

**Air Arabia PJSC
and its subsidiaries**

Condensed Consolidated Interim
Financial Information
For the period ended March 31, 2026

Air Arabia PJSC and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended March 31, 2026

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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 March 31, 2026, 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.

Other Matter

The condensed consolidated interim financial information of the Group for the three-month period ended March 31, 2025, were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial information on May 13, 2025 and the consolidated financial statements of the Group as at and for the year ended December 31, 2025 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 13, 2026.

GRANT THORNTON UAE



Dr. Osama El-Bakry
Registration No.935
Dubai, United Arab Emirates

May 14, 2026



Air Arabia PJSC and its subsidiaries
Condensed Consolidated Interim Financial Information

Condensed consolidated statement of financial position
As at March 31, 2026

	Notes	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
ASSETS			
Non-current assets			
Property and equipment	4	5,782,432	5,790,022
Right-of-use assets	10	1,107,054	852,577
Advance for new aircrafts	5	2,076,013	2,028,265
Investment property		281,892	277,090
Net investment in lease		317,038	334,666
Intangible assets	6	1,363,137	1,362,497
Deferred charges		11,821	9,253
Investments measured at fair value through other comprehensive income	7	447,723	457,528
Investments in associates and joint ventures		337,000	363,386
Trade and other receivables		271,198	31,349
		11,995,308	11,506,633
Current assets			
Inventories		105,564	97,042
Trade and other receivables		1,159,057	896,388
Fixed deposits	8	4,308,354	4,126,040
Cash and cash equivalents	9	662,719	1,072,692
		6,235,694	6,192,162
TOTAL ASSETS		18,231,002	17,698,795
EQUITY AND LIABILITIES			
Equity			
Share capital		4,666,700	4,666,700
Statutory reserve		1,224,015	1,202,225
General reserve		663,013	641,223
Other reserves		252,542	(49,011)
Retained earnings		752,333	1,947,767
Total equity attributable to the owners of the Company		7,558,603	8,408,904
Non-controlling interest		1,332	1,287
Total equity		7,559,935	8,410,191
Liabilities			
Non-current liabilities			
Provision for staff termination benefits		295,727	271,202
Provision for maintenance		1,199,640	1,058,906
Trade and other payables		28,630	114,461
Bank borrowings		1,041,294	1,121,341
Lease liabilities	10	1,251,890	1,003,700
Income tax liabilities		68,409	62,358
		3,885,590	3,631,968


The accompanying notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

Air Arabia PJSC and its subsidiaries
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Condensed consolidated statement of financial position (continued)
As at March 31, 2026

	Notes	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Current liabilities			
Deferred income		969,492	1,100,030
Provision for maintenance		487,564	817,418
Trade and other payables		4,533,151	2,932,708
Bank borrowings		376,466	393,727
Lease liabilities	10	244,867	262,667
Current income tax liabilities		173,937	150,086
		<u>6,785,477</u>	<u>5,656,636</u>
Total liabilities		10,671,067	9,288,604
TOTAL EQUITY AND LIABILITIES		18,231,002	17,698,795

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 14 MAY 2026 and were signed on their behalf by:



 Chairman



 Chief Executive Officer



 Director of Finance

The accompanying notes from 1 to 20 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, 2026

	Notes	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
Revenue		1,800,435	1,779,274
Direct costs		(1,498,433)	(1,406,581)
GROSS PROFIT		302,002	372,693
Administrative and general expenses		(91,564)	(80,034)
Selling and marketing expenses		(28,546)	(25,565)
Finance income		55,852	64,353
Finance costs		(21,743)	(17,143)
Share of profit on investments in associates and joint ventures		13,614	6,855
Other income, net		48,488	34,188
PROFIT FOR THE PERIOD BEFORE TAX		278,103	355,347
Income tax expense	18	(29,902)	(50,214)
PROFIT FOR THE PERIOD		248,201	305,133
<i>Profit for the period attributable to:</i>			
Owners of the Company		248,156	305,104
Non-controlling interest		45	29
		248,201	305,133
Basic and diluted earnings per share (AED)	12	0.053	0.065

The accompanying notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

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Condensed consolidated statement of comprehensive income
For the period ended March 31, 2026

	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
Profit for the period	248,201	305,133
Other comprehensive income/(loss)		
<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	(10,713)	5,230
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedge		
Effective portion of changes in fair value	312,266	(14,989)
Total other comprehensive income/(loss) for the period	301,553	(9,759)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	549,754	295,374
<i>Total comprehensive income for the period attributable to:</i>		
Owners of the Company	549,709	295,345
Non-controlling interest	45	29
	549,754	295,374

The accompanying notes from 1 to 20 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, 2026

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves			Retained earnings AED '000	Total equity attributable to the Owners of the Company AED '000	Non- controlling interest AED '000	Total equity AED '000
				Cumulative change in FVOCI AED '000	Cash flow hedge reserve AED '000					
As at January 1, 2026 (audited)	4,666,700	1,202,225	641,223	20,824	(69,835)	1,947,767	8,408,904	1,287	8,410,191	
Profit for the period	-	-	-	-	-	248,156	248,156	45	248,201	
Other comprehensive income for the period	-	-	-	(10,713)	312,266	-	301,553	-	301,553	
Total comprehensive income for the period	-	-	-	(10,713)	312,266	248,156	549,709	45	549,754	
Transfers to reserves	-	21,790	21,790	-	-	(43,580)	-	-	-	
<i>Transactions with owners</i>										
Dividends declared (Note 17)	-	-	-	-	-	(1,400,010)	(1,400,010)	-	(1,400,010)	
As at March 31, 2026 (Unaudited)	4,666,700	1,224,015	663,013	10,111	242,431	752,333	7,558,603	1,332	7,559,935	

The accompanying notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

Air Arabia PJSC and its subsidiaries
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Condensed consolidated statement of changes in equity (continued)

For the period ended March 31, 2026

	Other reserves					Retained earnings the Company AED '000	Non-controlling interest AED '000	Total equity attributable to the Owners of the Company AED '000	Total equity 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, 2025 (audited)	4,666,700	1,050,306	489,304	6,538	(52,323)	1,789,805	1,728	7,950,330	7,952,058
Profit for the period	-	-	-	-	-	305,104	29	305,104	305,133
Other comprehensive loss for the period	-	-	-	5,230	(14,989)	-	-	(9,759)	(9,759)
Total comprehensive income for the period	-	-	-	5,230	(14,989)	305,104	29	295,345	295,374
Transfers to reserves	-	29,908	29,908	-	-	(59,816)	-	-	-
<i>Transactions with owners</i>									
Dividends declared (Note 17)	-	-	-	-	-	(1,166,675)	-	(1,166,675)	(1,166,675)
As at March 31, 2025 (Unaudited)	4,666,700	1,080,214	519,212	11,768	(67,312)	868,418	1,757	7,079,000	7,080,757

The accompanying notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

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Condensed consolidated statement of cash flows
For the period ended March 31, 2026

	Notes	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
OPERATING ACTIVITIES			
Profit for the period before tax		278,103	355,347
<i>Adjustments for:</i>			
Depreciation and amortisation		166,805	147,840
Provision for staff termination benefits		28,934	16,172
Share of profit on investments in associates and joint ventures		(13,614)	(6,855)
Finance income		(55,852)	(64,353)
Finance cost		21,743	17,143
<i>Operating cash flows before changes in working capital</i>		426,119	465,294
<i>Changes in working capital</i>			
Inventories		(8,522)	(9,938)
Trade and other receivables		(140,501)	(146,083)
Trade and other payables		(74,338)	198,343
Deferred income		(130,538)	109,710
Cash flows from operations		72,220	617,326
Staff terminal benefits paid		(4,409)	(3,577)
Net cash flows from operating activities		67,811	613,749
INVESTING ACTIVITIES			
Additions to property and equipment	4	(112,095)	(88,079)
Proceeds from net investment in lease		26,256	17,713
Payments in relation to advances for new aircrafts-net		(47,748)	(416,933)
Change in fixed deposits		(182,315)	636,053
Finance income received		18,097	74,700
Additions to intangible assets	6.1	(2,786)	(4,711)
Additions to investment property		(4,802)	(11,873)
Dividend received from joint ventures		20,000	41,720
Investments at fair value through OCI – net		-	5,131
Net cash flows (used in)/from investing activities		(285,393)	253,721
FINANCING ACTIVITIES			
Payments of lease liabilities	10.1	(73,339)	(84,374)
Interest on payment of lease liabilities	10.1	(5,012)	(8,240)
Movement in bank borrowings - net		(97,309)	(104,771)
Finance cost paid		(16,731)	(11,381)
Net cash flows used in financing activities		(192,391)	(208,766)
Net change in cash and cash equivalents		(409,973)	658,704
Cash and cash equivalents at the beginning of the period		1,072,692	700,229
Cash and cash equivalents at the end of the period	9	662,719	1,358,933

The accompanying notes from 1 to 20 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, 2026

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, 2026 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, passenger 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 follows:

Name	Legal/ beneficial ownership interest		Country of operation and ownership	Principal activities
	2026	2025		
<i>Subsidiaries</i>				
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 (a)	100%	100%	United Arab Emirates	Travel and tours, tourism and cargo services.
Impact Aviation Services Limited	100%	100%	Ireland	Management of lease contracts
Air Arabia Service Center W.L.L	100%	100%	Bahrain	Office administrative and support services, call center and computer programming services
Centro Sharjah Hotel L.L.C.SP	100%	100%	United Arab Emirates	Hotel
Radisson Blu Hotel Apartment – Dubai Marina LLC	100%	100%	United Arab Emirates	Renting hotel apartments
<i>Subsidiaries of International Business Company (FZE) (sub-subsidiaries)</i>				
Olgana Real Estate Development L.L.C	100%	100%	United Arab Emirates	Real estate development
Air Arabia Academy LLC	100%	100%	United Arab Emirates	Aviation training services
Nexasoft Innovations Private Limited (b)	100%	100%	India	Software designing, development and solutions
Coreops Services Private Limited (b)	100%	100%	India	Backend support solutions

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, 2026

1 Legal status and principal activities (continued)

Name	Legal/ beneficial ownership interest		Country of operation and ownership	Principal activities
	2026	2025		
Joint ventures				
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”) (c)	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.	49%	49%	Egypt	International commercial air transportation.
Fly Jinnah Services (Private) Limited	45%	45%	Pakistan	International commercial air transportation.
Armenian National Airlines (CJSC) (“Fly Arna”) (d)	49%	49%	Armenia	International commercial air transportation.
Air Arabia DMM, LLC (e)	49%	49%	KSA	International commercial air Transportation
Tune Protection Commercial Brokerage LLC	51%	51%	United Arab Emirates	Transportation Commercial brokers
Associates				
Air Arabia Maroc, S.A	44.13%	44.13%	Morocco	International commercial air transportation.
Air Arabia Jordan LLC (d)	49%	49%	Jordan	International commercial air transportation.

(a) COZMO Travel LLC - Sole proprietorship controls subsidiaries in Qatar, Kingdom of Saudi Arabia, Kuwait, Bahrain, United Arab Emirates, India, Oman, Jordan and Egypt.

(b) In 2024, the Group incorporated fully owned subsidiaries named “Nexasoft Innovations Private Limited” and “Coreops Services Private Limited” in India through its wholly owned subsidiary, International Business Company (FZE). The subsidiaries became operational in 2025.

(c) The Group suspended the operation of Cozmo Armenia in 2024.

(d) In 2024, the Group has initiated the process of liquidating its joint ventures Fly Arna and Air Arabia Jordan LLC.

(e) In 2025, the Group entered into a joint venture with Saudi investors to establish an airline in Kingdom of Saudi Arabia “Air Arabia DMM, LLC” in which the Group owns 49% of the shares.

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, 2025.

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, 2026

2 Basis of preparation and material accounting policies (continued)

a) Basis of preparation (continued)

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, 2025.

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 directly or indirectly 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, 2025.

2.1 New or revised Standards or Interpretations

There are no accounting pronouncements which have become effective from 1 January 2026 that have a significant impact on the Group's condensed consolidated interim financial information.

At the date of authorisation of this condensed consolidated interim financial information, several new, but not yet effective, Standards, amendments to existing Standards, and interpretations have been published by the IASB and IFRS Interpretations Committee (IFRIC). None of these Standards or amendments to existing Standards have been adopted early by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group at the reporting date.

The new standards, amendments and interpretations not adopted in the current period are not expected to have a material impact on the Group's condensed consolidated interim financial information, except for IFRS 18 'Presentation and Disclosure in Financial Statements', which has an effective date of January 1, 2027. The Group is currently working to identify all of the impacts that IFRS 18 will have on the consolidated financial statements.

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Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2026

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, 2025.

4 Property and equipment

During the period ended March 31, 2026, the Group acquired various property and equipment amounting to AED 112.1 million (the period ended March 31, 2025: AED 88.1 million).

Depreciation charge on property and equipment for the period ended March 31, 2026 amounted to AED 119.7 million (the period ended March 31, 2025: AED 99.7 million).

5 Advance for new aircrafts

These represent pre-delivery payments made to suppliers for an amount of AED 2,076 million as of March 31, 2026 (December 31, 2025: AED 2,028.2 million) in respect of 115 new aircrafts consisting of A320 and A321 family.

6 Intangible assets

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Intangible assets (Note 6.1)	1,164,615	1,163,975
Goodwill (Note 6.2)	198,522	198,522
	<u>1,363,137</u>	<u>1,362,497</u>

6.1 Intangible assets

i) The movement in the intangible assets during the year can be reconciled as follows:

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	1,163,975	1,151,748
Additions during the period/year	2,786	18,282
Amortisation during the period/year	(2,146)	(6,055)
	<u>1,164,615</u>	<u>1,163,975</u>

The Group holds the intangible assets with indefinite useful lives, as follows:

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Trade name	395,410	395,410
Landing rights	468,273	468,273
Price benefit from related parties	180,281	180,281
Handling license - Sharjah Aviation Services	48,383	48,383
	<u>1,092,347</u>	<u>1,092,347</u>

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Notes to the condensed consolidated interim financial information (continued)
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6 Intangible assets (continued)

6.2 Goodwill

Goodwill comprises of the following:

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Goodwill on acquisition of Air Arabia LLC *	189,474	189,474
Goodwill on step acquisition of Information Systems Associates FZC	9,048	9,048
	<u>198,522</u>	<u>198,522</u>

* Goodwill arising on the acquisition of Air Arabia LLC in 2007, determined by an independent valuer, was as follows:

	AED '000
Total fair value of Air Arabia LLC	1,400,000
Fair value of intangible assets	(1,092,347)
Fair value of intangible assets - net	<u>(118,179)</u>
	<u>189,474</u>

7 Investments measured at fair value through other comprehensive income

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Quoted investments in equity instruments in UAE *	9,487	10,361
Unquoted investments in debt instruments in UAE	239,396	270,817
Unquoted investments in debt instruments outside UAE	198,840	176,350
	<u>447,723</u>	<u>457,528</u>

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

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	10,361	9,013
Change in fair value	(874)	1,348
	<u>9,487</u>	<u>10,361</u>

The market rates as at March 31, 2026 and December 31, 2025 are considered for the calculation of the fair value of the investments that are quoted on the stock exchange market.

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

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	447,167	411,353
Additions during the period/year	-	21,528
Change in fair value	(8,931)	14,286
	<u>438,236</u>	<u>447,167</u>

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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2026

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

The fair values of these debt instruments were determined using market interest rates of similar debt instruments as at March 31, 2026 and December 31, 2025.

8 Fixed deposits

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Fixed deposits*	<u>4,308,354</u>	<u>4,126,040</u>

*These deposits carry an average interest rate of 4.36% (2025: 4.41%) per annum.

9 Cash and cash equivalents

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
<i>Bank balances:</i>		
Current accounts	390,922	682,530
Call deposits	269,153	387,478
	<u>660,075</u>	<u>1,070,008</u>
Cash in hand	2,644	2,684
Cash and cash equivalents	<u>662,719</u>	<u>1,072,692</u>

10 Right of use assets and lease liabilities

10.1 Right-of-use assets

The movement of the right-of-use assets is summarised as below:

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	852,577	784,706
Remeasurement of right-of-use assets	298,717	-
Additions during the period/year	-	333,102
Derecognition during the period/year	-	(88,050)
Depreciation during the period/year	(44,240)	(177,181)
	<u>1,107,054</u>	<u>852,577</u>

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10 Right of use assets and lease liabilities (continued)

10.2 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.

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	1,266,367	1,042,276
Remeasurement of lease liabilities	298,717	-
Additions to lease liabilities for the period/year	-	472,157
Accretion of interest	5,012	31,530
Payments made during the period/year	<u>(73,339)</u>	<u>(279,596)</u>
	<u>1,496,757</u>	<u>1,266,367</u>

	Current		Non-current	
	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Lease liabilities	<u>244,867</u>	<u>262,667</u>	<u>1,251,890</u>	<u>1,003,700</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.

11 Related parties

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Amounts due from related parties		
<i>Included in trade and other receivables</i>		
Receivable from associates and joint ventures, net of allowance for expected credit losses	<u>112,426</u>	<u>46,672</u>
Amounts due to related parties		
<i>Included in trade and other payables</i>		
Payable to joint ventures	<u>404,195</u>	<u>359,216</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.

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12 Basic and diluted earnings per share

	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
Profit attributable to the owners of the Company	248,156	305,104
Weighted average number of shares (in '000)	4,666,700	4,666,700
Basic and diluted earnings per share (AED)	0.053	0.065

13 Operating lease commitments

The Group is a lessor

As at March 31, 2026, the Group has leased out 17 aircrafts (as at December 31, 2025: 17) 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, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Within one year	157,005	166,435
Between 2 and 5 years	91,984	126,401
	<u>248,989</u>	<u>292,836</u>

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

	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Net book value	942,414	967,384
Accumulated depreciation	1,876,279	1,851,309
Depreciation charge for the period/year	24,970	101,344

14 Contingent liabilities

The Group have letters of guarantees and credits entered into as part of the normal course of business activities amounting to AED 98 million as at March 31, 2026 (December 31, 2025: AED 98 million), which as at March 31, 2026 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.

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15 Capital commitments

	March 31, 2026 (Unaudited) AED'000	December 31, 2025 (Audited) AED'000
<i>Authorised and contracted:</i>		
Aircraft fleet	21,870,334	21,918,082

16 Segment information

The following table presents revenue and profit information for the Group's operating segments for the period ended March 31, 2026 and March 31, 2025 respectively:

Three-month period ended March 31, 2026 (Unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	1,681,710	118,725	-	1,800,435
Inter-segment sales	-	21,253	(21,253)	-
Total revenue	1,681,710	139,978	(21,253)	1,800,435

Result				
Segment result	215,294	20,253	(960)	234,587
Share of profit of investments in associates and joint ventures				13,614
Profit for the period				248,201

Other information

Additions to property and equipment and deferred charges	103,825	12,310	-	116,135
Depreciation and amortisation	(111,581)	(55,224)	-	(166,805)

Three-month period ended March 31, 2025 (Unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	1,661,999	117,275	-	1,779,274
Inter-segment sales	-	13,077	(13,077)	-
Total revenue	1,661,999	130,352	(13,077)	1,779,274

Result				
Segment result	304,516	27,672	(33,910)	298,278
Share of profit of investments in associates and joint ventures				6,855
Profit for the period				305,133

Other information

Additions to property and equipment and deferred charges	58,567	29,512	-	88,079
Depreciation and amortisation	96,868	50,972	-	147,840

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16 Segment information (continued)

The following table presents assets and liabilities information for the Group's operating segments as at March 31, 2026 and March 31, 2025, respectively:

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
March 31, 2026 (Unaudited)				
Assets				
Segment assets	<u>16,952,131</u>	<u>2,570,014</u>	<u>(1,291,143)</u>	<u>18,231,002</u>
Liabilities				
Segment liabilities	<u>11,535,190</u>	<u>427,020</u>	<u>(1,291,143)</u>	<u>10,671,067</u>
	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
March 31, 2025 (Unaudited)				
Assets				
Segment assets	<u>14,939,296</u>	<u>2,304,182</u>	<u>(1,272,868)</u>	<u>15,970,610</u>
Liabilities				
Segment liabilities	<u>9,782,288</u>	<u>380,433</u>	<u>(1,272,868)</u>	<u>8,889,853</u>

Inter-segment sales are charged at prevailing market prices.

Geographical segments

The majority of assets and liabilities of the Group are geographically located in United Arab Emirates. Therefore, detailed disclosures have not been provided. Geographical location-wise disaggregation of revenue of the Group are as follows:

	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
Within United Arab Emirates	1,776,473	1,759,124
Outside United Arab Emirates	<u>23,962</u>	<u>20,150</u>
	<u>1,800,435</u>	<u>1,779,274</u>

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, 2025. 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 associates. Goodwill and intangible assets have been allocated to the Airline segment.

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17 Dividends

At the Annual General Meeting held on March 12, 2026, the Board of Directors proposed, and the shareholders approved a cash dividend of AED 1,400 million at AED 0.30 per share for the year ended December 31, 2025 (2025: AED 1,167 million at AED 0.25 per share).

18 Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (C1) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after June 1, 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from January 16, 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply.

Current tax is measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of any reporting period.

Since the Group is expected to pay tax in accordance with the provision of the "Domestic Minimum Top-up Tax" (DMTT) which has been implemented with effect from January 1, 2025 at the rate of 15%, accordingly provision for current taxes have been accounted for on the same basis in this condensed consolidated financial information for the period ended March 31, 2026.

	Three-month period ended March 31, 2026 (Unaudited) AED '000	Three-month period ended March 31, 2025 (Unaudited) AED '000
Current tax expense	<u>29,902</u>	<u>50,214</u>

For determining the tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purpose include items relating to both income and expense. After giving effect to these adjustments, the average effective tax rate is estimated to 10.75% (2025 : 11.60%).

Movement of current tax liabilities

	March 31, 2026 (Unaudited) AED'000	December 31, 2025 (Audited) AED'000
As at January 1,	212,444	141,508
Tax expense for the period/year	29,902	212,444
Tax paid	-	(131,118)
Tax adjustment of prior period/year	-	(10,390)
	<u>242,346</u>	<u>212,444</u>

	Current		Non-current	
	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000	March 31, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Income tax liabilities	<u>173,937</u>	<u>150,086</u>	<u>68,409</u>	<u>62,358</u>

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18 Taxation (continued)

Deferred taxes analysed by type of temporary difference

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, 2026.

Pillar Two Model Rules

In 2021, the Organisation for Economic Cooperation and Development ("OECD") published the Global Anti-Base Erosion Model Rules ("Pillar Two Model Rules") with an objective to address the tax challenges arising from the digitalisation of the global economy. The Group qualifies to be in scope under the Pillar Two Model Rules.

On December 9, 2024, the concerned authorities in United Arab Emirates announced that a "Domestic Minimum Top-up Tax" (DMTT) will be implemented with effect from January 1, 2025. The Group has assessed the impact as at reporting date as per the current guidance and regulations and therefore current tax provision at 15% is recorded.

Furthermore, the Group is closely monitoring further developments and legislations that will impact the overall Pillar Two tax position on a going-forward basis. Amendments to IAS 12 introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing Pillar Two. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

19 Impact of geopolitical developments in the Middle East

On February 28, 2026, the security situation in the Middle East escalated significantly following the commencement of a major military conflict involving certain countries. The escalation had resulted in the temporarily temporary closure of certain regional airspace, disruption to international flight operations and heightened geopolitical uncertainty, with implications for multiple countries, including the United Arab Emirates ("UAE").

In addition to operational disruptions, the escalation has contributed to increased volatility in global oil markets, resulting in higher aviation fuel prices, including within the UAE. Fuel costs represent a significant component of the Group's operating expense base, and movements in oil prices remain a key driver of the Group's operating performance.

Given its operations as an international airline, the Group is exposed to geopolitical developments in the region, particularly those affecting airspace accessibility, route scheduling, passenger demand, fuel prices and broader economic conditions. During the period ended March 31, 2026, the Group implemented operational adjustments, including rerouting of certain services and changes to flight schedules, in response to evolving airspace restrictions and regulatory directives.

Management has assessed the potential financial and operational implications of these events, taking into account the duration and extent of disruptions during the reporting period, as well as prevailing fuel price trends and demand patterns.

Based on the information available as at the date of issuance of this condensed consolidated interim financial information, and considering the mitigating actions undertaken, the Group has not identified significant indicators that the conflict has adversely affected the safety of its personnel, the continuity of its operations, its liquidity position or the recoverability of its assets.

20 Comparative information

Comparative information for the three-month period ended March 31, 2026 has been reclassified to conform to the presentation of the consolidated financial statements for the year ended December 31, 2025.
