

**Air Arabia PJSC  
and its subsidiaries**

Condensed Consolidated Interim  
Financial Information  
For the period ended March 31, 2024

**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**  
**For the period ended March 31, 2024**

**Table of contents**

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	<b>Page(s)</b>
Report on review of the condensed consolidated interim financial information	1
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5 – 6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 – 16

## 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 March 31, 2024, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three 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 UAE

Farouk Mohamed  
Registration No. 86  
Dubai, United Arab Emirates

13 MAY 2024

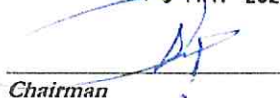


**Air Arabia PJSC and its subsidiaries**  
**Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of financial position**  
**As at March 31, 2024**

	Notes	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	4,915,231	4,954,113
Right-of-use assets		587,283	574,232
Advance for new aircrafts		1,262,605	886,886
Investment properties		188,699	165,401
Net investment in lease		115,029	52,993
Intangible assets		1,348,113	1,345,917
Deferred charges		18,061	19,293
Investments measured at fair value through other comprehensive income	5	228,933	230,332
Investments in associates and joint ventures		172,162	205,858
Trade and other receivables		117,963	85,847
		<u>8,954,079</u>	<u>8,520,872</u>
<b>Current assets</b>			
Inventories		49,538	48,719
Trade and other receivables		1,093,709	858,576
Bank balances and cash	6	5,013,062	5,246,377
		<u>6,156,309</u>	<u>6,153,672</u>
<b>TOTAL ASSETS</b>		<u>15,110,388</u>	<u>14,674,544</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4,666,700	4,666,700
Statutory reserve		932,789	912,152
General reserve		371,787	351,150
Other reserves		95,322	71,537
Retained earnings		798,888	1,532,467
<b>Total equity attributable to the owners of the Company</b>		<u>6,865,486</u>	<u>7,534,006</u>
Non-controlling interest		1,215	1,084
<b>Total equity</b>		<u>6,866,701</u>	<u>7,535,090</u>
<b>Non-current liabilities</b>			
Provision for staff termination benefits		221,514	208,175
Trade and other payables		1,207,268	1,249,607
Bank borrowings		7,653	30,610
Lease liabilities	7	1,549,815	1,567,827
		<u>2,986,250</u>	<u>3,056,219</u>
<b>Current liabilities</b>			
Deferred income		656,718	523,402
Trade and other payables		3,893,508	2,879,313
Bank borrowings		125,770	95,084
Lease liabilities	7	581,441	585,436
		<u>5,257,437</u>	<u>4,083,235</u>
<b>Total liabilities</b>		<u>8,243,687</u>	<u>7,139,454</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,110,388</u>	<u>14,674,544</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on **13 MAY 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 March 31, 2024**

	Notes	Three-month period ended March 31, 2024 (Unaudited) AED '000	Three-month period ended March 31, 2023 (Unaudited) AED '000
Revenue		1,540,898	1,429,182
Direct costs		(1,219,181)	(1,031,653)
<b>GROSS PROFIT</b>		<b>321,717</b>	<b>397,529</b>
Administrative and general expenses		(75,588)	(76,255)
Selling and marketing expenses		(24,135)	(19,846)
Finance income		60,980	40,823
Finance costs		(24,576)	(26,340)
Share of (loss)/profit on investments in associates and joint ventures		(10,696)	66
Other income, net		18,231	25,694
<b>PROFIT BEFORE TAX</b>		<b>265,933</b>	<b>341,671</b>
Income tax expense	15	(24,767)	-
<b>PROFIT FOR THE PERIOD</b>		<b>241,166</b>	<b>341,671</b>
<i>Profit before tax attributable to:</i>			
Owners of the Company		265,802	341,560
Non-controlling interest		131	111
		<b>265,933</b>	<b>341,671</b>
<i>Profit for the period attributable to:</i>			
Owners of the Company		241,035	341,560
Non-controlling interest		131	111
		<b>241,166</b>	<b>341,671</b>
<b>Basic and diluted earnings per share (AED)</b>	9	<b>0.052</b>	<b>0.073</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 March 31, 2024**

	<b>Three-month period ended March 31, 2024 (Unaudited) AED '000</b>	<b>Three-month period ended March 31, 2023 (Unaudited) AED '000</b>
<b>Profit for the period</b>	<u>241,166</u>	<u>341,671</u>
<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	(1,399)	(700)
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Cash flow hedge		
Effective portion of changes in fair value	<u>25,184</u>	<u>(92,071)</u>
<b>Total other comprehensive income / (loss) for the period</b>	<u>23,785</u>	<u>(92,771)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>264,951</u></u>	<u><u>248,900</u></u>
<b><i>Total comprehensive income for the period attributable to:</i></b>		
Owners of the Company	264,820	248,789
Non-controlling interest	131	111
	<u><u>264,951</u></u>	<u><u>248,900</u></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

Condensed consolidated statement of changes in equity  
For the period ended March 31, 2024

	Other reserves					Total equity attributable to the Owners of the Company AED '000	Non-controlling interest AED '000	Total AED '000
	Share capital AED '000	Statutory reserve AED '000	General reserve 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	7,534,006	1,084	7,535,090
Profit for the period	-	-	-	-	-	241,035	131	241,166
Other comprehensive income for the period	-	-	-	(1,399)	25,184	23,785	-	23,785
<b>Total comprehensive income for the period</b>	-	-	-	(1,399)	25,184	264,820	131	264,951
Transfers to reserves	-	20,637	20,637	-	-	(41,274)	-	-
<i>Transactions with owners</i>	-	-	-	-	-	(933,340)	-	(933,340)
Dividends declared (Note 14)	-	-	-	-	-	(933,340)	-	(933,340)
<b>As at March 31, 2024 (unaudited)</b>	<b>4,666,700</b>	<b>932,789</b>	<b>371,787</b>	<b>10,465</b>	<b>84,857</b>	<b>6,865,486</b>	<b>1,215</b>	<b>6,866,701</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 March 31, 2024

	Other reserves					Total equity attributable to the Owners of the Company AED '000	Non-controlling interest AED '000	Total AED '000
	Share capital AED '000	Statutory reserve AED '000	General reserve 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	520	6,995,635
Profit for the period	-	-	-	-	-	341,560	111	341,671
Other comprehensive loss for the period	-	-	-	(700)	(92,071)	-	-	(92,771)
Total comprehensive income for the period	-	-	-	(700)	(92,071)	341,560	111	248,900
<i>Transactions with owners</i>								
Dividends declared (Note 14)	-	-	-	-	-	(700,005)	-	(700,005)
As at March 31, 2023 (unaudited)	4,666,700	750,668	189,666	5,733	281,269	649,863	631	6,544,530

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 March 31, 2024**

	Three-month period ended March 31, 2024 (Unaudited) AED '000	Three-month period ended March 31, 2023 (Unaudited) AED '000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	265,933	341,671
<i>Adjustments to reconcile profit to net cash flows:</i>		
Depreciation and amortisation	166,608	159,992
Provision for staff termination benefits	15,801	27,743
Share of loss/(profit) on investments in associates and joint ventures	10,696	(66)
Finance income	(60,980)	(40,823)
Finance cost	24,576	26,340
<i>Operating cash flows before changes in working capital</i>	<u>422,634</u>	<u>514,857</u>
<i>Changes in working capital</i>		
Inventories	(819)	(4,997)
Trade and other receivables	(198,901)	(122,356)
Trade and other payables	(11,484)	175,438
Deferred income	133,316	106,674
<b>Cash from operations</b>	<u>344,746</u>	<u>669,616</u>
Staff terminal benefits paid	(2,462)	(12,144)
<b>Net cash flow from operating activities</b>	<u>342,284</u>	<u>657,472</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(94,396)	(23,820)
Proceeds from net investment in lease	11,250	3,702
Payments in relation to advances for new aircrafts-net	(375,719)	(188,385)
Change in fixed and margin deposits	73,948	(168,456)
Finance income received	31,922	40,823
Acquisition of intangible assets	(4,039)	(10,991)
Additions to investment property	(23,298)	-
Dividend received from joint ventures	23,000	23,000
Dividend received from associates	-	3,670
<b>Net cash flow used in investing activities</b>	<u>(357,332)</u>	<u>(320,457)</u>
<b>FINANCING ACTIVITIES</b>		
Payments of finance lease liabilities	(143,096)	(146,832)
Bank borrowings obtained/ (repaid) during the period	7,729	(3,153)
Finance cost paid	(8,952)	(16,257)
<b>Net cash flow used in financing activities</b>	<u>(144,319)</u>	<u>(166,242)</u>
<b>Net change in cash and cash equivalents</b>	<u>(159,367)</u>	<u>170,773</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>1,102,941</u>	<u>1,220,960</u>
Cash and cash equivalents comprise of:		
Bank balances and cash	5,013,062	5,071,594
Fixed deposits with maturity over 3 months	(3,910,121)	(3,850,634)
	<u>1,102,941</u>	<u>1,220,960</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 March 31, 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 March 31, 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 FZE	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 March 31, 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 March 31, 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 (IFRSs) 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 March 31, 2024**

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

**2.1 New Standards adopted as at January 1, 2024**

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 March 31, 2024, the Group acquired various property and equipment amounting to AED 94.4 million (the period ended March 31, 2023: AED 23.8 million).

Depreciation charge on property and equipment for the period ended March 31, 2024 amounted to AED 133 million (the period ended March 31, 2023: AED 158 million).

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

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Quoted investments in equity instruments in UAE *	8,690	9,216
Unquoted investments in debt instruments in UAE	149,450	150,449
Unquoted investments in debt instruments outside UAE	70,793	70,667
	<u>228,933</u>	<u>230,332</u>

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

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
As at January 1,	9,216	10,321
Change in fair value	(526)	(1,105)
	<u>8,690</u>	<u>9,216</u>

The market rates as at March 31, 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 March 31, 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:

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
As at January 1,	221,116	32,845
Additions during the year	-	181,735
Change in fair value	(873)	6,536
	<u>220,243</u>	<u>221,116</u>

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

**6 Bank balances and cash**

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<i>Bank balances:</i>		
Fixed deposits*	3,910,121	3,984,069
Current accounts	879,311	1,087,181
Call deposits	213,692	166,965
	<u>5,003,124</u>	<u>5,238,215</u>
Cash in hand	9,938	8,162
Bank balances and cash	<u>5,013,062</u>	<u>5,246,377</u>

\*These deposits carry an average interest rate of 5.14% (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 8 -15 years for aircrafts and hangar.

	March 31, 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	121,089	42,313
Payments made during the period/year	(143,096)	(637,773)
	<u>2,131,256</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 March 31, 2024**

**7 Finance lease liabilities (continued)**

	Current		Non-current	
	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Lease liabilities	581,441	585,436	1,549,815	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**

	March 31, 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	63,465	52,045
Other related parties	22,739	10,594
	<u>86,204</u>	<u>62,639</u>

**Amounts due to related parties**

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
<i>Included in trade and other payables</i>		
Payable to joint ventures	112,865	108,603
Other related parties	9,639	2,600
	<u>122,504</u>	<u>111,203</u>

Amounts 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.

**9 Basic and diluted earnings per share**

	March 31, 2024 (Unaudited) AED '000	March 31, 2023 (Unaudited) AED '000
Profit attributable to the owners of the Company	241,035	341,560
Weighted average number of shares (in '000)	4,666,700	4,666,700
Basic and diluted earnings per share (AED)	0.052	0.073

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

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended March 31, 2024**

**10 Operating lease commitments**

**10.1 The Group is a lessor:**

As at March 31, 2024, the Group has leased out 24 aircrafts (as at December 31, 2023: 22) 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:

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Within one year	257,320	220,025
Between 2 and 5 years	512,829	399,861
More than 5 years	9,882	-
	<u>780,031</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:

	March 31, 2024 (Unaudited) AED '000	December 31, 2023 (Audited) AED '000
Net book value	<u>1,252,736</u>	<u>1,227,641</u>
Accumulated depreciation	<u>1,738,822</u>	<u>1,611,899</u>
Depreciation charge for the period/year	<u>39,670</u>	<u>143,395</u>

**11 Contingent liabilities**

The Group have letters of guarantees and credits entered into as part of the normal course of business amounting to AED 66 million as at March 31, 2024 (December 31, 2023: AED 61 million), which at March 31, 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**

	March 31, 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>



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

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended March 31, 2024**

**13 Segment information**

The following table presents revenue and profit information for the Group's operating segments for the period ended March 31, 2024 and March 31, 2023, respectively:

<b>Three-month period ended</b>	<b>Other</b>			
<b>March 31, 2024 (unaudited)</b>	<b>Airline</b>	<b>segments</b>	<b>Eliminations</b>	<b>Total</b>
	AED '000	AED '000	AED '000	AED '000
<b>Revenue</b>				
External sales	1,439,294	101,604	-	1,540,898
Inter-segment sales	-	15,576	(15,576)	-
<b>Total revenue</b>	<b>1,439,294</b>	<b>117,180</b>	<b>(15,576)</b>	<b>1,540,898</b>
<b>Result</b>				
Segment result	228,871	47,758	-	276,629
Share of loss of investments in associates and joint ventures				(10,696)
<b>Profit for the period</b>				<b>265,933</b>

**Other information**

Additions to property and equipment and deferred charges	85,998	8,398	-	94,396
Depreciation and amortisation	161,504	5,104	-	166,608

<b>Three-month period ended</b>	<b>Other</b>			
<b>March 31, 2023 (unaudited)</b>	<b>Airline</b>	<b>segments</b>	<b>Eliminations</b>	<b>Total</b>
	AED '000	AED '000	AED '000	AED '000
<b>Revenue</b>				
External sales	1,346,576	82,606	-	1,429,182
Inter-segment sales	-	13,490	(13,490)	-
<b>Total revenue</b>	<b>1,346,576</b>	<b>96,096</b>	<b>(13,490)</b>	<b>1,429,182</b>
<b>Result</b>				
Segment result	320,158	21,447	-	341,605
Share of profit of investments in associates and joint ventures				66
<b>Profit for the period</b>				<b>341,671</b>

**Other information**

Additions to property and equipment and deferred charges	21,364	2,456	-	23,820
Depreciation and amortisation	154,102	5,890	-	159,992

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

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended March 31, 2024**

**13 Segment information (continued)**

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

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>March 31, 2024 (unaudited)</b>				
<b>Assets</b>				
Segment assets	10,110,503	1,614,383	(1,033,037)	10,691,849
Unallocated assets				4,418,539
Total assets				<u>15,110,388</u>
<b>Liabilities</b>				
Segment liabilities	8,726,490	550,234	(1,033,037)	8,243,687
	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
<b>March 31, 2023 (unaudited)</b>				
<b>Assets</b>				
Segment assets	9,838,798	1,256,425	(829,562)	10,265,661
Unallocated assets				4,361,272
Total assets				<u>14,626,933</u>
<b>Liabilities</b>				
Segment liabilities	8,371,655	540,313	(829,565)	8,082,403

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 14, 2023, 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).

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

**Notes to the condensed consolidated interim financial information (continued)**  
**For the period ended March 31, 2024**

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**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 three-month period ended March 31, 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 March 31, 2024, the Group has accrued current tax liabilities of AED 24.8 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 March 31, 2024.