

**Air Arabia PJSC  
and its subsidiaries**

Condensed Consolidated Interim  
Financial Information  
For the period ended June 30, 2022

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**  
**For the period ended June 30, 2022**

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## Report on review of the condensed consolidated interim financial information To the Shareholders of Air Arabia PJSC

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Air Arabia PJSC (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at June 30, 2022, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income for the three months and six months periods then ended and the related condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). 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 accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**GRANT THORNTON**Farouk Mohamed  
Registration No. 86  
Dubai, United Arab Emirates

10 AUG 2022



**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**


**Condensed consolidated statement of financial position**  
**As at June 30, 2022**

	Notes	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	5,643,363	5,868,484
Right-of-use assets		582,597	624,390
Advance for new aircraft		606,221	381,367
Investment properties		105,970	105,970
Net investment in lease		9,979	17,406
Intangible assets		1,358,229	1,332,131
Deferred charges		27,681	30,965
Investments measured at fair value through other comprehensive income	5	11,756	15,556
Investments in associates and joint ventures		124,061	177,949
Trade and other receivables		382,667	111,257
		<u>8,852,524</u>	<u>8,665,475</u>
<b>Current assets</b>			
Inventories		27,081	23,504
Trade and other receivables		972,397	739,342
Bank balances and cash	6	4,343,452	3,878,006
		<u>5,342,930</u>	<u>4,640,852</u>
<b>TOTAL ASSETS</b>		<u>14,195,454</u>	<u>13,306,327</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4,666,700	4,666,700
Statutory reserve		639,834	639,834
General reserve		78,832	78,832
Other reserves		605,744	284,741
Retained earnings		459,109	404,859
<b>Total equity</b>		<u>6,450,219</u>	<u>6,074,966</u>
<b>Non-current liabilities</b>			
Provision for staff termination benefits		162,866	144,637
Trade and other payables		1,255,796	1,350,039
Finance lease liabilities	7	2,241,390	2,584,174
Bank borrowings		60,668	-
		<u>3,720,720</u>	<u>4,078,850</u>
<b>Current liabilities</b>			
Deferred income		764,056	492,131
Trade and other payables		2,583,370	1,970,313
Short term bank borrowings		85,288	37,634
Finance lease liabilities	7	591,801	652,433
		<u>4,024,515</u>	<u>3,152,511</u>
<b>Total liabilities</b>		<u>7,745,235</u>	<u>7,231,361</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,195,454</u>	<u>13,306,327</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 10 AUG 2022 and were signed on their behalf by:

  
 Chairman

  
 Chief Executive Officer

  
 Director of Finance

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of profit or loss**  
**For the period ended June 30, 2022**

	Three-month period ended June 30, 2022 (Unaudited) AED '000	Three-month period ended June 30, 2021 (Unaudited) AED '000	Six-month period ended June 30, 2022 (Unaudited) AED '000	Six-month period ended June 30, 2021 (Unaudited) AED '000
Revenue	1,113,828	495,714	2,242,425	1,067,859
Direct costs	<u>(875,494)</u>	<u>(423,933)</u>	<u>(1,659,797)</u>	<u>(905,587)</u>
<b>GROSS PROFIT</b>	<b>238,334</b>	<b>71,781</b>	<b>582,628</b>	<b>162,272</b>
Administrative and general expenses	<b>(60,893)</b>	<b>(43,437)</b>	<b>(110,943)</b>	<b>(80,009)</b>
Selling and marketing expenses	<b>(16,663)</b>	<b>(8,826)</b>	<b>(30,098)</b>	<b>(17,452)</b>
Finance income	<b>16,741</b>	<b>16,020</b>	<b>31,575</b>	<b>34,222</b>
Finance costs	<b>(28,196)</b>	<b>(34,495)</b>	<b>(56,084)</b>	<b>(68,809)</b>
Share of loss on investments in associates and joint ventures	<b>(19,756)</b>	<b>(3,813)</b>	<b>(8,947)</b>	<b>(10,147)</b>
Other income, net	<u>30,486</u>	<u>13,170</u>	<u>42,788</u>	<u>24,167</u>
<b>PROFIT FOR THE PERIOD</b>	<u><b>160,053</b></u>	<u><b>10,400</b></u>	<u><b>450,919</b></u>	<u><b>44,244</b></u>
<b>Basic and diluted earnings per share (AED)</b>	9 <u><b>0.034</b></u>	<u><b>0.002</b></u>	<u><b>0.097</b></u>	<u><b>0.009</b></u>

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.



**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of comprehensive income**  
**For the period ended June 30, 2022**

	<b>Three-month period ended June 30, 2022 (Unaudited) AED '000</b>	<b>Three-month period ended June 30, 2021 (Unaudited) AED '000</b>	<b>Six-month period ended June 30, 2022 (Unaudited) AED '000</b>	<b>Six-month period ended June 30, 2021 (Unaudited) AED '000</b>
<b>Profit for the period</b>	<b>160,053</b>	<b>10,400</b>	<b>450,919</b>	<b>44,244</b>
<b>Other comprehensive income:</b>				
<i>Items that will never be subsequently reclassified to profit or loss:</i>				
Change in fair value of investments measured at fair value through other comprehensive income	<b>(3,032)</b>	<b>641</b>	<b>(3,800)</b>	<b>1,522</b>
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Cash flow hedge				
Effective portion of changes in fair value	<b>19,232</b>	<b>334,883</b>	<b>324,803</b>	<b>692,958</b>
<b>Total other comprehensive income for the period</b>	<b>16,200</b>	<b>335,524</b>	<b>321,003</b>	<b>694,480</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>176,253</b>	<b>345,924</b>	<b>771,922</b>	<b>738,724</b>

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of changes in equity**  
**For the period ended June 30, 2022**

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves			Total AED '000
				Cumulative change in FVOCI AED '000	Cash flow hedge reserve AED '000	Retained earnings AED '000	
As at January 1, 2022 (audited)	4,666,700	639,834	78,832	11,669	273,072	404,859	6,074,966
Profit for the period	-	-	-	-	-	450,919	450,919
Other comprehensive income for the period	-	-	-	(3,800)	324,803	-	321,003
<b>Total comprehensive income for the period</b>	-	-	-	(3,800)	324,803	450,919	771,922
Transactions with owners, recorded directly in equity	-	-	-	-	-	(396,669)	(396,669)
Dividends declared (Note 14)	-	-	-	-	-	-	-
<b>As at June 30, 2022 (unaudited)</b>	<b>4,666,700</b>	<b>639,834</b>	<b>78,832</b>	<b>7,869</b>	<b>597,875</b>	<b>459,109</b>	<b>6,450,219</b>

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of changes in equity (continued)**  
**For the period ended June 30, 2022**

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves			Total AED '000
				Cumulative change in FVOCI AED '000	Cash flow hedge reserve AED '000	Accumulated losses AED '000	
As at January 1, 2021 (audited)	4,666,700	577,475	16,473	5,111	(565,660)	(192,183)	4,507,916
Profit for the period	-	-	-	-	-	44,244	44,244
Other comprehensive income for the period	-	-	-	1,522	692,958	-	694,480
Total comprehensive income for the period	-	-	-	1,522	692,958	44,244	738,724
Transfer from reserve upon disposal of investment	-	-	-	(1,833)	-	1,833	-
As at June 30, 2021 (unaudited)	4,666,700	577,475	16,473	4,800	127,298	(146,106)	5,246,640

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.



**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of cash flows**  
**For the period ended June 30, 2022**

	Six-month period ended June 30, 2022 (Unaudited) AED '000	Six-month period ended June 30, 2021 (Unaudited) AED '000
<b>OPERATING ACTIVITIES</b>		
Profit for the period	450,919	44,244
<i>Adjustments to reconcile profit to net cash flows:</i>		
Depreciation and amortisation	311,418	305,722
Provision for employees' end of services benefits	20,400	8,139
Share of loss on investments in associates and joint ventures	8,947	10,149
Gain on disposal of investment in joint venture	(9,839)	-
Dividend income from investment measured at fair value through other comprehensive income	(540)	-
Finance income	(31,575)	(34,222)
Finance costs	56,084	68,809
<i>Operating cash flows before changes in working capital</i>	<u>805,814</u>	<u>402,841</u>
<i>Changes in working capital</i>		
Trade and other receivables	(515,651)	(178,875)
Inventories	(3,576)	1,692
Trade and other payables	843,617	80,185
Deferred income	271,924	103,196
<b>Cash from operations</b>	<u>1,402,128</u>	<u>409,039</u>
Employees' end of services benefits paid	(2,171)	(1,522)
<b>Net cash flow from operating activities</b>	<u>1,399,957</u>	<u>407,517</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(39,690)	(12,765)
Payments in relation to advances for new aircrafts-net	(224,854)	(21,086)
Dividend received from joint ventures and associates	61,511	6,120
Dividend received from investment measured at fair value through other comprehensive income	540	-
Decrease in deferred charges	-	(3,931)
Payment for investment in a joint venture	(18,207)	-
Proceeds from net investment in lease	7,261	7,099
Disposal of investments at fair value through other comprehensive income	-	3,607
Acquisition of intangible assets	(5,128)	(6,117)
Change in fixed and margin deposits	(429,872)	(67,566)
Finance income received	31,575	10,828
<b>Net cash flow used in investing activities</b>	<u>(616,864)</u>	<u>(83,811)</u>
<b>FINANCING ACTIVITIES</b>		
Payments of finance lease liabilities	(403,416)	(295,796)
Net movement in bank borrowings	108,322	(254,526)
Dividends paid	(396,669)	-
Finance costs paid	(55,756)	(41,530)
<b>Net cash flow used in financing activities</b>	<u>(747,519)</u>	<u>(591,852)</u>
<b>Net change in cash and cash equivalents</b>	<u>35,574</u>	<u>(268,146)</u>
Cash and cash equivalents at the beginning of the period	<u>1,148,765</u>	<u>715,898</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>1,184,339</u>	<u>447,752</u>
Cash and cash equivalents comprise of:		
Bank balances and cash	4,343,452	2,948,363
Fixed deposits with maturity over 3 months	(3,159,113)	(2,500,611)
	<u>1,184,339</u>	<u>447,752</u>

The accompanying notes from 1 to 14 form an integral part of this condensed consolidated interim financial information.

# Air Arabia PJSC and its subsidiaries

## Condensed Consolidated Interim Financial Information

### Notes to the condensed consolidated interim financial information

#### For the period ended June 30, 2022

#### 1 Legal status and principal activities

Air Arabia PJSC ("the Company") was incorporated on June 19, 2007 as a Public Joint Stock Company. The Company operates in the United Arab Emirates under a trade license issued by the Economic Development Department of the Government of Sharjah and Air Operator's Certificate Number AC 2 issued by the General Civil Aviation Authority, United Arab Emirates.

The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates. The registered office address is P.O. Box 132, Sharjah, United Arab Emirates.

The condensed consolidated interim financial information for the period ended June 30, 2022 includes the financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint ventures.

The licensed activities of the Group are international commercial air transportation, aircraft trading, aircraft rental, aircraft spare parts trading, travel and tourist agencies, commercial brokerage, hotels, hotel apartment rentals, airline companies' representative office, passengers transport, cargo services, air cargo agents, documents transfer services, aviation training and aircraft repairs and maintenance.

The details of the Group's ownership in its various subsidiaries, joint ventures and associates and their principal activities are as follow:

Name	Legal/ beneficial ownership interest		Country of operation and Ownership	Principal activities
	2022	2021		
<b>Subsidiaries</b>				
Arabian Management Investment FZE	100%	100%	United Arab Emirates	Business consultancy services.
International Business Company (FZE)*	100%	100%	United Arab Emirates	Dealing in international business and shares
Air Arabia Holidays L.L.C	100%	100%	United Arab Emirates	Tour operations
Information System Associates FZC	100%	100%	United Arab Emirates	IT services to aviation industry.
Action Hospitality	100%	100%	United Arab Emirates	Hospitality services, tourism, managing and operating restaurants and hotels.
COZMO Travel LLC	100%	100%	United Arab Emirates	Travel and tours, tourism and cargo services.
<i>Subsidiaries of COZMO Travel LLC (sub-subsidiaries)</i>				
COZMO Travel WLL	100%	100%	Qatar	Travel and tours, tourism and cargo services.
COZMO Travel Limited Company	100%	100%	Kingdom of Saudi Arabia	Travel and tours, tourism and cargo services.
COZMO Travel LLC	100%	100%	Kuwait	Travel and tours, tourism and cargo services.
COZMO Travel LLC	100%	100%	Bahrain	Travel and tours, tourism and cargo services.
COZMO Travel World	100%	100%	United Arab Emirates	Travel agent.
COZMO Travel (Private) Limited	100%	100%	India	Travel and tours, tourism and cargo services.
COZMO Travel World (Private) Limited	100%	100%	India	Travel and tours, tourism and cargo services.
Al Sayara limousine Passengers Transport Per Person Company Owner COZMO Travel LLC	100%	100%	United Arab Emirates	Passengers transport services by rented cars, buses and limousine.
Ibyta Travels L.L.C	100%	100%	United Arab Emirates	Travel and tours, tourism services.
COZMO Travel LLC	100%	100%	Oman	Travel and tours, tourism services.
Al Maqar for Tourism and Travel	100%	100%	Jordan	Travel and tours, tourism services.
Gocozmo Business Support Services L.L.C.	100%	100%	Egypt	Travel and tours, tourism services.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**1 Legal status and principal activities (continued)**

Name	Legal/ beneficial ownership interest		Country of operation and ownership	Principal activities
	2022	2021		
<i>Subsidiaries of International Business Company (FZE) (sub-subsidiaries)</i>				
Olgana Real Estate Development L.L.C ***	100%	-	United Arab Emirates	Real Estate Development
T3 Aviation Academy LLC (formerly known as "Alpha Aviation Academy UAE LLC")****	100%	-	United Arab Emirates	Aviation training services.
<i>Joint ventures</i>				
Alpha Flight Services UAE LLC	51%	51%	United Arab Emirates	Flight and retail catering and ancillary services to the Air Arabia PJSC.
Sharjah Aviation Services LLC	50%	50%	United Arab Emirates	Aircraft handling, passenger and cargo services at the Sharjah International Airport.
Air Arabia Abu Dhabi L.L.C.	49%	49%	United Arab Emirates	International commercial air transportation.
Alpha Aviation Academy UAE LLC****	-	51%	United Arab Emirates	Aviation training services.
Air Arabia - Egypt Company S.A.E.	40%	40%	Egypt	International commercial air transportation.
Fly Jinnah Services (Private) Limited	45%	45%	Pakistan	International commercial air transportation.
Armenian National Airlines (CJSC) ("Fly Arna")	49%	49%	Armenia	International commercial air transportation.
<i>Associates</i>				
Air Arabia Maroc, S.A.**	44.13%	44.13%	Morocco	International commercial air transportation.
Air Arabia Jordan LLC	49%	49%	Jordan	International commercial air transportation.
Tune Protection Commercial Brokerage LLC	51%	51%	United Arab Emirates	Commercial brokers.

During the year ended December 31, 2021, the Group has entered into joint venture agreements, through its wholly owned subsidiary, International Business Company (FZE) ("IBC") with Lakson Group, one of Pakistan's leading business conglomerates and Armenian National Interests Fund (ANIF) to operate low-cost carriers from Pakistan and Armenia, respectively, under the name of Fly Jinnah Services (Private) Limited and Armenian National Airlines (CJSC) ("Fly Arna").

\* This subsidiary was incorporated on September 6, 2010. However, it commenced commercial operations on April 1, 2021.

\*\*Effective from April 1, 2021, the Group indirectly acquired additional shareholding of 4.13% in Air Arabia Maroc, S.A., an associate through its wholly owned subsidiary "International Business Company (FZE)".

\*\*\*This sub-subsidiary was incorporated during the period. However, it has not commenced commercial operations as at June 30, 2022.



## Air Arabia PJSC and its subsidiaries Condensed Consolidated Interim Financial Information

### Notes to the condensed consolidated interim financial information (continued) For the period ended June 30, 2022

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#### **1 Legal status and principal activities (continued)**

\*\*\*\*During the period ended June 30, 2022, the Group completed acquisition of remaining 49% shares of T3 Aviation Academy LLC (previously known as Alpha Aviation Academy UAE LLC) which is a former joint venture of the Group for a consideration of AED 11 million and has obtained 100% interest in the T3 Aviation Academy LLC.

#### **2 Basis of preparation and summary of significant accounting policies**

##### **a) Basis of preparation**

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this condensed consolidated interim financial information are same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2021.

The condensed consolidated interim financial information has been prepared on the historical cost basis except for derivative financial instruments and investments measured at fair value through other comprehensive income (FVOCI), which are measured at their fair values.

##### **b) Functional and presentation currency**

The condensed consolidated interim financial information is presented in United Arab Emirates Dirham ("AED"), which is the Group's functional currency. All values are rounded to the nearest thousands ('000) except where noted otherwise.

##### **c) Basis of consolidation**

This condensed consolidated interim financial information incorporates the financial information of the Company and entities controlled by the Company. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

##### **d) Significant accounting estimates and judgments**

The preparation of the condensed consolidated interim financial information in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

#### **2.1 New or revised Standards or Interpretations**

Accounting pronouncements and amendments which have become effective in 2022 and have therefore been adopted are as follows:

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16; and
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**2 Basis of preparation and summary of significant accounting policies (continued)**

**2.1 New or revised Standards or Interpretations (continued)**

These amendments do not have a significant impact on the condensed consolidated interim financial information and therefore the disclosures have not been made.

**3 Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

**4 Property and equipment**

During the period ended June 30, 2022, the Group acquired various property and equipment amounting to AED 39.7 million (the period ended June 30, 2021: AED 12.75 million).

Depreciation charge on property and equipment for the period ended June 30, 2022 amounted to AED 264 million (the period ended June 30, 2021: AED 261.82 million).

**5 Investments measured at fair value through other comprehensive income**

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
Quoted	11,756	15,556
In UAE	11,756	15,556

Movements during the period/year were as follow:

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
Opening balance	15,556	10,772
Disposal of investment	-	(3,607)
Change in fair value	(3,800)	8,391
	11,756	15,556

The market rate as at June 30, 2021 is considered for the calculation of the fair value of the investments that are quoted on the stock exchange market.

**6 Bank balances and cash**

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
<i>Bank balances:</i>		
Fixed deposits*	3,159,113	2,729,241
Current accounts	631,358	854,747
Call deposits	466,205	287,251
	4,256,676	3,871,239
Cash in hand	86,776	6,767
Bank balances and cash	4,343,452	3,878,006

\*These deposits carry average interest rates of 2.27% (2021: 2.16%) per annum.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**7 Finance lease liabilities**

The Group has entered into leasing agreements with the leasing companies to finance the purchase of aircrafts and hangar. The terms of the leases are 8 -15 years for aircrafts and hangar.

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
As at January 1,	3,236,607	3,732,287
Additions to lease liabilities for the period/year	-	131,645
Payments made during the period/year	(403,416)	(627,325)
	<u>2,833,191</u>	<u>3,236,607</u>

	Current		Non-current	
	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
Lease liabilities	<u>591,801</u>	<u>652,433</u>	<u>2,241,390</u>	<u>2,584,174</u>

The lease agreements are subject to certain financial and operational covenants including compliance with various regulations, restrictions on unapproved subleasing, insurance coverage and maintenance of total debt to equity ratio.

**8 Related parties**

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
<b>Amount due from related parties</b>		
<i>Included in trade and other receivables</i>		
Receivable from associates and joint ventures, net of allowance for expected credit losses	40,739	69,150
Other related parties	79,855	59,367
	<u>120,594</u>	<u>128,517</u>
<b>Amount due to related parties</b>		
<i>Included in trade and other payables</i>		
Payable to a joint venture	107,543	76,894
Other related parties	67,008	2,547
	<u>174,551</u>	<u>79,441</u>

Amount due from/(to) related parties are unsecured, bear no interest and have no fixed repayment terms. The management considers these to be current assets/current liabilities respectively.



**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**9 Basic and diluted earnings per share**

	Three-month period ended June 30, 2022 (Unaudited) AED '000	Three-month period ended June 30, 2021 (Unaudited) AED '000	Six-month period ended June 30, 2022 (Unaudited) AED '000	Six-month period ended June 30, 2021 (Unaudited) AED '000
Profit attributable to the owners of the Company	160,053	10,400	450,919	44,244
Weighted average number of shares (in '000)	4,666,700	4,666,700	4,666,700	4,666,700
Basic and diluted earnings per share (AED)	0.034	0.002	0.097	0.009

**10 Operating lease commitments**

**10.1 The Group is a lessor:**

As at June 30, 2022, the Group has leased out 15 aircrafts (as at December 31, 2021: 15) under non-cancellable operating lease agreements to the related parties.

The leases have varying terms and renewal rights. The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are shown below:

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
Within one year	171,095	162,307
Between 2 and 5 years	280,323	260,862
	<u>451,418</u>	<u>423,169</u>

The carrying amount of the leased aircraft owned by the Group under operating leases at the reporting date are as follow:

	June 30, 2022 (Unaudited) AED '000	December 31, 2021 (Audited) AED '000
Net book value	<u>1,057,264</u>	1,117,515
Accumulated depreciation	<u>1,219,733</u>	1,159,482
Depreciation charge for the period/year	<u>60,251</u>	121,501

**11 Contingent liabilities**

The Group have letters of guarantees and credits entered into as part of the normal course of business and in connection with deposits against leased aircrafts amounting to AED 246.5 million as at June 30, 2022 (December 31, 2021: AED 497.94 million), which at June 30, 2022 are not expected to result in material losses for the Group in the foreseen future and not consider it probable that there will be an outflow of economic resources with regard to these contingent liabilities.

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**12 Capital commitments**

	June 30, 2022 (Unaudited) AED'000	December 31, 2021 (Audited) AED'000
<i>Authorised and contracted:</i>		
Aircraft fleet	<u>23,209,443</u>	<u>23,434,297</u>

**13 Segment information**

The following table presents revenue and profit information for the Group's operating segments for the period ended June 30, 2022 and June 30, 2021, respectively:

Six-month period ended June 30, 2022 (unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>Revenue</b>				
External sales	2,121,213	121,212	-	2,242,425
Inter-segment sales	-	34,829	(34,829)	-
Total revenue	<u>2,121,213</u>	<u>156,041</u>	<u>(34,829)</u>	<u>2,242,425</u>
<b>Result</b>				
Segment result	384,262	75,604	-	459,866
Share of loss of investments in associates and joint ventures				<u>(8,947)</u>
<b>Profit for the period</b>				<u>450,919</u>
<b>Other information</b>				
Additions to property and equipment and deferred charges	9,433	30,257	-	39,690
Depreciation and amortisation	<u>302,412</u>	<u>9,006</u>	-	<u>311,418</u>
<b>Six-month period ended June 30, 2021 (unaudited)</b>	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>Revenue</b>				
External sales	983,503	84,356	-	1,067,859
Inter-segment sales	-	8,191	(8,191)	-
Total revenue	<u>983,503</u>	<u>92,547</u>	<u>(8,191)</u>	<u>1,067,859</u>
<b>Result</b>				
Segment result	6,369	48,022		54,391
Share of loss of investments in associates and joint ventures				<u>(10,147)</u>
<b>Profit for the period</b>				<u>44,244</u>
<b>Other information</b>				
Additions to property and equipment and deferred charges	7,777	8,919	-	16,696
Depreciation and amortisation	<u>297,693</u>	<u>8,029</u>	-	<u>305,722</u>

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended June 30, 2022**

**13 Segment information (continued)**

The following table presents assets and liabilities information for the Group's operating segments as at June 30, 2022 and June 30, 2021, respectively:

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>June 30, 2022 (unaudited)</b>				
<b>Assets</b>				
Segment assets	10,261,397	951,243	(644,716)	10,567,924
Unallocated assets				3,627,530
Total assets				<u>14,195,454</u>
<b>Liabilities</b>				
Segment liabilities	7,845,138	544,813	(644,716)	7,745,235
	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>June 30, 2021 (unaudited)</b>				
<b>Assets</b>				
Segment assets	9,516,955	587,098	(600,995)	9,503,058
Unallocated assets				2,995,153
Total assets				<u>12,498,211</u>
<b>Liabilities</b>				
Segment liabilities	7,185,582	666,984	(600,995)	7,251,571

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the consolidated financial statements as at and for the year ended December 31, 2021. Segment result represents the profit earned by each segment without considering share of profit/(loss) on equity accounted investments. Segment assets do not include fixed deposits, investments, investment properties and investment in subsidiaries, joint ventures and associate. Goodwill and intangible assets have been allocated to the Airline segment.

**14 Dividends**

At the Annual General Meeting held on March 11, 2022, Board of Directors proposed, and the shareholders approved a cash dividend of AED'000 396,670 at AED 8.5 fils per share for the year ended December 31, 2021 (the Group had not declared any dividend during the period ended June 30, 2021 for the year ended December 31, 2020).