

**Air Arabia PJSC  
and its subsidiaries**

Condensed Consolidated Interim  
Financial Information  
For the period ended June 30, 2024

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**  
**For the period ended June 30, 2024**

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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, 2024, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income for the three months and six months period then ended, and the related condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended.

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 UAE**  
**Farouk Mohamed**  
**Registration No. 86**  
**Dubai, United Arab Emirates**  
**12 AUG 2024**



P.O. Box: 1620  
DUBAI-U.A.E.

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

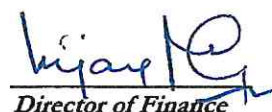
**Condensed consolidated statement of financial position**  
**As at June 30, 2024**

	Notes	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	4,816,268	4,954,113
Right-of-use assets		657,365	574,232
Advance for new aircraft		1,262,605	886,886
Investment properties		209,907	165,401
Net investment in lease		102,068	52,993
Intangible assets		1,354,516	1,345,917
Deferred charges		16,782	19,293
Investments measured at fair value through other comprehensive income	5	313,001	230,332
Investments in associates and joint ventures		112,179	205,858
Trade and other receivables		48,498	85,847
		<u>8,893,189</u>	<u>8,520,872</u>
<b>Current assets</b>			
Inventories		51,001	48,719
Trade and other receivables		923,265	858,576
Bank balances and cash	6	4,875,254	5,246,377
		<u>5,849,520</u>	<u>6,153,672</u>
<b>TOTAL ASSETS</b>		<u><b>14,742,709</b></u>	<u><b>14,674,544</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4,666,700	4,666,700
Statutory reserve		973,024	912,152
General reserve		412,022	351,150
Other reserves		80,470	71,537
Retained earnings		1,108,472	1,532,467
<b>Total equity attributable to the owners of the Company</b>		<u>7,240,688</u>	<u>7,534,006</u>
Non-controlling interest		1,339	1,084
<b>Total equity</b>		<u><b>7,242,027</b></u>	<u><b>7,535,090</b></u>
<b>Non-current liabilities</b>			
Provision for staff termination benefits		226,259	208,175
Trade and other payables		1,388,122	1,249,607
Lease liabilities	7	1,488,453	1,567,827
Bank borrowings		50	30,610
		<u>3,102,884</u>	<u>3,056,219</u>
<b>Current liabilities</b>			
Deferred income		767,559	523,402
Trade and other payables		2,905,979	2,879,313
Short term bank borrowings		132,518	95,084
Lease liabilities	7	591,742	585,436
		<u>4,397,798</u>	<u>4,083,235</u>
<b>Total liabilities</b>		<u><b>7,500,682</b></u>	<u><b>7,139,454</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>14,742,709</b></u>	<u><b>14,674,544</b></u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 12 AUG 2024 and were signed on their behalf by:

  
Chairman

  
Chief Executive Officer

  
Director of Finance

The accompanying notes from 1 to 15 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, 2024**

		<b>Three-month period ended June 30, 2024 (Unaudited) AED '000</b>	<b>Three-month period ended June 30, 2023 (Unaudited) AED '000</b>	<b>Six-month period ended June 30, 2024 (Unaudited) AED '000</b>	<b>Six-month period ended June 30, 2023 (Unaudited) AED '000</b>
	Notes				
Revenue		1,656,396	1,395,674	3,197,294	2,824,856
Direct costs		<u>(1,218,034)</u>	<u>(936,903)</u>	<u>(2,437,215)</u>	<u>(1,968,556)</u>
<b>GROSS PROFIT</b>		<b>438,362</b>	<b>458,771</b>	<b>760,079</b>	<b>856,300</b>
Administrative and general expenses		(70,040)	(57,241)	(145,628)	(133,496)
Selling and marketing expenses		(21,376)	(19,421)	(45,511)	(39,267)
Finance income		55,523	46,707	116,503	87,530
Finance costs		(18,513)	(25,834)	(43,089)	(52,174)
Share of (loss)/profit on investments in associates and joint ventures		4,517	25,260	(6,179)	25,326
Other income, net		<u>38,731</u>	<u>31,066</u>	<u>56,962</u>	<u>56,760</u>
<b>PROFIT BEFORE TAX</b>		<b>427,204</b>	<b>459,308</b>	<b>693,137</b>	<b>800,979</b>
Income tax expense	15	<u>(37,026)</u>	<u>-</u>	<u>(61,793)</u>	<u>-</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>390,178</u></b>	<b><u>459,308</u></b>	<b><u>631,344</u></b>	<b><u>800,979</u></b>
<i>Profit before tax attributable to:</i>					
Owners of the Company		427,080	459,196	692,882	800,756
Non-controlling interest		<u>124</u>	<u>112</u>	<u>255</u>	<u>223</u>
		<u>427,204</u>	<u>459,308</u>	<u>693,137</u>	<u>800,979</u>
<i>Profit for the period attributable to:</i>					
Owners of the Company		390,054	459,196	631,089	800,756
Non-controlling interest		<u>124</u>	<u>112</u>	<u>255</u>	<u>223</u>
		<u>390,178</u>	<u>459,308</u>	<u>631,344</u>	<u>800,979</u>
<b>Basic and diluted earnings per share (AED)</b>	9	<b><u>0.084</u></b>	<b><u>0.098</u></b>	<b><u>0.135</u></b>	<b><u>0.172</u></b>

The accompanying notes from 1 to 15 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, 2024**

	Three-month period ended June 30, 2024 (Unaudited) AED '000	Three-month period ended June 30, 2023 (Unaudited) AED '000	Six-month period ended June 30, 2024 (Unaudited) AED '000	Six-month period ended June 30, 2023 (Unaudited) AED '000
<b>Profit for the period</b>	<b>390,178</b>	459,308	<b>631,344</b>	800,979
<b>Other comprehensive income/(loss):</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	(1,283)	1,015	(2,682)	315
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Cash flow hedge				
Effective portion of changes in fair value	(13,569)	(83,387)	11,615	(175,458)
<b>Total other comprehensive income/(loss) for the period</b>	<b>(14,852)</b>	(82,372)	<b>8,933</b>	(175,143)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>375,326</b>	376,936	<b>640,277</b>	625,836
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the Company	375,202	376,824	640,022	625,613
Non-controlling interest	124	112	255	223
	<b>375,326</b>	376,936	<b>640,277</b>	625,836

The accompanying notes from 1 to 15 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, 2024

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves		Retained earnings AED '000	Total attributable to the Owners of the Company AED '000	Non- controlling interest AED '000	Total AED '000
				Cumulative change in FVOCI AED '000	Cash flow hedge reserve AED '000				
As at January 1, 2024 (audited)	4,666,700	912,152	351,150	11,864	59,673	1,532,467	7,534,006	1,084	7,535,090
Profit for the period	-	-	-	-	-	631,089	631,089	255	631,344
Other comprehensive income for the period	-	-	-	(2,682)	11,615	-	8,933	-	8,933
<b>Total comprehensive income for the period</b>	-	-	-	(2,682)	11,615	631,089	640,022	255	640,277
Transfers to reserves	-	60,872	60,872	-	-	(121,744)	-	-	-
<i>Transactions with owners</i>									
Dividends declared (Note 14)	-	-	-	-	-	(933,340)	(933,340)	-	(933,340)
<b>As at June 30, 2024 (unaudited)</b>	<b>4,666,700</b>	<b>973,024</b>	<b>412,022</b>	<b>9,182</b>	<b>71,288</b>	<b>1,108,472</b>	<b>7,240,688</b>	<b>1,339</b>	<b>7,242,027</b>

The accompanying notes from 1 to 15 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, 2023**

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves			Retained earnings AED '000	Total attributable to the Owners of the Company AED '000	Non- controlling interest AED '000	Total AED '000
				Cumulative change in FVOCI AED '000	Cash flow hedge reserve AED '000					
As at January 1, 2023 (audited)	4,666,700	750,668	189,666	6,433	373,340	1,008,308	6,995,115	520	6,995,635	
Profit for the period	-	-	-	-	-	800,756	800,756	223	800,979	
Other comprehensive loss for the period	-	-	-	315	(175,458)	-	(175,143)	-	(175,143)	
Total comprehensive income for the period	-	-	-	315	(175,458)	800,756	625,613	223	625,836	
<i>Transactions with owners</i>										
Dividends declared (Note 14)	-	-	-	-	-	(700,005)	(700,005)	-	(700,005)	
As at June 30, 2023 (unaudited)	4,666,700	750,668	189,666	6,748	197,882	1,109,059	6,920,723	743	6,921,466	

The accompanying notes from 1 to 15 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, 2024**

	Six-month period ended June 30, 2024 (Unaudited) AED '000	Six-month period ended June 30, 2023 (Unaudited) AED '000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	693,137	800,979
<i>Adjustments to reconcile profit to net cash flows:</i>		
Depreciation and amortisation	336,337	318,580
Provision for employees' end of services benefits	23,387	34,361
Share of loss/(profit) on investments in associates and joint ventures	6,176	(25,326)
Dividend income from investment measured at fair value through other comprehensive income	(117)	(304)
Finance income	(116,503)	(87,530)
Finance costs	43,089	52,174
<i>Operating cash flows before changes in working capital</i>	<u>985,506</u>	<u>1,092,934</u>
<i>Changes in working capital</i>		
Trade and other receivables	5,151	(208,314)
Inventories	(2,282)	(8,627)
Trade and other payables	106,729	126,362
Deferred income	244,157	257,280
<b>Cash from operations</b>	<u>1,339,261</u>	<u>1,259,635</u>
Employees' end of services benefits paid	(5,303)	(12,621)
<b>Net cash flow from operating activities</b>	<u>1,333,958</u>	<u>1,247,014</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(131,011)	(35,361)
Additions to investment property	(44,506)	-
Payments in relation to advances for new aircrafts-net	(375,719)	(301,751)
Dividend received from joint ventures and associates	85,800	50,907
Proceeds from net investment in lease	14,505	-
Acquisition of investments at fair value through other comprehensive income	(85,351)	(3,886)
Acquisition of intangible assets	(11,449)	(5,289)
Change in fixed and margin deposits	(102,356)	(338,758)
Dividend received from investment measured at fair value through other comprehensive income	117	304
Payment for investment in a joint venture	(3,828)	(6,693)
Finance income received	115,116	87,530
<b>Net cash flow used in investing activities</b>	<u>(538,682)</u>	<u>(552,997)</u>
<b>FINANCING ACTIVITIES</b>		
Payments of finance lease liabilities	(295,826)	(339,629)
Net movement in bank borrowings	6,874	(5,152)
Dividends paid	(933,340)	(700,005)
Finance costs paid	(46,463)	(52,174)
<b>Net cash flow used in financing activities</b>	<u>(1,268,755)</u>	<u>(1,096,960)</u>
<b>Net change in cash and cash equivalents</b>	<u>(473,479)</u>	<u>(402,943)</u>
Cash and cash equivalents at the beginning of the period	<u>1,262,308</u>	<u>1,050,187</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>788,829</u>	<u>647,244</u>
Cash and cash equivalents comprise of:		
Bank balances and cash	4,875,254	4,672,066
Fixed deposits with maturity over 3 months	(4,086,425)	(4,024,822)
	<u>788,829</u>	<u>647,244</u>

The accompanying notes from 1 to 15 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, 2024

#### 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, 2024 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
	2024	2023		
<b>Subsidiaries</b>				
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 – Sole proprietorship	100%	100%	United Arab Emirates	Travel and tours, tourism and cargo services.
Impact Aviation Services Limited	100%	100%	Ireland	Management of lease contracts
<b>Subsidiaries of International Business Company (FZE) (sub-subsidiaries)</b>				
Olgana Real Estate Development L.L.C	100%	100%	United Arab Emirates	Real estate development
T3 Aviation Academy L.L.C	100%	100%	United Arab Emirates	Aviation training services
<b>Joint ventures</b>				
Alpha Flight Services UAE L.L.C	51%	51%	United Arab Emirates	Flight and retail catering and ancillary services to the Air Arabia PJSC.
Sharjah Aviation Services L.L.C	50%	50%	United Arab Emirates	Aircraft handling, passenger and cargo services at the Sharjah International Airport.
Cozmo Travel (CJSC) ("Cozmo Armenia")	75%	75%	Armenia	Travels and tours, tourism and cargo services
Air Arabia Abu Dhabi L.L.C.	49%	49%	United Arab Emirates	International commercial air transportation.
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.

## 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, 2024

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

Name	Legal/ beneficial ownership interest		Country of operation and ownership	Principal activities
	2024	2023		
<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.

\* In 2022, the Group entered into a joint venture agreement, through its wholly owned subsidiary, International Business Company (FZE) ("IBC") with DAL Group, one of Sudan's leading privately owned conglomerates to operate low-cost carriers from Sudan, under the name of Air Arabia DAL Co. LTD ("Air Arabia Sudan"). As at June 30, 2024, Air Arabia Sudan was incorporated, however due to the political situation in Sudan, operations are on hold and related operating license is not yet issued.

#### 2 Basis of preparation and material 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, 2023.

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, 2023.

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, 2023.

## 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, 2024

## 2 Basis of preparation and material accounting policies (continued)

### 2.1 New or revised Standards or Interpretations

Accounting pronouncements which have become effective from January 1, 2024 and have therefore been adopted are as follows:

- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4),
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12),
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2),
- Definition of Accounting Estimates (Amendments to IAS 8), and
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have a significant impact on the condensed consolidated interim financial information.

## 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, 2023.

## 4 Property and equipment

During the period ended June 30, 2024, the Group acquired various property and equipment amounting to AED 131 million (the period ended June 30, 2023: AED 35.3 million).

Depreciation charge on property and equipment for the period ended June 30, 2024 amounted to AED 268.8 million (the period ended June 30, 2023: AED 258.6 million).

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

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Quoted investments in equity instruments in UAE	7,832	9,216
Unquoted investments in debt instruments in UAE	222,758	150,449
Unquoted investments in debt instruments outside UAE	82,411	70,667
	<u>313,001</u>	<u>230,332</u>

Movement in quoted investments in equity instruments during the period/year were as follow:

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Opening balance	9,216	10,321
Change in fair value	<u>(1,384)</u>	<u>(1,105)</u>
	<u>7,832</u>	<u>9,216</u>

The market rates as at June 30, 2024 and December 31, 2023 are considered for the calculation of the fair value of the investments that are quoted on the stock exchange market.

**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, 2024

**5 Investments measured at fair value through other comprehensive income (continued)**

Movement in unquoted investments in debt instruments during the period/year were as follow:

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Opening balance	221,116	32,845
Additions during the period/year	85,351	181,735
Change in fair value	(1,298)	6,536
	<u>305,169</u>	<u>221,116</u>

The fair values of these debt instruments were determined using market interest rates of similar debt instruments as at June 30, 2024 and December 31, 2023.

**6 Bank balances and cash**

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<i>Bank balances:</i>		
Fixed deposits*	4,086,425	3,984,069
Current accounts	657,233	1,087,181
Call deposits	122,413	166,965
	<u>4,866,071</u>	<u>5,238,215</u>
Cash in hand	9,183	8,162
Bank balances and cash	<u>4,875,254</u>	<u>5,246,377</u>

\* These deposits carry average interest rates of 5.50% (2023: 5.45%) per annum.

**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 5 -15 years for aircrafts and hangar.

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
As at January 1,	2,153,263	2,748,723
Additions to lease liabilities for the period/year	222,758	42,313
Payments made during the period/year	(295,826)	(637,773)
	<u>2,080,195</u>	<u>2,153,263</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, 2024

**7 Finance lease liabilities (continued)**

	Current		Non-current	
	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Lease liabilities	591,742	585,436	1,488,453	1,567,827

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, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<b>Amounts 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	66,744	52,045
Other related parties	-	10,594
	<b>66,744</b>	<b>62,639</b>

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<b>Amounts due to related parties</b>		
<i>Included in trade and other payables</i>		
Payable to associates and joint ventures	122,196	108,603
Other related parties	-	2,600
	<b>122,196</b>	<b>111,203</b>

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, 2024

**9 Basic and diluted earnings per share**

	Three-month period ended June 30, 2024 (Unaudited) AED '000	Three-month period ended June 30, 2023 (Unaudited) AED '000	Six-month period ended June 30, 2024 (Unaudited) AED '000	Six-month period ended June 30, 2023 (Unaudited) AED '000
Profit attributable to the owners of the Company	390,054	459,196	631,089	800,756
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)	0.084	0.098	0.135	0.172

**10 Operating lease commitments**

**10.1 The Group is a lessor**

As at June 30, 2024, the Group has leased out 27 aircrafts (as at December 31, 2023: 22 aircrafts) 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, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Within one year	276,162	220,025
Between 2 and 5 years	571,945	399,861
More than 5 years	28,625	-
	<u>876,732</u>	<u>619,886</u>

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

	June 30, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Net book value	<u>1,200,919</u>	<u>1,227,641</u>
Accumulated depreciation	<u>1,796,335</u>	<u>1,611,899</u>
Depreciation charge for the period/year	<u>75,155</u>	<u>143,395</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, 2024

**11 Contingent liabilities**

The Group has letters of guarantees and credits entered into as part of the normal course of business amounting to AED 66.7 million as at June 30, 2024 (December 31, 2023: AED 61 million), which at June 30, 2024 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.

**12 Capital commitments**

	June 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
<i>Authorised and contracted:</i>		
Aircraft fleet	<u>22,553,059</u>	<u>22,928,778</u>

**13 Segment information**

The following table presents revenue and profit information for the Group's operating segments for the period ended June 30, 2024 and June 30, 2023, respectively:

Six-month period ended June 30, 2024 (unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>Revenue</b>				
External sales	3,008,849	188,445	-	3,197,294
Inter-segment sales	-	35,140	(35,140)	-
Total revenue	<u>3,008,849</u>	<u>223,585</u>	<u>(35,140)</u>	<u>3,197,294</u>
<b>Result</b>				
Segment result	552,027	85,496	-	637,523
Share of loss of investments in associates and joint ventures				<u>(6,179)</u>
<b>Profit for the period</b>				<u>631,344</u>

**Other information**

Additions to property and equipment and deferred charges	110,624	20,387	-	131,011
Depreciation and amortisation	<u>317,758</u>	<u>18,579</u>	-	<u>336,337</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, 2024

**13 Segment information (continued)**

Six-month period ended June 30, 2023 (unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	2,668,285	156,571	-	2,824,856
Inter-segment sales	-	28,539	(28,539)	-
Total revenue	<u>2,668,285</u>	<u>185,110</u>	<u>(28,539)</u>	<u>2,824,856</u>
Result				
Segment result	731,211	44,442	-	775,653
Share of profit of investments in associates and joint ventures				<u>25,326</u>
Profit for the period				<u>800,979</u>
Other information				
Additions to property and equipment and deferred charges	-	35,361	-	35,361
Depreciation and amortisation	<u>308,654</u>	<u>9,926</u>	<u>-</u>	<u>318,580</u>

The following table presents assets and liabilities information for the Group's operating segments as at June 30, 2024 and December 31, 2023, respectively:

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>June 30, 2024 (unaudited)</b>				
<b>Assets</b>				
Segment assets	<u>9,372,161</u>	<u>1,828,523</u>	<u>(1,070,802)</u>	<u>10,129,882</u>
Unallocated assets				<u>4,612,827</u>
Total assets				<u>14,742,709</u>
<b>Liabilities</b>				
Segment liabilities	<u>8,231,709</u>	<u>339,775</u>	<u>(1,070,802)</u>	<u>7,500,682</u>
	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>December 31, 2023 (audited)</b>				
<b>Assets</b>				
Segment assets	<u>9,665,652</u>	<u>1,435,453</u>	<u>(949,284)</u>	<u>10,151,821</u>
Unallocated assets				<u>4,522,723</u>
Total assets				<u>14,674,544</u>
<b>Liabilities</b>				
Segment liabilities	<u>7,587,448</u>	<u>501,290</u>	<u>(949,284)</u>	<u>7,139,454</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, 2024**

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#### **13 Segment information (continued)**

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 4 to the consolidated financial statements as at and for the year ended December 31, 2023. 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 15, 2024, the Board of Directors proposed, and the shareholders approved a cash dividend of AED 933 million at AED 0.20 per share for the year ended December 31, 2023 (2022: AED 700 million at AED 0.15 per share).

#### **15 Taxation**

##### **Corporate income tax**

UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses was published on December 9, 2022. Cabinet decisions are issued to specify the implementation of certain provisions in the corporate tax law ("the Law").

Income tax expense is recognised during the six-month period ended June 30, 2024 on a best estimate of the weighted average annual income tax rate, expected for the full financial year. Amounts accrued for income tax expense in an interim period may have to be adjusted if the estimate of the annual income tax rate changes. As of June 30, 2024, the Group has accrued current tax liabilities of AED 61.8 million (2023: AED Nil).

##### **Deferred taxes**

Differences between IFRS Accounting Standards and statutory taxation regulations in the United Arab Emirates give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The Group has concluded that the tax effect of the movements in these temporary differences was not material to the condensed consolidated interim financial information for the period ended June 30, 2024.