 - Certified Board Member by Hawkama
 - Certified Board Secretary by Hawkama
 - Graduate of UAE Federal Government Leadership Program
 - Graduate of Shk Mohammed Bin Rashid Leadership Program
- As a board secretary Mr. Bin Taliah is responsible to coordinate between the Board and the executive management, setting up the board meetings and distributing the necessary invitations and agenda packs, and keeping custody of the minutes and resolutions passed.

Furthermore, Mr. Bin Taliah’s duties as board secretary are separate from his other daily duties as he overlooks International Affairs, Government Relations, Investor Relations, and some of the group subsidiaries.

Furthermore, Mr. Bin Taliah’s duties as board secretary are separate from his other daily duties as he overlooks International Affairs, Government Relations, Investor Relations, and some of the group subsidiaries.

j) UAE Nationals Percentage:

Air Arabia welcomes UAE nationals to explore all available vacancies and encourages them to join the aviation sectors which embraces within it several very exciting fields. Within Air Arabia, UAE nationals are concentrated in various department. Some are located at Head Office managerial posts, the operations division also host a number of

UAE national pilots, and the Engineering and Maintenance team also comprises of very talented, hard working UAE nationals.

Even though 50% of Air Arabia’s workforce consists of Cabin Crew, Technicians, and call center agents, these areas do not fall under the radar of interest of UAE nationals today.

Year	Total Staff Number	Number of Cabin Crew, Technicians, and Call Center	UAE Nationals	Percentage of UAE nationals less CC, Tech, and Call Center
2019	2100	1100	22	2.2%
2020	1353	678	20	2.95%
2021	1498	795	19	2.39%

k) Innovations During the year:

2021 witnessed the continuation of the company’s efforts to contain and absorb the repercussions of COVID 19 pandemic. The management team

focused on the business continuity followed by the gradual and cautious resumption of commercial operation, which is clearly reflected on the year ends result.

Abdullah Bin Mohammed Al Thani	Waleed Al Sayegh	Mohammed Bin Abdullah Al Thani	Mohammed Al Basha
Chairman of the Board	Chairman Audit Committee	Chairman Remuneration Committee	Head of Internal Audit

Major events in 2021:

2021 witnessed a general recovery of COVID19 impacts. The following list highlights Air Arabia's major events during the year:

Q1

- Air Arabia Egypt resumed flights from Alexandria to Doha
- Air Arabia resumed flights to Doha
- Air Arabia chose Amadeus technology for its ground services
- Air Arabia resumed flights to Colombo
- Air Arabia reported Q4 2020 net profit of AED 20 million
- Air Arabia resumed flights to Luxor
- Air Arabia Egypt announced direct flights from Cairo to Muscat
- Air Arabia Maroc launched 12 new routes in the summer schedule
- Air Arabia Maroc launched new route connecting Toulouse with Oujda in Morocco
- Air Arabia participated in the Arab Aviation Summit

Q2

- Air Arabia resumed flights to Trabzon
- Air Arabia Abu Dhabi launched new route to Tashkent
- Air Arabia resumed seasonal flights to Batumi
- Air Arabia resumed flights to Sarajevo
- Approval of the financial year 2020 at the AGM
- The delivery of one new Airbus A321-200neo LR to Air Arabia
- Air Arabia's Air Rewards and Etihad Guest partnered to offer exclusive benefits.
- Air Arabia Egypt launched new route from Cairo to Bahrain
- Air Arabia resumed flights to Moscow
- Air Arabia resumed flights to Bishkek
- Air Arabia resumed flights to Almaty
- Air Arabia Egypt introduced new route from Sharm El Sheikh to Jeddah
- Air Arabia resumed flights to Prague
- Air Arabia launched new route from Sharjah to Sharm El Sheikh
- Air Arabia resumed flights to Vienna
- Air Arabia reported AED 34 million in Q1 2021
- Air Arabia Egypt launched new route from Sharm El Sheikh to 3 cities in Italy
- Air Arabia Abu Dhabi launched new route to Sarajevo, Tbilisi, Trabzon, Yerevan
- Air Arabia Egypt launched new route from Cairo to Al Jouf
- Air Arabia Egypt launched 3 new domestic routes; Cairo to Sharm El Sheikh, Alexandria to Hurghada, Cairo to Hurghada.
- Air Arabia resumed flights to Baku
- Air Arabia resumed flights to two airports in Istanbul
- Air Arabia launched new route to Tirana
- Air Arabia launched new route to Phuket
- Air Arabia Maroc resumed flights to Europe (Geneve, Eindhoven, Murcia)
- Air Arabia launched new route from Sharm El Sheikh to Armenia

Q3

- Air Arabia Abu Dhabi launched new route to Baku
- Air Arabia and ANIF signed agreement to launch Armenia's national airline
- Air Arabia reported AED 44 million for Q2 - 2021
- Air Arabia announced "FlyArna" Armenia's national airline
- Lakson Group and Air Arabia signed agreement to launch Pakistan's new airline
- Air Arabia resumed flights to KSA
- Air Arabia Egypt launched new route from Cairo to Aswan

Q4

- Air Arabia reported net profit of AED 209 million in Q3 2021.
- Air Arabia showcased a special livery commemorating the UAE's 50th anniversary at the DAS
- Air Arabia Abu Dhabi launched new routes to three cities in India
- Air Arabia Abu Dhabi launched a new route to New Delhi
- Air Arabia Maroc launched new route to two airports in Istanbul
- Air Arabia Maroc launched new route from Fez to Istanbul
- Air Arabia Egypt launched new route from Cairo to Khartoum
- Air Arabia announced the participation in Arab Aviation Summit as a strategic partner.

Appendix 1

Meetings Dates & Attendees of Air Arabia Board of Directors during the year
“Y”, “N”

Board Meeting number	Date	Shk. Abdullah	Adel Ali	Shk. Mohammed	Shk. Khalid	Waleed	Matar	Samer
1	14.1.2021	Y	Y	Y	Y	Y	Y	Y
2	10.2.2021	Y	Y	Y	Y	Y	Y	Y
3	9.5.2021	Y	Y	Y	Y	Y	Y	Y
4	12.7.2021	Y	Y	Y	Y	Y	Y	Y
5	9.8.2021	Y	Y	Y	Y	Y	Y	Y
6	10.11.2021	Y	Y	Y	Y	Y	Y	Y
7	29.12.2021	Y	Y	Y	Y	Y	Y	Y

Appendix 2

Meetings Dates & Attendees of the Audit Committee and attendance:
“Y”, “N”

Audit Committee Meeting	Date	Waleed	Matar	Sameer
1	10.2.2021	Y	Y	Y
2	9.5.2021	Y	Y	Y
3	9.8.2021	Y	Y	Y
4	10.11.2021	Y	Y	Y

Appendix 3

Meetings Dates & Attendees of the Committee on Nominations and Remuneration:
“Y”, “N”

Remuneration Committee Meeting	Date	Shk. Mohammed	Shk. Khalid	Waleed
1	10.2.2021	Y	Y	Y

Appendix 4

