

ABU DHABI AVIATION PJSC

**Review report and condensed consolidated
interim financial information
for the period ended 31 March 2023**

ABU DHABI AVIATION PJSC

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ABU DHABI AVIATION PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi Aviation PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”), as at 31 March 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months period then ended and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*. 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 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.

Deloitte & Touche (M.E.)



Obada Alkowitz
Registration Number 1056
9 May 2023
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
as at 31 March 2023**

		31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
	Notes		
Assets			
Non-current assets			
Aircraft, property and equipment	4	2,258,750	2,287,385
Investment properties	5	385,314	385,314
Investments in financial assets	6	401,523	445,620
Right of use assets		117,903	120,969
Investment in a joint venture	7	77,847	75,875
		<hr/>	<hr/>
Total non-current assets		3,241,337	3,315,163
		<hr/>	<hr/>
Current assets			
Inventories		591,700	588,263
Trade receivables	8	1,024,501	762,482
Contract assets, prepayments and other current assets	9	302,101	328,153
Cash and bank balances	10	483,650	596,918
		<hr/>	<hr/>
Total current assets		2,401,952	2,275,816
		<hr/>	<hr/>
Total assets		5,643,289	5,590,979
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Share capital	11	444,787	444,787
Share premium		112,320	112,320
Reserves		1,942,902	1,941,579
Retained earnings		1,194,011	1,109,279
		<hr/>	<hr/>
Equity attributable to owners of the Company		3,694,020	3,607,965
Non-controlling interests		488,560	471,523
		<hr/>	<hr/>
Total equity		4,182,580	4,079,488
		<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits		145,276	143,156
Term loans	13	358,271	370,087
Lease liabilities	12	152,870	157,406
Deferred income		130,075	131,005
		<hr/>	<hr/>
Total non-current liabilities		786,492	801,654
		<hr/>	<hr/>

The accompanying notes form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated statement of financial position
as at 31 March 2023 (continued)**

		31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
	Notes		
Current liabilities			
Trade and other payables	14	148,724	166,750
Accrued expenses and other current liabilities		262,172	277,782
Term loans	13	230,441	229,619
Lease liabilities	12	17,936	17,936
Deferred income		14,944	17,750
Total current liabilities		<u>674,217</u>	<u>709,837</u>
Total liabilities		<u>1,460,709</u>	<u>1,511,491</u>
Total equity and liabilities		<u><u>5,643,289</u></u>	<u><u>5,590,979</u></u>

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial information present fairly in all material respects the condensed consolidated financial position, financial performance and cash flows of the Group.

Nader Ahmed Mohammed Al Hammadi
Chairman

Sheikh Ahmed Mohammed Sultan Al Dhaheri
Vice Chairman

Ashraf Fahmy
Chief Financial Officer

**Condensed consolidated statement of profit or loss (unaudited)
for the period ended 31 March 2023**

	Notes	Three months ended 31 March	
		2023 AED'000	2022 AED'000
Revenue		622,363	419,062
Direct operating costs		(467,137)	(300,478)
Gross profit		155,226	118,584
General and administrative expenses		(47,781)	(37,058)
Loss on disposal of aircraft, property and equipment		(41)	(44)
Gain on disposal of assets held for sale	4	-	4,202
Share of profit of joint ventures	7	1,972	597
Amortisation of deferred income		3,736	6,540
Finance income		3,041	1,119
Finance costs		(11,626)	(7,194)
Other income		4,487	1,552
Net change in the fair value of investment at FVTPL	6	(7,245)	2,265
Profit for the period		101,769	90,563
Profit for the period attributable to:			
Owners of the Company		84,732	74,182
Non-controlling interest		17,037	16,381
		101,769	90,563
Basic and diluted earnings per share (AED)	15	0.19	0.17

The accompanying notes form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated statement of comprehensive income (unaudited)
for the period ended 31 March 2023**

	Notes	Three months ended 31 March	
		2023	2022
		AED'000	AED'000
Profit for the period		101,769	90,563
Other comprehensive income			
<i>Items that may be reclassified subsequent to profit or loss</i>			
Foreign currency translation differences		1,323	(1,648)
Other comprehensive income /(loss) for the period		1,323	(1,648)
Total comprehensive income for the period		103,092	88,915
Total comprehensive income attributable to:			
Owners of the Company		86,055	72,534
Non-controlling interest		17,037	16,381
		103,092	88,915

The accompanying notes form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated statement of changes in equity
for the period ended 31 March 2023**

	Share capital AED'000	Share premium AED'000	Reserves AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2022 (audited)	444,787	112,320	1,947,274	833,870	3,338,251	401,064	3,739,315
Profit for the period	-	-	-	74,182	74,182	16,381	90,563
Other comprehensive loss for the period	-	-	(1,648)	-	(1,648)	-	(1,648)
Total comprehensive income	-	-	(1,648)	74,182	72,534	16,381	88,915
Dividends (note 16)	-	-	-	(66,722)	(66,722)	-	(66,722)
Balance at 31 March 2022 (unaudited)	444,787	112,320	1,945,626	841,330	3,344,063	417,445	3,761,508
Balance at 1 January 2023 (audited)	444,787	112,320	1,941,579	1,109,279	3,607,965	471,523	4,079,488
Profit for the period	-	-	-	84,732	84,732	17,037	101,769
Other comprehensive income for the period	-	-	1,323	-	1,323	-	1,323
Total comprehensive income	-	-	1,323	84,732	86,055	17,037	103,092
Balance at 31 March 2023 (unaudited)	444,787	112,320	1,942,902	1,194,011	3,694,020	488,560	4,182,580

The accompanying notes form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated statement of cash flows (unaudited)
for the period ended 31 March 2023**

	Notes	Three months ended 31 March	
		2023 AED'000	2022 AED'000
Cash flows from operating activities			
Profit for the period		101,769	90,563
<i>Adjustments for:</i>			
Depreciation	4	33,284	36,949
Amortisation of right-of-use assets		3,066	3,062
Provision for employees' end of service benefits		4,033	4,631
Amortisation of deferred income		(3,736)	(6,540)
Loss on disposal of aircraft, property and equipment		41	44
Gain on disposal of assets held for sale	4	-	(4,202)
Net changes in the fair value of investment at FVTPL	6	7,245	(2,265)
Net foreign currency translation difference		-	3,731
Share of profit of joint ventures	7	(1,972)	(597)
Finance costs		11,075	2,187
Finance income		(3,041)	(1,119)
Interest on lease liabilities		551	5,007
Operating cash flows before movements in working capital		152,315	131,451
Inventories		(3,437)	4,202
Trade receivables		(263,928)	12,952
Prepayments and other current assets		26,052	(55,536)
Trade and other payables		(18,026)	(17,021)
Advances from customer		-	(8,120)
Accrued expenses and other current liabilities		(15,609)	(27,135)
Cash (used in) / generated from operations		(122,633)	40,793
Employees' end of service benefits paid		(1,913)	(1,024)
Net cash (used in)/generated from operating activities		(124,546)	39,769
Cash flows from investing activities			
Acquisition of aircraft, property and equipment	4	(4,725)	(19,921)
Payments for investment property	5	-	(8,952)
Payments for investments in financial assets	6	(12,009)	(19,237)
Proceeds from disposal of aircraft, property and Equipment		34	-
Proceeds from sale of investment in financial assets		51,955	942
Finance income received		3,041	1,119
Deposits with maturities over three months	10	(8,364)	36,703
Net cash generated from/(used in) investing activities		29,932	(9,346)
Cash flows from financing activities			
Proceeds from term loans		90,000	-
Repayment of term loans		(102,765)	(12,779)
Finance costs paid		(11,075)	(2,187)
Interest paid on lease liabilities		(551)	-
Principal repayment of lease liability		(2,627)	(7,427)
Dividends paid	16	-	(66,722)
Net cash used in financing activities		(27,018)	(89,115)
Net decrease in cash and cash equivalents		(121,632)	(58,692)
Cash and cash equivalents at 1 January		344,179	436,015
Cash and cash equivalents at 31 March		222,547	377,323

The accompanying notes form an integral part of this consolidated condensed interim financial information.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023****1 Legal status and principal activities**

Abu Dhabi Aviation PJSC (the “Company”) is a national shareholding company incorporated in Abu Dhabi, United Arab Emirates by the Decrees and Laws No. 3, No. 10, No. 8, No. 9 and No. 11 of the years 1982, 1985, 1999, 2003 and 2004, respectively. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the “Group”) have been established to own and operate helicopters and fixed wing aircraft both within and outside the United Arab Emirates and to undertake charter, commercial, air cargo and other related services. The Company has its registered office at P.O. Box 2723, Abu Dhabi, United Arab Emirates.

During the year 2022, the Group has received an offer from ADQ Aviation and Aerospace Services LLC (“ADQ Aviation”), a wholly owned subsidiary of Abu Dhabi Developmental Holding Company PJSC (“ADQ”) to combine its shareholdings in Advanced Military Maintenance Repair and Overhaul Centre LLC (“AMMROC”), Etihad Airways Engineering LLC (“EYE”) and Global Aerospace Logistics LLC (“GAL”) (together referred to as the “Perimeter assets”) with the Group.

The offer is subject to receipt of all related governmental approvals, including regulatory approvals by the Securities and Commodities Authority (SCA), as well as shareholder approvals. During 2023, the Board of the Group met to review the offer proposed by ADQ Aviation before making any recommendation to the shareholders.

The transaction was approved in the ADA Annual general assembly meeting held on 27 April 2023.

2 Application of new and revised International Financial Reporting Standards (“IFRSs”)**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information**

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*.

Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current or non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)****2 Application of new and revised International Financial Reporting Standards (“IFRSs”)
(continued)****2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim
financial information (continued)****Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Amendments to IAS 8 - Definition of accounting estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Extension of the temporary exemption from applying IFRS 9 (amendments to IFRS 4)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (“IFRSs”)
(continued)**

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<p><i>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i></p> <p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.</p>	<p>Effective date not yet decided</p>
<p><i>Lease Liability in a sale and leaseback (Amendments to IFRS 16)</i></p> <p>The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p>	<p>1 January 2024</p>
<p><i>Non-current liabilities with covenants (Amendments to IAS 1)</i></p> <p>The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.</p> <p>Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s condensed consolidated interim financial information as and when they are applicable and adoption of these new standards and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.</p>	<p>1 January 2024</p>

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)****3 Summary of Significant accounting policies****Statement of compliance**

These condensed consolidated interim financial information for the three months period ended 31 March 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable requirements of the laws of the UAE.

Basis of preparation

This condensed consolidated interim financial information is presented in United Arab Emirates Dirhams ("AED"), which is the Group's functional and presentational currency. All values are rounded to the nearest AED thousands, except when otherwise indicated.

Where data is labelled as "audited" that indicates that the financial information has been extracted from the Company's audited financial statements for the year ended 31 December 2022. This condensed financial information has been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the time these were acquired.

The condensed consolidated interim financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022. In addition, results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The accounting policies applied by the Group in this condensed consolidated interim financial information are consistent with those in the annual audited consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Critical judgments and key sources of estimation uncertainty

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments 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 Group's annual financial statements for the year ended 31 December 2022.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

3 Summary of Significant accounting policies (continued)

Basis of consolidation

The condensed consolidated interim financial information incorporate the financial position and performance of the Company and its subsidiaries as disclosed below:

Name of subsidiary	Ownership interest		Country of incorporation	Principal activities
	31 March 2023	31 December 2022		
Maximus Air – Sole Proprietorship L.L.C.	100%	100%	UAE	Air cargo
Royal Jet L.L.C.	50%	50%	UAE	Commercial air and transportation services
Herbal Hill Gardens Limited	100%	100%	Gibraltar	Investment properties ownership
ADA Real Estate Management and General Maintenance L.L.C *	-	100%	UAE	Real estate and facilities
Maximus Airlines L.L.C.	100%	100%	Ukraine	Air cargo services
ADA International Real Estate Owned by Abu Dhabi Aviation – Sole Proprietorship Co. L.L.C.	100%	100%	UAE	Real estate lease and management services
Abu Dhabi Aviation Training Centre L.L.C.	100%	100%	UAE	Aviation training
ADA Millennium Consulting – Owned by Abu Dhabi Aviation Sole Proprietorship L.L.C.	100%	100%	UAE	Advisory and implementation consultancy services to aviation, manufacturing, hospitality, oil and gas and private equity sectors

* On 13 December 2022, the shareholders resolved to liquidate the Company. During the period, ADA Real Estate Management and General Maintenance L.L.C. legal formalities are in process. The net assets of the Company is AED 0.25 m.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

4 Aircraft, property and equipment

During the period ended 31 March 2023, the Group has incurred AED 4.7 million (31 March 2022: AED 19.9 million) on the acquisition of aircraft, property and equipment. Depreciation of aircraft, property and equipment during the period amounted to AED 33.2 million (31 March 2022: AED 36.9 million). Disposal of aircraft, property and equipment during the period amounted to AED 3.3 million (31 March 2022: AED nil). No impairment loss on valuation of aircraft has been recognised during the period.

During 2021, the Board of Royal Jet LLC (a ‘subsidiary’) resolved to dispose one of its commercial aircraft with a carrying value of AED 251.7 million. During 2022, the subsidiary entered into a sale and lease back transaction of the said commercial aircraft, previously classified as an asset held for sale. The proceeds from disposal were AED 283.7 million. Fair value of aircraft was AED 256.4 million at the date of sale. A gain on sale amounting to AED 4.2 million has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2022. The balance of AED 27.4 million has been adjusted with the right of use asset.

Aircraft, property and equipment is primarily operated from the Group’s base in the United Arab Emirates.

5 Investment properties

Investment properties represent investment in properties located in Khalifa City, Abu Dhabi, Al Rawdhat, Abu Dhabi, Al Satwa, Dubai and Al Muneera, Abu Dhabi.

	31 March 2023 AED’000 (unaudited)	31 December 2022 AED’000 (audited)
Balance at 1 January	385,314	376,228
Additions during the period / year	-	9,086
	385,314	385,314

The fair value of the investment properties was arrived at on the basis of a valuation carried out on 31 December 2022 based on external valuations performed by the valuer. Management believes that there is no significant change in fair value of investment properties as at 31 March 2023.

Investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of investment properties being valued. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards.

The fair value was derived using the market comparable approach based on recent market prices and income capitalisation approach without any significant adjustments being made to the market observable data. As at 31 March 2023, all of the Group’s investment properties were grouped in Level 2 of fair value hierarchy (31 December 2022: Level 2).

There was no impairment loss on valuation of investment property recognised during the period (31 March 2022: AED nil).

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

6 Investments in financial assets

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Equity securities - designated at FVTPL	297,500	344,886
Corporate debt securities - designated at FVTPL	104,023	100,734
	<u>401,523</u>	<u>445,620</u>

The movement in investment in financial assets is as follows:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at 1 January	445,620	425,970
Purchase during the period/year	12,009	51,498
Disposal during the period/year	(51,955)	(59,439)
Change in fair value of investment - at FVTPL	(7,245)	41,288
Net foreign currency translation difference	3,094	(13,697)
	<u>401,523</u>	<u>445,620</u>

The Group's investments in equity and corporate debt securities is as follows:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Investment in equities – UAE	260,604	307,530
Investment in high yield and emerging market bonds	46,110	43,735
Investments in corporate bonds – US	4,472	40,741
Investment in fixed income SP – UAE	27,324	26,601
Investment in developed market equities – UK	-	8,640
Investments in short term maturity bonds	6,161	6,623
Investment in multi class assets	3,328	3,371
Investments in corporate bonds – UK	40,321	2,477
Investments in emerging market – Asia	2,164	2,030
Investment in equities – UK	-	1,302
Investment in equities – US	9,572	813
Alternate – Commodities	646	799
Alternative trading strategies	821	793
REITS	-	165
	<u>401,523</u>	<u>445,620</u>

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

7 Investments in a joint venture

The Group has a 70% equity shareholding with equal voting power in Agusta Westland Aviation Services L.L.C. (AWAS), a joint venture established in the Emirate of Abu Dhabi, UAE as a limited liability company. AWAS is engaged to undertake repairs, overhaul, customisation, modification and upgrading of helicopters, and sale of helicopter spare parts and accessories. The Group's share of the results, assets and liabilities as at 31 March 2023 has been accounted for using the equity method.

8 Trade receivables

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Trade receivables	1,099,589	856,886
Due from related parties	24,301	4,985
	1,123,890	861,871
	(99,389)	(99,389)
Less: Allowance for expected credit loss		
	1,024,501	762,482

The average credit period of trade receivables is 60 - 90 days (31 December 2022: 60 - 90 days). No interest is charged on trade and other receivables. The Group has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting a new customer.

9 Contract assets, prepayments and other current assets

	31 March 2023 AED '000 (unaudited)	31 December 2022 AED '000 (audited)
Contract assets	195,830	231,171
Prepayments	66,509	55,312
Deposits and advances	19,659	13,091
Other receivables	20,103	28,579
	302,101	328,153

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

10 Cash and bank balances

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following condensed consolidated statement of financial position amounts:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Cash on hand	4,439	3,184
Balances in current accounts	218,108	340,995
Short term deposits	261,103	252,739
	<hr/>	<hr/>
Cash and bank balances	483,650	596,918
Less: deposits with maturities over three months	(261,103)	(252,739)
	<hr/>	<hr/>
Cash and cash equivalents in the condensed consolidated statement of cash flows	222,547	344,179
	<hr/> <hr/>	<hr/> <hr/>

Cash and deposits with banks include an amount of AED 3.1 million (31 December 2022: AED 2.2 million) held in foreign banks abroad and the remaining balance is held within the UAE. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

The interest rates on term deposits range between 0.09% and 4.65% (2022: 0.09% and 4.65%) per annum

11 Share capital

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Issued and fully paid: 444,787,200 shares of AED 1 each	444,787	444,787
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

12 Lease liabilities

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Current portion	17,936	17,936
Non-current portion	152,870	157,406
Total	170,806	175,342

The movement in lease liabilities is as follows:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
At 1 January	175,342	137,329
Additions during the period/year	-	53,246
Payments	(5,087)	(26,313)
Interest on lease liabilities	551	11,080
As at end of the period/year	170,806	175,342

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

13 Term loans

Term loans are classified as follows in the condensed consolidated statement of financial position:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Current portion	230,441	229,619
Non-current portion	358,271	370,087
Total	588,712	599,706

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

13 Term loans (continued)

The movement in term loans is as follows:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
At 1 January	599,706	703,609
Drawdown during the period/year	90,000	90,000
Repayments during the period/year	(102,765)	(183,015)
Exchange loss / (gain)	1,771	(10,888)
Total	588,712	599,706

All other borrowings and repayments made against facilities of the Group are in accordance with the terms disclosed in the consolidated financial statements for the year ended 31 December 2022.

14 Trade and other payables

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Trade payables	123,695	131,926
Due to related parties	25,029	34,824
	148,724	166,750

15 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

The following reflects the income and shares data used in the earnings per share computations:

	Three months ended 31 March	
	2023 (unaudited)	2022 (unaudited)
Profit attributable to Owners of the Company (AED'000)	84,732	74,182
Weighted average number of shares in issue	444,787,200	444,787,200
Earnings per share (AED)	0.19	0.17

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)****15 Basic and diluted earnings per share (continued)**

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share is equal to basic earnings per share.

16 Dividends

Cash dividends of AED 0.25 per ordinary share (25% of par value) amounting to AED 111.2 million (2022: AED 66.7 million) were approved by the shareholders at the annual general meeting held on 27 April 2023.

17 Contingent liabilities

As at 31 March 2023, the Group had outstanding contingent liabilities in respect of letters of guarantee amounting to AED 76.4 million (31 December 2022: AED 135.2 million).

18 Commitments*Capital commitments*

As at 31 March 2023, the Group had estimated commitments for the acquisition of aircraft, property and equipment of AED 111.2 million (31 December 2022: AED 103 million).

19 Segment information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Helicopter and fixed wing operations, which provides aircraft leasing, charter flights and third party maintenance services;
- (ii) Commercial aircraft operations, which provides commercial air transportation and aircraft management services;
- (iii) Air cargo, which provides air cargo services to local and international customers using its fleet of aircrafts and sub-chartered aircraft; and
- (iv) Investments, which involves the management of the Group's investment portfolio.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

19 Segment information (continued)

Information regarding these segments is presented below:

	Helicopter and fixed wing operations AED'000	Commercial aircraft operations AED'000	Air cargo AED'000	Investments AED'000	Others AED'000	Eliminations AED'000	Group AED'000
31 March 2023 (unaudited)							
Revenue	<u>184,870</u>	<u>173,873</u>	<u>249,733</u>	<u>5,738</u>	<u>13,715</u>	<u>(5,566)</u>	<u>622,363</u>
Profit for the period	<u>83,278</u>	<u>34,074</u>	<u>40,369</u>	<u>2,923</u>	<u>3,510</u>	<u>(62,385)</u>	<u>101,769</u>
31 March 2022 (unaudited)							
Revenue	<u>171,845</u>	<u>132,540</u>	<u>105,810</u>	<u>5,414</u>	<u>11,703</u>	<u>(8,250)</u>	<u>419,062</u>
Profit for the period	<u>66,128</u>	<u>32,759</u>	<u>26,389</u>	<u>6,483</u>	<u>1,325</u>	<u>(42,521)</u>	<u>90,563</u>

The segment assets and liabilities were as follows:

	Helicopter and fixed wing operations AED'000	Commercial aircraft operations AED'000	Air cargo AED'000	Investments AED'000	Others AED'000	Eliminations AED'000	Group AED'000
31 March 2023 (unaudited)							
Assets	<u>3,614,709</u>	<u>1,490,295</u>	<u>1,069,869</u>	<u>382,824</u>	<u>232,454</u>	<u>(1,146,862)</u>	<u>5,643,289</u>
Liabilities	<u>959,630</u>	<u>514,523</u>	<u>53,984</u>	<u>28,829</u>	<u>18,316</u>	<u>(114,573)</u>	<u>1,460,709</u>
31 December 2022 (audited)							
Assets	<u>3,354,177</u>	<u>1,457,581</u>	<u>933,499</u>	<u>816,642</u>	<u>257,333</u>	<u>(1,228,253)</u>	<u>5,590,979</u>
Liabilities	<u>1,041,221</u>	<u>560,879</u>	<u>38,052</u>	<u>-</u>	<u>47,887</u>	<u>(176,548)</u>	<u>1,511,491</u>

The Group operates primarily from its base in the United Arab Emirates and accordingly no further geographical analysis of revenues, profit, fair value gains, assets and liabilities is given.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

20 Related parties

Related parties, as defined in International Accounting Standard 24: Related Party Disclosures include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The Group, in the ordinary course of business, enters into transactions with other business enterprises or individuals that fall within the definition of related parties contained in International Accounting Standard 24. The Group has a related party relationship with the Government of Abu Dhabi, directors and executive officers (including business entities over which they can exercise significant influence, or which can exercise significant influence over the Group).

The Group has elected to use the exemption under IAS 24 'Related Party Disclosures' for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi and entities it owns and controls. The Group provides services in the normal course of business to entities owned and controlled by the Government of Abu Dhabi. Management approves prices and terms of payment for these transactions and these are carried out at mutually agreed rates.

Balances with related parties at the end of the reporting period comprise:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Due from related parties		
Entities under common control (note 8)	24,301	4,985
Due to related parties		
Entities under common control (note 14)	25,029	34,824

Significant transactions with related parties during the period were as follows:

	Three months ended 31 March	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Revenue	50,416	40,404
Key management compensation		
Salaries and other short term employee benefits	5,516	4,808
Directors' fees	3,386	2,929
Provisions for employees' end of service benefits	339	258

21 Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three months period ended 31 March 2023 and 2022.

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

22 Financial instruments – fair value and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2023	Carrying amounts				Fair value hierarchy			
	FVTPL - equity instruments AED'000	FVTPL - debt instruments AED'000	Measured at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investment in Waha CEEMEA								
Fixed Income Fund SP	27,324	-	-	27,324		27,324	-	27,324
Investments in short term maturity bonds	-	6,161	-	6,161	6,161	-	-	6,161
Investments in corp bonds – UK	-	40,321	-	40,321	40,321	-	-	40,321
Investments in corp bonds – US	-	4,472	-	4,472	4,472	-	-	4,472
Investment in high yield and emerging market bonds	-	46,110	-	46,110	46,110	-	-	46,110
Investment in multi-class assets	-	3,328	-	3,328	3,328	-	-	3,328
Investment in equities – US	-	-	-	-	-	-	-	-
Investment in equities – UK	-	-	-	-	-	-	-	-
Investment in equities – UAE	260,604	-	-	260,604	260,604	-	-	260,604
Developed Market Equities – UK	9,572	-	-	9,572	9,572	-	-	9,572
Developed Market Equities – UK	-	-	-	-	-	-	-	-
Emerging market – Asia	-	2,164	-	2,164	2,164	-	-	2,164
Alternatives – Commodities	-	646	-	646	646	-	-	646
REITS	-	-	-	-	-	-	-	-
Alternative trading strategies	-	821	-	821	821	-	-	821
	297,500	104,023	-	401,523	374,199	27,324	-	401,523

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

22 Financial instruments – fair value and risk management (continued)

Accounting classifications and fair values (continued)

31 December 2022	Carrying amounts				Fair values hierarchy			
	FVTPL - equity Instruments AED'000	FVTPL - debt instruments AED'000	Measured at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investment in Waha CEEMEA								
Fixed Income Fund SP	26,601	-	-	26,601	-	26,601	-	26,601
Investments in short term maturity bonds	-	6,623	-	6,623	6,623	-	-	6,623
Investments in corp bonds – UK	-	2,477	-	2,477	2,477	-	-	2,477
Investments in corp bonds – US	-	40,741	-	40,741	40,741	-	-	40,741
Investment in high yield and emerging market bonds	-	43,735	-	43,735	43,735	-	-	43,735
Investment in multi-class assets	-	3,371	-	3,371	3,371	-	-	3,371
Investment in equities – US	813	-	-	813	813	-	-	813
Investment in equities – UK	1,302	-	-	1,302	1,302	-	-	1,302
Investment in equities – UAE	307,530	-	-	307,530	307,530	-	-	307,530
Developed Market Equities – UK	8,640	-	-	8,640	8,640	-	-	8,640
Emerging market – Asia	-	2,030	-	2,030	2,030	-	-	2,030
Alternatives – Commodities	-	799	-	799	799	-	-	799
REITS	-	165	-	165	165	-	-	165
Alternative trading strategies	-	793	-	793	793	-	-	793
	<u>344,886</u>	<u>100,734</u>	<u>-</u>	<u>445,620</u>	<u>419,019</u>	<u>26,601</u>	<u>-</u>	<u>445,620</u>

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

22 Financial instruments – fair value and risk management (continued)

Accounting classifications and fair values (continued)

At 31 March 2023	Carrying amounts				Fair value hierarchy			
	FVTPL - equity instruments AED'000	FVTPL - debt instruments AED'000	Measured at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets not measured at fair value								
Trade receivables	-	-	1,000,200	1,000,200	-	-	-	-
Contract assets	-	-	195,830	195,830	-	-	-	-
Bank balances	-	-	479,211	479,211	-	-	-	-
Due from related parties	-	-	24,301	24,301	-	-	-	-
	-	-	1,699,542	1,699,542	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	123,695	123,695	-	-	-	-
Term loans	-	-	588,712	588,712	-	-	-	-
Lease liabilities	-	-	170,806	170,806	-	-	-	-
Accrued expenses and other current liabilities	-	-	262,172	262,172	-	-	-	-
Due to related parties	-	-	25,029	25,029	-	-	-	-
	-	-	1,170,414	1,170,414	-	-	-	-

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)**

22 Financial instruments – fair value and risk management (continued)

Accounting classifications and fair values (continued)

At 31 December 2022	Carrying amounts				Fair values			
	FVTPL - equity instruments AED'000	FVTPL - debt instruments AED'000	Measured at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets not measured at fair value								
Trade receivables	-	-	757,497	757,497	-	-	-	-
Contract assets	-	-	231,171	231,171	-	-	-	-
Bank balances	-	-	593,734	593,734	-	-	-	-
Due from related parties	-	-	4,985	4,985	-	-	-	-
	-	-	1,686,776	1,686,776	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	-	-	131,921	131,921	-	-	-	-
Term loans	-	-	599,706	599,706	-	-	-	-
Lease liabilities	-	-	175,342	175,342	-	-	-	-
Accrued expenses and other current liabilities	-	-	278,282	278,282	-	-	-	-
Due to related parties	-	-	34,824	34,824	-	-	-	-
	-	-	1,220,075	1,220,075	-	-	-	-

**Notes to the condensed consolidated interim financial information
for the period ended 31 March 2023 (continued)****23 Corporate Income tax**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The management is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

24 Subsequent event

Subsequent the period, the board approved the increase of issued share capital of the Company from AED 444,787,200 to AED 1,096,787,200 subject to the terms and conditions of the ADQ transaction and with effect from the transaction becoming effective, in the ADA Annual general assembly meeting held on 27 April 2023.

25 Approval of condensed consolidated financial statements

The condensed consolidated interim financial information were approved by management and authorised for issue by the Board of Directors on 9 May 2023.