Air Arabia PJSC
and its subsidiaries

Condensed Consolidated Interim
Financial Information
For the period ended June 30, 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 June 30, 2026, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and notes to the condensed consolidated interim financial information

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 six-month period ended June 30, 2025, was reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial information on August 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.

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Public Accountants

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

August 13, 2026

Condensed consolidated statement of financial position
As at June 30, 2026

	Notes	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
ASSETS			
Non-current assets			
Property and equipment	4	**6,806,318**	5,790,022
Right-of-use assets	10	**1,129,195**	852,577
Advance for new aircrafts	5	**1,897,759**	2,028,265
Investment property		**285,893**	277,090
Net investment in lease		**298,681**	334,666
Intangible assets	6	**1,365,430**	1,362,497
Deferred charges		**11,105**	9,253
Investments measured at fair value through other comprehensive income	7	**443,704**	457,528
Investments in associates and joint ventures		**262,037**	363,386
Trade and other receivables		**69,742**	31,349
		12,569,864	11,506,633
Current assets			
Inventories		**118,928**	97,042
Trade and other receivables		**1,060,147**	896,388
Fixed deposits	8	**3,095,898**	4,126,040
Cash and cash equivalents	9	**1,289,201**	1,072,692
		5,564,174	6,192,162
TOTAL ASSETS		**18,134,038**	17,698,795
EQUITY AND LIABILITIES			
Equity			
Share capital		**4,666,700**	4,666,700
Statutory reserve		**1,230,250**	1,202,225
General reserve		**669,248**	641,223
Other reserves		**51,087**	(49,011)
Retained earnings		**827,731**	1,947,767
Total equity attributable to the owners of the Company		**7,445,016**	8,408,904
Non-controlling interest		**1,376**	1,287
Total equity		**7,446,392**	8,410,191
Liabilities			
Non-current liabilities			
Provision for staff termination benefits		**304,112**	271,202
Provision for maintenance		**1,139,253**	1,058,906
Trade and other payables		**28,631**	114,461
Bank borrowings		**1,719,949**	1,121,341
Lease liabilities	10	**1,246,093**	1,003,700
Income tax liabilities		**37,948**	62,358
		4,475,986	3,631,968

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

Condensed consolidated statement of financial position (continued)
As at June 30, 2026

	Notes	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Current liabilities			
Deferred income		**1,035,811**	1,100,030
Provision for maintenance		**655,283**	817,418
Trade and other payables		**3,452,899**	2,932,708
Bank borrowings		**600,677**	393,727
Lease liabilities	10	**254,250**	262,667
Current income tax liabilities		**212,740**	150,086
		6,211,660	5,656,636
Total liabilities		**10,687,646**	9,288,604
TOTAL EQUITY AND LIABILITIES		**18,134,038**	17,698,795

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 13 AUG 2026 and were signed on their behalf by:

Chairman | *Chief Executive Officer* | *Director of Finance*

Condensed consolidated statement of profit or loss
For the period ended June 30, 2026

	Notes	**Three-month period ended June 30, 2026 (Unaudited) AED '000**	Three-month period ended June 30, 2025 (Unaudited) AED '000	**Six-month period ended June 30, 2026 (Unaudited) AED '000**	Six-month period ended June 30, 2025 (Unaudited) AED '000
Revenue		**1,688,588**	1,747,856	**3,489,023**	3,527,130
Direct costs		**(1,547,579)**	(1,373,139)	**(3,046,012)**	(2,779,720)
GROSS PROFIT		**141,009**	374,717	**443,011**	747,410
Administrative and general expenses		**(73,052)**	(61,364)	**(164,616)**	(141,398)
Selling and marketing expenses		**(24,740)**	(28,760)	**(53,286)**	(54,325)
Finance income		**45,861**	58,759	**101,713**	123,112
Finance costs		**(28,054)**	(17,674)	**(49,797)**	(34,817)
Share of (loss)/profit on investments in associates and joint ventures		**(5,627)**	44,298	**7,987**	51,153
Other income, net		**40,857**	44,748	**89,345**	78,936
PROFIT FOR THE PERIOD BEFORE TAX		**96,254**	414,724	**374,357**	770,071
Income tax expense	18	**(8,342)**	(64,843)	**(38,244)**	(115,057)
PROFIT FOR THE PERIOD		**87,912**	349,881	**336,113**	655,014
Profit for the period attributable to:					
Owners of the Company		**87,868**	349,805	**336,024**	654,909
Non-controlling interest		**44**	76	**89**	105
		87,912	349,881	**336,113**	655,014
Basic and diluted earnings per share (AED)	12	**0.019**	0.075	**0.072**	0.140

Condensed consolidated statement of comprehensive income
For the period ended June 30, 2026

	Three-month period ended June 30, 2026 (Unaudited) AED '000	Three-month period ended June 30, 2025 (Unaudited) AED '000	**Six-month period ended June 30, 2026 (Unaudited) AED '000**	Six-month period ended June 30, 2025 (Unaudited) AED '000
Profit for the period	**87,912**	349,881	**336,113**	655,014
Other comprehensive (loss)/income:				
Items that will never be subsequently reclassified to profit or loss:				
Change in fair value of investments measured at fair value through other comprehensive income	**928**	3,163	**(9,785)**	8,393
Items that are or may be reclassified subsequently to profit or loss				
Cash flow hedge				
Effective portion of changes in fair value	**(202,383)**	(56,182)	**109,883**	(71,171)
Total other comprehensive (loss)/income for the period	**(201,455)**	(53,019)	**100,098**	(62,778)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(113,543)**	296,862	**436,211**	592,236
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	**(113,587)**	296,786	**436,122**	592,131
Non-controlling interest	**44**	76	**89**	105
	(113,543)	296,862	**436,211**	592,236

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

Condensed consolidated statement of changes in equity
For the period ended June 30, 2026

	Share capital	Statutory reserve	General reserve	Other reserves		Retained earnings	Total attributable to the Owners of the Company	Non-controlling interest	Total equity
				Cumulative change in FVOCI	Cash flow hedge reserve				
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	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	-	-	-	-	-	336,024	336,024	89	336,113
Other comprehensive income for the period	-	-	-	(9,785)	109,883	-	100,098	-	100,098
Total comprehensive income for the period	-	-	-	(9,785)	109,883	336,024	436,122	89	436,211
Transfers to reserves	-	28,025	28,025	-	-	(56,050)	-	-	-
Transactions with owners									
Dividends declared (Note 17)	-	-	-	-	-	(1,400,010)	(1,400,010)	-	(1,400,010)
As at June 30, 2026 (Unaudited)	**4,666,700**	**1,230,250**	**669,248**	**11,039**	**40,048**	**827,731**	**7,445,016**	**1,376**	**7,446,392**

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

Condensed consolidated statement of changes in equity (continued)
For the period ended June 30, 2026

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Other reserves: Cumulative change in FVOCI AED '000	Other reserves: Cash flow hedge reserve AED '000	Retained earnings AED '000	Total attributable to the Owners of the Company AED '000	Non-controlling interest AED '000	Total equity AED '000
As at January 1, 2025 (Audited)	4,666,700	1,050,306	489,304	6,538	(52,323)	1,789,805	7,950,330	1,728	7,952,058
Profit for the period	-	-	-	-	-	654,909	654,909	105	655,014
Other comprehensive loss for the period	-	-	-	8,393	(71,171)	-	(62,778)	-	(62,778)
Total comprehensive income for the period	-	-	-	8,393	(71,171)	654,909	592,131	105	592,236
Transfer to reserves	-	63,524	63,524	-	-	(127,048)	-	-	-
Transactions with owners									
Dividends declared (Note 17)	-	-	-	-	-	(1,166,675)	(1,166,675)	(700)	(1,167,375)
As at June 30, 2025 (Unaudited)	4,666,700	1,113,830	552,828	14,931	(123,494)	1,150,991	7,375,786	1,133	7,376,919

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

Condensed consolidated statement of cash flows
For the period ended June 30, 2026

	Notes	**Six-month period ended June 30, 2026 (Unaudited) AED '000**	Six-month period ended June 30, 2025 (Unaudited) AED '000
OPERATING ACTIVITIES			
Profit for the period before tax		**374,357**	770,071
Adjustments for:			
Depreciation and amortisation		**351,929**	318,612
Provision for staff termination benefits		**40,963**	27,928
Share of profit on investments in associates and joint ventures		**(7,987)**	(51,153)
Finance income		**(101,713)**	(123,112)
Finance costs		**49,797**	34,817
Operating cash flows before changes in working capital		**707,346**	977,163
Changes in working capital			
Inventories		**(21,886)**	(19,199)
Trade and other receivables		**(76,022)**	(170,009)
Trade and other payables		**359,582**	377,808
Deferred income		**(64,219)**	233,842
Cash flows from operations		**904,801**	1,399,605
Staff terminal benefits paid		**(8,053)**	(7,832)
Net cash flows from operating activities		**896,748**	1,391,773
INVESTING ACTIVITIES			
Additions to property and equipment	4	**(1,096,086)**	(215,960)
Additions to investment property		**(8,803)**	(19,352)
Proceeds from net investment in lease		**50,725**	35,309
Payments in relation to advances for new aircrafts-net		**(47,747)**	(416,933)
Change in fixed deposits		**1,030,141**	668,960
Finance income received		**86,327**	109,320
Additions to intangible assets	6.1	**(7,228)**	(10,870)
Additions to deferred charges		**(3,346)**	-
Dividend received from joint ventures and associates		**88,258**	41,720
Addition to investment in associates and joint ventures		**(2,205)**	-
Addition to investments at fair value through OCI – net		**4,039**	(1,458)
Net cash flows from investing activities		**94,075**	190,736
FINANCING ACTIVITIES			
Payments of principal portion of lease liabilities	10.2	**(130,064)**	(315,823)
Payments of interest portion of lease liabilities	10.2	**(27,932)**	(17,013)
Movement in bank borrowings - net		**805,557**	(15,383)
Finance costs paid		**(21,865)**	(13,742)
Dividends paid		**(1,400,010)**	(1,166,675)
Net cash flows used in financing activities		**(774,314)**	(1,528,636)
Net change in cash and cash equivalents		**216,509**	53,873
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	**1,289,201**	754,102

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

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, 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, 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 follows:

Name	Legal/ beneficial ownership interest 2026	2025	Country of operation and ownership	Principal activities
Subsidiaries				
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
Subsidiaries of International Business Company (FZE) (sub-subsidiaries)				
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

1 Legal status and principal activities (continued)

Name	Legal/ beneficial ownership interest 2026	2025	Country of operation and ownership	Principal activities
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
Northern Technik (Private) Limited (f)	**49%**	-	Pakistan	Aircraft maintenance services
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.

(f) During the period ended June 30, 2026, the Group, through its wholly owned subsidiary, International Business Company FZE, acquired a 49% equity interest in Northern Technik (Private) Limited from SPARS (Private) Limited.

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 IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2025.

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 respective 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.

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 June 30, 2026, the Group acquired various property and equipment amounting to AED 1,274.34 million (the period ended June 30, 2025: AED 215.96 million). Certain additions were recognised against advances paid in prior periods and, accordingly, did not result in cash outflows during the current period.

Depreciation charge on property and equipment for the period ended June 30, 2026 amounted to AED 258.72 million (the period ended June 30, 2025: AED 215.39 million).

5 Advance for new aircrafts

These represent pre-delivery payments made to suppliers for an amount of AED 1,897.76 million as of June 30, 2026 (December 31, 2025: AED 2,028.27 million) in respect of 110 new aircrafts consisting of A320 and A321 family.

6 Intangible assets

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Intangible assets (Note 6.1)	**1,166,908**	1,163,975
Goodwill (Note 6.2)	**198,522**	198,522
	1,365,430	1,362,497

6.1 Intangible assets

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

	June 30, 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	**7,228**	18,282
Amortisation during the period/year	**(4,295)**	(6,055)
	1,166,908	1,163,975

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

	June 30, 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
	1,092,347	1,092,347

6 Intangible assets (continued)

6.2 Goodwill

Goodwill comprises of the following:

	June 30, 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
	198,522	198,522

* 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	(118,179)
	189,474

7 Investments measured at fair value through other comprehensive income

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Quoted investments in equity instruments in UAE*	**10,112**	10,361
Unquoted investments in debt instruments in UAE	**232,735**	270,817
Unquoted investments in debt instruments outside UAE	**200,857**	176,350
	443,704	457,528

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

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Opening balance	**10,361**	9,013
Change in fair value	**(249)**	1,348
	10,112	10,361

The market rates as at June 30, 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:

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
As at January 1,	**447,167**	411,353
Additions during the period/year	**14,690**	21,528
Disposal during the period/year	**(18,729)**	-
Change in fair value	**(9,536)**	14,286
	433,592	447,167

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 June 30, 2026, and December 31, 2025.

8 Fixed deposits

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Fixed deposits*	**3,095,898**	4,126,040

*These deposits carry an average interest rate of 4.35% (2025: 4.41%) per annum.

9 Cash and cash equivalents

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Bank balances:		
Current accounts	**931,821**	682,530
Call deposits	**354,201**	387,478
	1,286,022	1,070,008
Cash in hand	**3,179**	2,684
Cash and cash equivalents	**1,289,201**	1,072,692

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:

	June 30, 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	**65,323**	333,102
Derecognition during the period/year	**-**	(88,050)
Depreciation during the period/year	**(87,422)**	(177,181)
	1,129,195	852,577

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.

	June 30, 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	**65,323**	472,157
Accretion of interest	**27,932**	31,530
Payments made during the period/year	**(157,996)**	(279,596)
	1,500,343	1,266,367

	Current		Non-current	
	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Lease liabilities	**254,250**	262,667	**1,246,093**	1,003,700

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

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Amounts due from related parties		
Included in trade and other receivables		
Receivable from associates and joint ventures, net of allowance for expected credit losses	**87,585**	46,672
Amounts due to related parties		
Included in trade and other payables		
Payable to joint ventures	**710,999**	359,216

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.

12 Basic and diluted earnings per share

	Three-month period ended June 30, 2026 (Unaudited) AED '000	Three-month period ended June 30, 2025 (Unaudited) AED '000	**Six-month period ended June 30, 2026 (Unaudited) AED '000**	Six-month period ended June 30, 2025 (Unaudited) AED '000
Profit attributable to the owners of the Company	**87,868**	349,805	**336,024**	654,909
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)	**0.019**	0.075	**0.072**	0.140

13 Operating lease commitments

The Group is a lessor

As at June 30, 2026, the Group has leased out 19 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:

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Within one year	**197,676**	166,435
Between 2 and 5 years	**266,507**	126,401
More than 5 years	**104,598**	-
	568,781	292,836

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

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Net book value	**1,093,285**	967,384
Accumulated depreciation	**2,056,688**	1,851,309
Depreciation charge for the period/year	**57,110**	101,344

14 Contingent liabilities

The Group has letters of guarantees and credits entered into as part of the normal course of business activities amounting to AED 108 million as at June 30, 2026 (December 31, 2025: AED 98 million), which as at June 30, 2026 are not expected to result in material losses for the Group in the foreseeable future and does not consider it probable that there will be an outflow of economic resources with regard to these contingent liabilities.

Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2026

15 Capital commitments

	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000
Authorised and contracted:		
Aircraft fleet	**21,101,539**	21,918,082

16 Segment information

The following table presents revenue and profit information for the Group's operating segments for the period ended June 30, 2026 and June 30, 2025, respectively:

Six-month period ended June 30, 2026 (Unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	**3,295,980**	**193,043**	**-**	**3,489,023**
Inter-segment sales	**-**	**89,191**	**(89,191)**	**-**
Total revenue	**3,295,980**	**282,234**	**(89,191)**	**3,489,023**
Result				
Segment result	**287,568**	**46,021**	**(5,463)**	**328,126**
Share of profit of investments in associates and joint ventures				**7,987**
Profit for the period				**336,113**
Other information				
Additions to property and equipment and deferred charges	**1,110,074**	**167,611**	**-**	**1,277,685**
Depreciation and amortisation	**(237,068)**	**(114,861)**	**-**	**(351,929)**

Six-month period ended June 30, 2025 (Unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	3,347,927	179,203	-	3,527,130
Inter-segment sales	-	89,303	(89,303)	-
Total revenue	3,347,927	268,506	(89,303)	3,527,130
Result				
Segment result	595,408	51,958	(43,505)	603,861
Share of profit of investments in associates and joint ventures				51,153
Profit for the period				655,014
Other information				
Additions to property and equipment and deferred charges	152,728	63,232	-	215,960
Depreciation and amortisation	266,042	52,570	-	318,612

16 Segment information (continued)

The following table presents assets and liabilities information for the Group's operating segments as at June 30, 2026 and December 31, 2025, respectively:

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
June 30, 2026 (Unaudited)				
Assets				
Segment assets	**16,927,582**	**2,672,594**	**(1,466,138)**	**18,134,038**
Liabilities				
Segment liabilities	**11,453,480**	**700,304**	**(1,466,138)**	**10,687,646**

	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
December 31, 2025 (audited)				
Assets				
Segment assets	16,434,234	2,626,343	(1,361,782)	17,698,795
Liabilities				
Segment liabilities	8,517,987	2,132,399	(1,361,782)	9,288,604

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:

	Six-month period ended June 30, 2026 (Unaudited) AED '000	Six-month period ended June 30, 2025 (Unaudited) AED '000
Within United Arab Emirates	**3,423,382**	3,455,726
Outside United Arab Emirates	**65,641**	71,404
	3,489,023	3,527,130

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.

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 (CT) 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 interim financial information for the period ended June 30, 2026.

	Three-month period ended June 30, 2026 (Unaudited) AED '000	Three-month period ended June 30, 2025 (Unaudited) AED '000	**Six-month period ended June 30, 2026 (Unaudited) AED '000**	Six-month period ended June 30, 2025 (Unaudited) AED '000
Current tax expense	**8,342**	64,843	**38,244**	115,057

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 10.22%.

Movement of current tax liabilities

	June 30, 2026 (Unaudited) AED'000	December 31, 2025 (Audited) AED'000
As at January 1,	**212,444**	141,508
Tax expense for the period/year	**38,244**	212,444
Tax paid	-	(131,118)
Tax adjustment of prior period/year	-	(10,390)
	250,688	212,444

	Current		**Non-current**	
	June 30, 2026 (Unaudited) AED '000	December 31, 2025 (Audited) AED '000	**June 30, 2026 (Unaudited) AED '000**	December 31, 2025 (Audited) AED '000
Income tax liabilities	**212,740**	150,086	**37,948**	62,358

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 June 30, 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 the United Arab Emirates announced that a Domestic Minimum Top-up Tax ("DMTT") will be implemented effective January 1, 2025. The Group has assessed the impact as at the reporting date based on the current guidance and regulations. Accordingly, a current tax provision has been recognised in respect of the DMTT, determined in accordance with the applicable Pillar Two rules and adjustments.

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 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 June 30, 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 six-month period ended June 30, 2026 has been reclassified to conform to the presentation of the consolidated financial statements for the year ended December 31, 2025.