

**Jazeera Airways K.S.C.P.
Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)
and
Independent Auditor's Review Report
31 March 2026**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF JAZEERA AIRWAYS K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jazeera Airways K.S.C.P. (the "Parent Company") and its subsidiaries (together called "the Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this 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 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

Report on other Legal and Regulatory Requirements

Based on our review, the interim financial information is in agreement with the books of account of the Parent Company. We further report that, nothing has come to our attention that causes us to believe that there is any material violations of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations or of the Memorandum of Incorporation and Articles of Association, as amended, of the Parent Company, during the three-month period ended 31 March 2026, that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, nothing has come to our attention that causes us to believe that there is any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the three-month period ended 31 March 2026, that might have had a material effect on the business of the Parent Company or on its financial position.



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Kuwait
13 May 2026

Jazeera Airways K.S.C.P.
Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
as at 31 March 2026

	Note	Kuwaiti Dinars		
		31 March	31 December	31 March
		2026	2025	2025
		(Unaudited)	(Audited)	(Unaudited)
ASSETS				
Non-current assets				
Property and equipment	3	159,343,426	152,385,002	139,540,308
Right to use asset	4	103,703,162	107,353,595	116,076,638
Advance for maintenance		4,902,019	4,325,251	2,676,758
Security deposits		348,181	348,181	262,373
		<u>268,296,788</u>	<u>264,412,029</u>	<u>258,556,077</u>
Current assets				
Inventories		5,429,044	4,588,620	8,527,754
Security deposits		-	38,434	-
Trade and other receivables		29,310,754	14,911,083	22,382,621
Cash and bank balances	5	69,283,755	48,834,686	55,363,309
		<u>104,023,553</u>	<u>68,372,823</u>	<u>86,273,684</u>
Total assets		<u>372,320,341</u>	<u>332,784,852</u>	<u>344,829,761</u>
LIABILITIES AND EQUITY				
Equity				
Share capital	6	22,000,000	22,000,000	22,000,000
Legal reserve		6,771,146	6,771,146	4,556,409
Treasury shares	7	(1,004,261)	(1,004,261)	-
Share-based payment reserve		390,508	352,750	-
Retained earnings		18,287,999	19,348,740	4,795,864
Total equity		<u>46,445,392</u>	<u>47,468,375</u>	<u>31,352,273</u>
Non-current liabilities				
Post-employment benefits		6,286,370	5,777,976	5,140,834
Maintenance payables		29,760,325	34,631,832	33,716,890
Lease liabilities	8	95,772,635	99,399,556	107,497,725
Term loans		60,298,898	36,891,667	64,000,000
		<u>192,118,228</u>	<u>176,701,031</u>	<u>210,355,449</u>
Current liabilities				
Maintenance payables		22,088,296	18,238,683	13,806,076
Lease liabilities	8	17,849,284	18,031,686	18,560,285
Term loans		35,534,436	18,108,333	13,000,000
Trade and other payables		46,399,475	37,844,630	46,486,544
Deferred revenue		11,885,230	16,392,114	11,269,134
		<u>133,756,721</u>	<u>108,615,446</u>	<u>103,122,039</u>
Total liabilities		<u>325,874,949</u>	<u>285,316,477</u>	<u>313,477,488</u>
Total liabilities and equity		<u>372,320,341</u>	<u>332,784,852</u>	<u>344,829,761</u>

The accompanying notes 1 to 15 are an integral part of this interim condensed consolidated financial information.



Mohammad J M Al Mousa
Vice Chairman

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited) - Three months ended 31 March 2026

	Note	Kuwaiti Dinars	
		Three months ended	
		2026	2025
Revenue	9	45,111,067	53,559,753
Operating costs	10	(40,302,311)	(44,892,286)
Gross profit		4,808,756	8,667,467
Other operating income		526,614	606,590
General and administrative expenses	11	(2,632,529)	(1,860,206)
Finance costs		(1,885,153)	(2,359,703)
Foreign currency gain/(loss)		191,880	(104,567)
Expected Credit Loss (ECL) - financial assets		(2,070,309)	-
(Loss) / profit before contribution and taxes		(1,060,741)	4,949,581
Zakat		-	(54,096)
Contribution to Kuwait Foundation for the Advancement of Sciences		-	(44,546)
National Labour Support Tax		-	(135,239)
(Loss) / profit for the period		(1,060,741)	4,715,700
Attributable to:			
Shareholders of the Parent Company		(1,060,741)	4,715,700
(Loss) / earnings per share (fils)			
Basic	12	(4.84)	21.44
Diluted	12	(4.83)	21.44

The accompanying notes 1 to 15 are an integral part of this interim condensed consolidated financial information.

**Jazeera Airways K.S.C.P.
Kuwait**

**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) -
Three months ended 31 March 2026**

	Kuwaiti Dinars	
	Three months ended 31 March	
	2026	2025
(Loss) / profit for the period	(1,060,741)	4,715,700
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	(1,060,741)	4,715,700
Attributable to:		
Shareholders of the Parent Company	(1,060,741)	4,715,700

The accompanying notes 1 to 15 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited) – Three months ended 31 March 2026

	Kuwaiti Dinars					Total equity
	Share capital	Legal reserve	Treasury shares	Share-based payments reserve	Retained earnings	
At 1 January 2026	22,000,000	6,771,146	(1,004,261)	352,750	19,348,740	47,468,375
Total comprehensive loss for the period	-	-	-	-	(1,060,741)	(1,060,741)
Equity-settled share-based payments	-	-	-	37,758	-	37,758
At 31 March 2026	22,000,000	6,771,146	(1,004,261)	390,508	18,287,999	46,445,392
As at 1 January 2025	22,000,000	4,556,409	-	-	8,879,958	35,436,367
Total comprehensive income for the period	-	-	-	-	4,715,700	4,715,700
Dividend payable (Note 6)	-	-	-	-	(8,799,794)	(8,799,794)
At 31 March 2025	22,000,000	4,556,409	-	-	4,795,864	31,352,273

The accompanying notes 1 to 15 are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) – Three months ended 31 March 2026

	Note	Kuwaiti Dinars	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cash flows from operating activities			
(Loss) / profit before contribution and taxes		(1,060,741)	4,949,581
<i>Adjustments for:</i>			
Depreciation	3,4	5,367,197	6,130,498
Finance costs		1,885,153	2,359,703
Foreign exchange gain -unrealised		(191,880)	(50,116)
Equity-settled share-based payments		37,758	-
Provision for post-employment benefits		545,294	531,882
Expected Credit Loss (ECL) - financial assets		2,070,309	-
Other operating income- interest income		(438,903)	(567,725)
Cash flows from operating activities before working capital changes		8,214,187	13,353,823
<i>Changes in:</i>			
- inventories		(840,424)	(550,545)
- trade and other receivables		(17,092,353)	(5,943,166)
- security deposits		38,434	86,360
- advance for maintenance		(576,768)	(393,987)
- maintenance payables		(1,021,894)	1,805,478
- trade and other payables		8,544,321	5,093,934
- deferred revenue		(4,506,884)	(1,568,589)
Cash (used in) / generated from operations		(7,241,381)	11,883,308
Post-employment benefits paid		(36,900)	(71,904)
Paid to KFAS, Zakat & NLST		-	(96,136)
Net cash (used in) / from operating activities		(7,278,281)	11,715,268
Cash flows from investing activities			
Purchase of property and equipment	3	(8,675,188)	(675,673)
Interest income received		1,061,275	594,015
Deposits with original maturity of more than three months	5	(1,054,054)	(5,374,660)
Net cash used in investing activities		(8,667,967)	(5,456,318)
Cash flows from financing activities			
Re-payment of lease liabilities		(3,677,337)	(3,848,761)
Finance costs paid		(1,814,734)	(2,335,373)
Receipts from term loan		56,000,000	5,000,000
Repayment of term loan		(15,166,666)	(3,500,000)
Net cash from / (used in) financing activities		35,341,263	(4,684,134)
Net increase in cash and cash equivalents		19,395,015	1,574,816
Cash and cash equivalents at beginning of period	5	12,447,863	10,047,220
Cash and cash equivalents at end of period	5	31,842,878	11,622,036

The accompanying notes 1 to 15 are an integral part of this interim condensed consolidated financial information.

1. Constitution and activities

Jazeera Airways K.S.C.P. (the “Parent Company”) was incorporated by Amiri Decree on 3 March 2004 as a Kuwaiti Public Shareholding Company under the laws of Kuwait and is engaged in the business of air transportation and commercial passenger services under a license from the Directorate General of Civil Aviation and operation and maintenance of an airport terminal in Kuwait (the Terminal).

The Parent Company is a subsidiary of Boodai Reliance Real Estate Company W.L.L (the “Ultimate Parent Company”)

The objects of the Parent Company are –

- Air transportation and related activities
- Investing surplus funds in investment and real estate portfolios managed by specialized companies or entities.

The Parent Company has the following material subsidiary:

Name of the Company	Country of Incorporation	Percentage of Holding	
		2026	2025
Jazeera Airport Services Company W.L.L	Kuwait	99.9%	99.9%

The Parent Company and its subsidiaries are together referred to in this interim condensed consolidated financial information as the Group.

The address of the registered office of the Parent Company is Kuwait International Airport, P.O. Box 29288, Safat 13153, Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 13 May 2026

2. Basis of preparation and material accounting policy information

Basis of preparation

This interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting.

This interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial information prepared in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in this interim condensed consolidated financial information. Operating results for the three-month ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For more details, refer to the annual audited consolidated financial information of the Group for the financial year ended 31 December 2025.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”).

Effective from 28 February 2026 the Director General of Civil Aviation (DGCA), Kuwait suspended inbound and outbound flights to Kuwait as a preventive measure to the ongoing geopolitical events. Further, the oil prices also witnessed unprecedented volatility during this period.

The economic fallout of the crisis is evolving and is impacting the key performance indicators of the Group.

Business continuity planning and liquidity management

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption in order to strengthen liquidity and sustain the business.

Notes to Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

The Group made a number of decisions to counter the impact of the ongoing geopolitical event. The key decisions made by the Group are:

- Commencement of flights from 11 March 2026 from Qaisumah airport and 26 March 2026 from Damman airport in Kingdom of Saudi Arabia, after obtaining necessary regulatory approvals.
- Deferral of dividend of 85 fils per share for the year ended 31 December 2025.
- Seeking waivers from aircraft and engine Lessors from payment of lease rent for the aircraft.

The Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the interim condensed consolidated financial information.

The Group has also assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments. Based on management assessment there are no additional provision to be recognized or contingent liabilities to be disclosed.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current geopolitical events and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. At the present time the projections show that the Group has sufficient resources to continue in operational existence, and its going concern position remains largely unchanged from 31 December 2025. As a result, this interim condensed consolidated financial information have been appropriately prepared on a going concern basis.

Changes in accounting policy and disclosures

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025. Certain amendments and interpretations apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial information of the Group.

Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2025.

Income tax

The State of Kuwait issued Law Number 157 of 2025 on 31 December 2024 (the "Law") introducing Domestic Minimum Top-up Tax ("DMTT") effective from 1 January 2025 on entities which are part of Multinational Entities ("MNEs") Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group. The taxable income and effective tax rate shall be computed in accordance with the Executive Regulations. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law. The taxable income and effective tax rate shall be computed in accordance with the Executive Bylaws, which was issued on 30 June 2025.

The Group has completed its registration under the MNE Group Tax Law and the management has assessed the applicability of the DMTT law to the Group as of the reporting date and has concluded that the Group is able to claim a tax relief from 1st April 2025 (first tax period applicable to Ultimate Parent Company), in accordance with the provision of the Law where the tax liability should be zero. The management will continue to monitor the developments and appropriate action will be taken when the relevant Executive Circulars are subsequently issued.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

3. Property and equipment

	Kuwaiti Dinars						Total
	Aircraft	Engines & rotables	Leasehold improvements	Furniture & equipment	Vehicles	Capital work-in-progress	
Cost							
As at 31 December 2025	55,931,278	29,977,078	18,561,475	7,826,234	184,423	67,566,191	180,046,679
Additions	-	-	-	276,286	-	8,398,902	8,675,188
As at 31 March 2026	55,931,278	29,977,078	18,561,475	8,102,520	184,423	75,965,093	188,721,867
Depreciation							
As at 31 December 2025	7,931,840	6,389,288	7,432,096	5,816,164	92,289	-	27,661,677
Charge for the period	1,080,878	372,528	121,959	133,628	7,771	-	1,716,764
As at 31 March 2026	9,012,718	6,761,816	7,554,055	5,949,792	100,060	-	29,378,441
Net book value							
As at 31 March 2026	46,918,560	23,215,262	11,007,420	2,152,728	84,363	75,965,093	159,343,426
As at 31 December 2025	47,999,438	23,587,790	11,129,379	2,010,070	92,134	67,566,191	152,385,002
As at 31 March 2025	54,004,681	20,224,617	10,830,966	2,024,709	54,718	52,400,617	139,540,308

Capital work-in-progress includes payment towards purchase of aircraft and engines (refer Note 15).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

Depreciation has been allocated in the interim condensed consolidated statement of profit or loss as follows:

	Kuwaiti Dinars	
	Three months ended	
	31 March (Unaudited)	
	2026	2025
Operating costs	1,583,137	2,182,420
General and administrative expenses	133,627	115,777
	<u>1,716,764</u>	<u>2,298,197</u>

4. Right of use assets

	Kuwaiti Dinars			
	Aircraft	Aircraft engines	Leasehold land	Total
Cost				
As at 31 December 2025	163,220,952	11,143,809	20,170,912	194,535,673
As at 31 March 2026	<u>163,220,952</u>	<u>11,143,809</u>	<u>20,170,912</u>	<u>194,535,673</u>
Depreciation				
As at 31 December 2025	80,195,158	4,809,363	2,177,557	87,182,078
Charge for the period	3,240,341	305,686	104,406	3,650,433
As at 31 March 2026	<u>83,435,499</u>	<u>5,115,049</u>	<u>2,281,963</u>	<u>90,832,511</u>
Net book value				
As at 31 March 2026	<u>79,785,453</u>	<u>6,028,760</u>	<u>17,888,949</u>	<u>103,703,162</u>
As at 31 December 2025	<u>83,025,794</u>	<u>6,334,446</u>	<u>17,993,355</u>	<u>107,353,595</u>
As at 31 March 2025	<u>93,193,062</u>	<u>6,511,690</u>	<u>16,371,886</u>	<u>116,076,638</u>

5. Cash and bank balances

	Kuwaiti Dinars		
	31 March 2026	31 December 2025	31 March 2025
	(Unaudited)	(Audited)	(Unaudited)
Cash on hand	89,362	106,128	67,439
Current account with banks	31,812,387	12,400,606	6,613,468
Time deposits with banks	37,440,877	36,386,823	48,741,273
	<u>69,342,626</u>	<u>48,893,557</u>	<u>55,422,180</u>
Expected credit loss	(58,871)	(58,871)	(58,871)
	<u>69,283,755</u>	<u>48,834,686</u>	<u>55,363,309</u>
Deposits with original maturity exceeding three months	(37,440,877)	(36,386,823)	(43,741,273)
Cash and cash equivalents in the statement of cash flows	<u>31,842,878</u>	<u>12,447,863</u>	<u>11,622,036</u>

6. Share capital

	Kuwaiti Dinars		
	31 March 2026	31 December 2025	31 March 2025
	(Unaudited)	(Audited)	(Unaudited)
Authorised, issued and fully paid in cash: 220,000,000 (31 December 2025: 220,000,000; 31 March 2025: 220,000,000) shares of 100 fils each	22,000,000	22,000,000	22,000,000

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

The Board of Directors, in the meeting held on 6 April 2026, amended its initial recommendation of declaration of cash dividend of 85 fils per share for the year ended 31 December 2025, to postponement of the dividend distribution as a temporary and precautionary measure to support financial resource management.

Subsequently, the annual general meeting of shareholders for the year ended 31 December 2025 held on 9 April 2026 approved the cancellation of dividend distribution.

Interim dividend

The Board of Directors in their meeting held on 13 May 2026, approved distribution of interim cash dividend of 83 fils per share (31 March 2025 – Nil), to the registered shareholders.

7. Treasury shares

	<u>31 March 2026 (Unaudited)</u>	<u>31 December 2025 (Audited)</u>	<u>31 March 2025 (Unaudited)</u>
Number of treasury shares	710,890	710,890	-
Percentage of share capital	0.323%	0.323%	-
Cost of treasury shares (Kuwaiti Dinars)	1,004,261	1,004,261	-
Market value (Kuwaiti Dinars)	1,052,117	1,155,907	-

Reserves equivalent to the cost of treasury shares held are not distributable.

8. Lease liabilities

	<u>Kuwaiti Dinars</u>		
	<u>31 March 2026 (Unaudited)</u>	<u>31 December 2025 (Audited)</u>	<u>31 March 2025 (Unaudited)</u>
At the beginning of the period/year	117,431,242	129,488,290	129,488,290
Additions	-	2,566,732	-
Finance costs	1,181,520	5,081,420	1,305,550
Payments	(4,858,857)	(19,314,227)	(5,154,311)
Foreign currency (gain)/loss	(131,986)	(390,973)	418,481
At the end of the period/year	<u>113,621,919</u>	<u>117,431,242</u>	<u>126,058,010</u>

The above is segregated as:

	<u>Kuwaiti Dinars</u>		
	<u>31 March 2026 (Unaudited)</u>	<u>31 December 2025 (Audited)</u>	<u>31 March 2025 (Unaudited)</u>
Current	17,849,284	18,031,686	18,560,285
Non-current	95,772,635	99,399,556	107,497,725
	<u>113,621,919</u>	<u>117,431,242</u>	<u>126,058,010</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

9. Revenue

	Kuwaiti Dinars	
	Three months ended	
	31 March (Unaudited)	
	2026	2025
<i>Point in time</i>		
Passenger revenue	39,140,303	46,223,981
Ancillary revenue	5,224,823	6,069,859
	44,365,126	52,293,840
Lease income	745,941	1,265,913
	45,111,067	53,559,753

The total revenue disaggregated by geography is:

	Kuwaiti Dinars	
	Three months ended	
	31 March (Unaudited)	
	2026	2025
Middle East and Africa	25,166,950	30,811,387
South Asia	14,609,517	17,776,415
Europe	5,334,600	4,971,951
	45,111,067	53,559,753

10. Operating costs

	Kuwaiti Dinars	
	Three months ended	
	31 March (Unaudited)	
	2026	2025
Aircraft maintenance cost	7,976,691	7,108,205
Depreciation (Refer Note 3&4)	5,233,570	6,014,721
Aircraft fuel	10,076,689	14,132,257
Staff costs	7,700,322	7,080,330
Overflying, landing and ground handling charges	6,626,086	7,889,903
Insurance	555,559	307,996
Passenger meals	547,301	554,444
Reservation system expenses	228,743	226,558
Others	1,357,350	1,577,872
	40,302,311	44,892,286

11. General and administrative expenses

	Kuwaiti Dinars	
	Three months ended	
	31 March (Unaudited)	
	2026	2025
Staff costs	983,847	666,781
Marketing	552,572	302,509
Depreciation (Refer Note 3)	133,627	115,777
Professional and consultancy	234,273	56,542
Travel	95,624	46,746
Others	632,586	671,851
	2,632,529	1,860,206

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

12. (Loss)/earnings per share

(Loss)/earnings per share is calculated based on the (loss)/earnings attributable to the equity shareholders of the Parent Company for the period and the weighted average number of shares outstanding, as follows:

	Three months ended 31 March (Unaudited)	
	2026	2025
Kuwaiti Dinars		
(Loss)/earnings for the period	(1,060,741)	4,715,700
Shares		
Weighted average number of shares outstanding for basic earnings per share	219,289,110	220,000,000
Effective of dilutive potential shares		
Share options	138,292	-
Weighted average number of shares outstanding for diluted earnings per share	219,427,402	220,000,000
(Loss)/earnings per share (fils) – Basic	(4.84)	21.44
(Loss)/earnings per share (fils) – Diluted	(4.83)	21.44

13. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the ordinary course of business, the Group enters into transactions with related parties (directors, key managerial personnel and group companies). Pricing policies and terms of these transactions are approved by the Group's management. Transactions and balances with related parties not disclosed elsewhere in this interim condensed consolidated financial information are as follows:

	Kuwaiti Dinars		
	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2025 (Unaudited)
Balances			
Due from related parties	46,587	82,450	99,210
Kuwaiti Dinars			
Three months ended 31 March (Unaudited)			
2026			
2025			
Transactions			
Sales and services		114,776	290,069
General and administrative expenses		162,661	48,357
Key management compensation			
Salaries and other employment benefits		317,084	322,518

14. Segment information

The Group is being managed as one operating segment (operation of passenger airline service and operation and maintenance of terminal) based on how financial information is produced internally for the purposes of making operating decisions including for resource allocation. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operations, has been identified as the Chief Executive Officer.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2026

15. Commitments and contingent liabilities

	Kuwaiti Dinars		
	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2025 (Unaudited)
Capital commitments	347,949,097	354,263,072	364,083,878
Bank guarantees	72,689,521	71,317,997	64,943,774
	<u>420,638,618</u>	<u>425,581,069</u>	<u>429,027,652</u>

The above bank guarantee include guarantee to the lessors amounting to KD 62,060,262 (31 December 2025: KD 58,282,908; 31 March 2025: KD 54,411,878) for the aircraft maintenance in lieu of payments for Maintenance Reserve under the lease agreement.

Capital commitments include commitment towards purchase of aircraft and engines.

The Kuwait's Ministry of Defence has raised a claim for an incident involving a Group's aircraft. Following a ruling against the Group by the Kuwait Court of First instance, the Group has filed an appeal in the Kuwait Court of Appeals. The claim is covered by an insurance and based on the legal opinion no material financial impact is expected.