

**ALIA - THE ROYAL JORDANIAN AIRLINES COMPANY
(ROYAL JORDANIAN)**

A PUBLIC SHAREHOLDING COMPANY

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 March 2025

Report on Review of Interim Condensed Consolidated Financial Statements
To the Board of Directors of Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Amman - Jordan

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Alia - The Royal Jordanian Airlines Company (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2025, comprising the interim condensed consolidated statement of financial position as at 31 March 2025, interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months then ended and explanatory notes. Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS (34) Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements no. (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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS (34).

The partner in charge of the review resulting in this auditor’s report was Ahmad Mahmoud Abu-Asabeh; license number 1155.

Amman – Jordan
29 April 2025

ERNST & YOUNG
Amman - Jordan

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Interim Condensed Consolidated Statement of Financial Position
At 31 March 2025
(In Thousands of Jordanian Dinars)

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Non-current assets			
Property and equipment	4	141,538	144,380
Investment properties		164,307	164,307
Right-of-use assets	5	344,511	356,683
Long-term advances on purchase and modification of aircraft		13,071	13,071
Financial assets at fair value through other comprehensive income		1,157	1,157
Investments in associates		25,309	26,776
Restricted cash against lease contracts		45,871	43,163
Long-term loan granted to an associate	7-a	4,827	5,626
Deferred tax assets		12,322	12,322
		752,913	767,485
Current assets			
Other current assets		40,776	35,768
Short-term advances on purchase of aircraft		3,836	5,272
Spare parts and supplies		9,885	8,321
Current portion of long-term loan granted to an associate	7-a	1,036	1,170
Accounts receivable		43,661	41,490
Cash and bank balances	6	107,757	97,563
		206,951	189,584
Assets held for sale		11,553	1,284
TOTAL ASSETS		971,417	958,353
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Paid-in capital	8	363,627	363,627
Share discount	8	(78,205)	(78,205)
Fair value reserve		(787)	(787)
Cash flow hedges		-	(87)
Accumulated losses		(205,124)	(198,548)
		79,511	86,000
Non-controlling interests		20,880	19,545
Net shareholders' equity		100,391	105,545
<u>LIABILITIES</u>			
Non-current liabilities			
Long-term loans	7- a	57,350	60,522
Long-term lease obligations	5	264,054	278,445
Long-term grants	7- b	5,093	5,596
Other long-term liabilities		47,153	59,663
		373,650	404,226
Current liabilities			
Bank overdraft		22,637	20,868
Current portion of long-term loans	7- a	24,656	24,674
Accrued expenses		113,568	94,943
Accounts payable and other current liabilities		105,757	104,869
Deferred revenues		160,973	131,307
Short-term lease obligations	5	66,289	68,196
Short-term grants	7- b	3,337	3,566
		497,217	448,423
Liabilities directly associated with the assets held for sale		159	159
Total liabilities		871,026	852,808
TOTAL EQUITY AND LIABILITIES		971,417	958,353

The attached notes from 1 to 16 form part of these interim condensed consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Interim Condensed Consolidated Income Statement
For The Three Months Ended 31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars)

	Notes	For the three months ended 31 March	
		2025	2024
Continuing Operations:			
Revenues from contracts with customers	9	169,914	144,817
Cost of revenues		(157,545)	(149,683)
Gross profit (loss)		12,369	(4,866)
General and administrative expenses		(5,050)	(4,321)
Selling and marketing expenses		(12,294)	(11,093)
Other provisions		(23)	(17)
Net operating loss		(4,998)	(20,297)
Company's share of results of associates, net		2,867	2,017
Other income, net		1,995	1,590
Gain on disposal of property and equipment		1,498	9
Gain (loss) on foreign currency exchange		232	(1,081)
Finance costs		(8,142)	(8,024)
Interest income		846	1,302
Provision for voluntary termination		(111)	-
Loss for the period from continuing operations before income tax		(5,813)	(24,484)
Income tax expense	10	(220)	(156)
Loss for the period from continuing operations		(6,033)	(24,640)
Discontinued operations:			
Gain (loss) for the period from discontinued operations after income tax		10	(6)
Loss for the period		(6,023)	(24,646)
Attributable to:			
Equity holders of the parent		(6,576)	(24,706)
Non-controlling interests		553	60
		(6,023)	(24,646)
Earnings per share			
Basic and diluted earnings per share attributable to equity holders of the parent	15	JD (0.018)	JD (0.068)

The attached notes from 1 to 16 form part of these interim condensed consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Interim Condensed Consolidated Statement of Comprehensive Income
For The Three Months Ended 31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars)

	For the three months ended 31 March	
	2025	2024
Loss for the period	(6,023)	(24,646)
Other comprehensive income items:		
Other comprehensive income items that will be reclassified to profit or loss in subsequent periods (net of tax):		
Net profit on cash flow hedges	87	246
Total comprehensive income for the period	(5,936)	(24,400)
Attributable to:		
Equity holders of the parent	(6,489)	(24,460)
Non-controlling interests	553	60
	(5,936)	(24,400)

The attached notes from 1 to 16 form part of these interim condensed consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Interim Condensed Consolidated Statement of Changes in Equity
For The Three Months Ended 31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars)

	<i>Attributable to equity holders of the parent</i>							
	<i>Paid-in capital</i>	<i>Share discount</i>	<i>Fair value reserve</i>	<i>Cash flow hedges</i>	<i>Accumulated losses</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Net equity</i>
For the three months ended 31 March 2025								
Balance as at 1 January 2025	363,627	(78,205)	(787)	(87)	(198,548)	86,000	19,545	105,545
Total comprehensive income for the period	-	-	-	87	(6,576)	(6,489)	553	(5,936)
Acquisition of a subsidiary (Note 12)	-	-	-	-	-	-	1,530	1,530
Dividends *	-	-	-	-	-	-	(748)	(748)
Balance as at 31 March 2025	363,627	(78,205)	(787)	-	(205,124)	79,511	20,880	100,391
For the three months ended 31 March 2024								
Balance as at 1 January 2024	363,627	(78,205)	133	(61)	(195,178)	90,316	19,970	110,286
Total comprehensive income for the period	-	-	-	246	(24,706)	(24,460)	60	(24,400)
Balance as at 31 March 2024	363,627	(78,205)	133	185	(219,884)	65,856	20,030	85,886

* The board of directors of Jordan Flight Catering Company approved the distribution of dividends amounting to JD 1,134 in their minutes of meetings held during the period ended 31 March 2025 and the non-controlling interests portion amounted to JD 748.

The attached notes from 1 to 16 form part of these interim condensed consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Interim Condensed Consolidated Statement of Cash Flows
For The Three Months Ended 31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars)

	Notes	For the three months ended 31 March	
		2025	2024
OPERATING ACTIVITIES			
Loss for the period from continuing operations before income tax		(5,813)	(24,484)
Gain (loss) for the period from discontinued operations before income tax		10	(6)
		(5,803)	(24,490)
Adjustments:			
Depreciation of property and equipment		4,720	4,670
Depreciation of right-of-use assets	5	14,972	14,796
Company's share of results of associates		(2,867)	(2,017)
Finance costs		8,142	8,024
Other income – amortization of grants		(732)	(760)
Provision for end of service indemnity		-	32
Gain from sale of property and equipment		(1,498)	(9)
Interest income		(846)	(1,302)
Provision for slow-moving inventory		23	17
Provision for voluntary termination		111	-
Working capital changes:			
Accounts receivable		1,254	(5,021)
Spare parts and supplies		(628)	(245)
Other current assets		(4,495)	(2,140)
Deferred revenues		32,797	40,991
Accounts payable and other current liabilities		(1,960)	12,651
Accrued expenses and other long-term liabilities		3,214	7,469
Legal cases payments		-	(133)
Income tax payments	10	(29)	(127)
Net cash flows from operating activities		46,375	52,406
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(11,253)	(6,118)
Proceeds from sale of property and equipment		1,529	13
Change in restricted cash against lease contracts		(2,708)	(2,091)
Interest income received		595	1,147
Change in advances on purchase and modification of aircraft and engines		1,436	(5,963)
Cash proceeds from acquisition of a subsidiary	12	2,625	-
Short-term deposits		15,971	6,646
Net cash flows from (used in) investing activities		8,195	(6,366)
FINANCING ACTIVITIES			
Repayment of loans		(5,989)	(7,176)
Loan proceeds		3,000	-
Payments of lease obligations	5	(25,541)	(22,356)
Interest paid		(896)	(1,121)
Dividends to non-controlling interests		(748)	-
Net cash flows used in financing activities		(30,174)	(30,653)
Net increase in cash and cash equivalents		24,396	15,387
Cash and cash equivalents at the beginning of the period		20,035	52,207
Cash and cash equivalents at the end of the period	6	44,431	67,594

The attached notes from 1 to 16 form part of these interim condensed consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Notes to The Interim Condensed Consolidated Financial Statements
31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

(1) GENERAL

Alia - The Royal Jordanian Airlines Company (Royal Jordanian), the “Company” was registered as a Jordanian Public Shareholding Company as the legal successor of Alia Foundation – Royal Jordanian on 5 February 2001. The Company's head office is located in Amman - Jordan.

The Company's objectives are to undertake air-transport activities from and to the Kingdom and to carry out the handling for aircrafts that land in and take off from the airports of the Kingdom.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 27 April 2025.

(2) BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard No (34), Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual financial statements as at 31 December 2024. In addition, results of the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial statements have been presented in Jordanian Dinar which is the functional currency of the Group. All values are rounded to the nearest thousands (JD 000) except when otherwise indicated.

(2-1) Changes in accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new amendments on the standards effective as at 1 January 2025 shown below:

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments had no material impact on the Group's interim condensed financial statements.

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Notes to The Interim Condensed Consolidated Financial Statements
31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

(2-2) Fundamental Accounting Concepts

The Group's accumulated losses of JD 205,124 represents 56% of the Group's paid-in capital as of 31 March 2025. Also, the Group's current liabilities exceeded its current assets by JD 290,266 as of 31 March 2025. The Group's ability to continue depends on its ability to achieve operational and financial results in accordance with its business plan and to comply with the provisions of article (266) of the Jordanian Company's law no. (22) for the year 1997 and its amendments, which requires that the accumulated losses of a Public Shareholding Company should not exceed 75% of its capital. otherwise, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

In the context of the Company's and its main shareholder's efforts, the Government Investment Management Company increased and restructured RJ's capital to rectify the Company's situation in accordance with the provisions of Article No. (266) of the Jordanian Companies Law No. (22). The Council of Ministers decision No. (2324) was issued in its meeting held on 9 February 2025, approving the Company's capitalization of the loan granted by Capital bank of Jordan, amounting to JD 50 million, after the Ministry of Finance repays the loan over five years at a rate of JD 10 million annually starting from 2026, with Royal Jordanian bearing the interest on this loan (note 7 - A).

The Company is currently working on completing the final stages to obtain a new syndicated loan amounting to JD 177 million (250 million US dollars), and the final agreement is expected to be concluded during the second quarter of 2025. This loan will be allocated to repay the outstanding balance of the current syndicated loan, in addition to financing investment projects, purchasing aircraft, and settling bank facility balances.

In addition, the Company received a letter of assurance from the Ministry of Finance (representing the Government of the Hashemite Kingdom of Jordan) on 8 June 2020, indicating that the government views positively the continuation of support for the Company in the future.

(3) BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements comprise the financial statements of Alia - The Royal Jordanian Airlines Company (the "Company") and the following subsidiaries (collectively referred to as the "Group") as at 31 March 2025:

Company name	Ownership percentage		Country
	2025	2024	
Tikram for Aviation Services Company	100%	100%	Jordan
Royal Wings Company – under liquidation	100%	100%	Jordan
Jordan Airline Training and Simulator Company	100%	100%	Jordan
Jordan Airports Company	90%	90%	Jordan
Royal Tours for Travel and Tourism Company	80%	80%	Jordan
Jordan Flight Catering Company (Note 12)	51%	30%	Jordan

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Notes to The Interim Condensed Consolidated Financial Statements
31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Shareholders who have a significant influence over the Group

The Government of the Hashemite Kingdom of Jordan presented by Government Investment Management Company owns 95.32% from the Company's shares as at 31 March 2025 and 31 December 2024.

(4) PROPERTY AND EQUIPMENT

During the three months ended 31 March 2025, the Group acquired property and equipment with a cost of JD 11,253 (31 March 2024: JD 6,118).

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Notes to The Interim Condensed Consolidated Financial Statements
31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

(5) LEASES

Set out below are the carrying amounts of right-of-use assets and lease obligations recognized and the movements during the period / year ended 31 March 2025 and 31 December 2024:

	Right-of-use assets					
	Buildings and					Lease obligations*
	Aircraft	Aircraft's engines	simulator equipment	Offices	Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
31 March 2025						
Balance as at 1 January 2025	326,070	16,328	546	13,739	356,683	346,641
Additions	-	-	-	393	393	393
Lease-term modifications	1,247	-	-	(982)	265	265
Acquisition of a subsidiary - Jordan						
Flight Catering Company (note 12)	-	-	-	2,142	2,142	2,577
Depreciation	(13,599)	(482)	-	(891)	(14,972)	-
Finance costs	-	-	-	-	-	6,008
Payments	-	-	-	-	-	(25,541)
Balance as at 31 March 2025	313,718	15,846	546	14,401	344,511	330,343
	Right-of-use assets					
	Buildings and					Lease obligations*
	Aircraft	Aircraft's engines	simulator equipment	Offices	Total	
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
31 December 2024						
Balance as at 1 January 2024	290,182	18,257	635	19,626	328,700	326,042
Additions	78,762	-	-	529	79,291	79,291
Lease-term modifications	19,031	-	-	(91)	18,940	18,940
Terminated contracts	-	-	-	(3,221)	(3,221)	(3,413)
Incentives for aircraft purchase and rental contracts	(7,314)	-	-	-	(7,314)	-
Depreciation	(54,591)	(1,929)	(89)	(3,104)	(59,713)	-
Finance costs	-	-	-	-	-	24,458
Payments	-	-	-	-	-	(98,677)
Balance as at 31 December 2024	326,070	16,328	546	13,739	356,683	346,641

* Lease obligations details are as follows:

31 March 2025			31 December 2024		
(Unaudited)			(Audited)		
Short-term	Long-term	Total	Short-term	Long-term	Total
66,289	264,054	330,343	68,196	278,445	346,641

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Notes to The Interim Condensed Consolidated Financial Statements
31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

(6) CASH AND BANK BALANCES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cash and bank balances	36,883	20,584
Short-term deposits *	15,481	6,659
Cash in transit **	14,704	13,660
Cash and cash equivalents	67,068	40,903
Short-term deposits mature after 3 months ***	40,689	56,660
Total cash and bank balances	107,757	97,563

* This item represents deposits in Jordanian Dinars in Jordanian Banks of JD 15,113 with an interest rate ranging between 5% and 6,25% in addition to a deposit of 519 thousand USD equivalent to JD 368 with an interest rate of 2% as of 31 March 2025 and are due within three months (2024: deposits in Jordanian Dinars in Jordanian Banks of JD 6,293 with an interest rate ranging between 5,87% and 6,15% in addition to a deposit of 516 thousand USD equivalent to JD 366 with an interest rate of 2% as of 31 December 2024 and are due within three months).

** This item includes cash received on tickets sales and airwaybills sales through IATA accredited agents during March that were deposited in the Company's bank accounts during April 2025.

*** This item represents deposit in Banks in Jordanian Dinar of JD 39,496 with an interest rate ranging between 6,15% and 6,75%, in addition to a deposit of 150 million Algerian Dinar equivalent to JD 782 with an interest rate of 3,18% and a deposit of 580 thousand USD equivalent to JD 411 with an interest rate of 3,5% as of 31 March 2025 and are due after more than three months (2024: deposit in Banks in Jordanian Dinar of JD 55,469 with an interest rate ranging between 6,15% and 6,75%, in addition to a deposit of 150 million Algerian Dinar equivalent to JD 780 with an interest rate of 3,18% and a deposit of 580 thousand USD equivalent to JD 411 with an interest rate of 3,5% as of 31 December 2024 and are due after more than three months).

For the purpose of the interim condensed consolidated statement of cash flows, the following represents the details of the cash and cash equivalents:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Cash and cash equivalents	67,068	67,515
Add: cash from discontinued operations	-	79
Less: bank overdraft*	(22,637)	-
	44,431	67,594

* This item represents the amount utilized from the bank overdraft credit facilities as of 31 March 2025 from Arab bank with a ceiling of JD 40 million with an interest rate of 7,25%.

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31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

(7) LOANS AND GOVERNMENT GRANTS

(7 - a) Bank Loans

	Interest rate	Number of installments	Installment due period	Installment amount	Last installment due date	Current portion of long-term loans	Long-term loans	Total
Syndicated loan	CME Term SOFR for one month + 2.65% minimum 4.5%	42	Monthly One	1,390	5 May 2026	16,681	2,779	19,460
Capital Bank loan	2.5%	1	payment	50,000	13 July 2028	3,032	46,968	50,000
Social Security- "Himaya" program	1%	43	Monthly	521	31 December 2026	6,256	3,602	9,858
Jordan Airline Training and Simulator Company – Arab Bank (1)	CME Term SOFR for one month + 2.5%	48	Monthly	59	31 December 2027	708	1,299	2,007
Jordan Airline Training and Simulator Company – Arab Bank (2)	3.5%	24	Monthly	19	2 March 2026	230	18	248
Jordan Airline Training and Simulator Company – Arab Bank (3)	3%	60	Monthly	50	17 February 2031	50	2,950	3,000
<i>Loan granted to an associate</i>								
Rawabi Jordan Investment Company (a subsidiary of Jordan Airports Company) – Jordan Kuwait Bank	CME Term SOFR for six months + 2.5%	15	Yearly	1,170	3 March 2031	1,036	4,827	5,863
Less: Government grants (note 7 - b)						(3,337)	(5,093)	(8,430)
Total as of 31 March 2025 (Unaudited)						24,656	57,350	82,006
Total as of 31 December 2024 (Audited)						24,674	60,522	85,196

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31 March 2025 (Unaudited)
(In Thousands of Jordanian Dinars except for amounts in foreign currencies)

Syndicated loan

The loan agreement contains loan covenants which require the Company to meet certain financial ratios. the Company have met the financial ratios as of 31 March 2025.

On 13 June 2023 the Company signed an amendment to the agreement, whereby the interest calculation was modified from LIBOR to risk-free interest rates CME Term SOFR for one month plus 2.65% (minimum 4.5%).

According to the loan agreement, the Company is obliged to transfer the proceeds from its sales from travel agents in 21 stations that are collected through IATA to the Company's account at Al-Mashreq Bank - UAE as a collateral.

Capital Bank loan

On 9 April 2024, the Company signed an amendment agreement whereby the loan will be repaid in one payment on 13 July 2025, at an interest rate of 2.5% starting from 13 July 2024. On 22 December 2024, the Company signed an amendment agreement whereby the loan will be repaid in one payment on 13 July 2028 at an interest rate of 2.5%. Interest is payable on a quarterly basis.

The loan was granted from Capital bank through the Central Bank of Jordan's program to support companies that have been affected by COVID-19 at a below-market interest rate.

The benefit of a below-market rate loan has been recognized as a government grant in accordance with International Accounting Standard IAS 20 - Government Grants (Note 7 - b).

The Council of Ministers decision no. (2324) was issued in its meeting held on 9 February 2025, approving the Company's capitalization of the loan granted by Capital bank of Jordan, amounting to JD 50 million, after the Ministry of Finance repays the loan over five years at a rate of JD 10 million annually starting from 2026, with Royal Jordanian bearing the interest on this loan. A contract addendum was signed during April 2025, in which it was agreed to reschedule the loan repayment to be made in five annual installments, each amounting to JD 10 million, with the first installment commencing on 13 July 2026.

Jordan Airline Training and Simulator Company – Arab Bank (3)

On 17 March 2025, Jordan Airline Training and Simulator Company signed a loan agreement with Arab Bank amounting to JD 3,000. The loan bears an annual interest of 3%. The loan is repayable in 50 monthly installments amounting to JD 60 per each. The first installment is due on March 2026.

Principal instalments payable for the long-term loans are as follows:

Period	Amount
1 April 2026 – 31 March 2027	8,506
1 April 2027 – 31 March 2028	2,096
1 April 2028 – 31 March 2029	43,493
1 April 2029 – 31 March 2030	1,626
1 April 2030 – 31 March 2031 and after	1,629
	<u>57,350</u>

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(7 - b) Government Grants

	31 March 2025			31 December 2024		
	(Unaudited)			(Audited)		
	Related to			Related to		
	Social security			Social security		
	Capital	"Himaya"		Capital	"Himaya"	
	Bank's loan	program's loan	Total	Bank's loan	program's loan	Total
Balance as at the beginning of the period / year	8,686	476	9,162	4,852	1,107	5,959
Recognized during the period / year	-	-	-	6,604	-	6,604
Released to the interim condensed consolidated income statement during the period / year	(614)	(118)	(732)	(2,770)	(631)	(3,401)
Balance as at the end of the period / year	8,072	358	8,430	8,686	476	9,162
Non-current	5,040	53	5,093	5,492	104	5,596
Current	3,032	305	3,337	3,194	372	3,566
	8,072	358	8,430	8,686	476	9,162

(8) SHAREHOLDERS' EQUITY

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Paid-in capital		
Authorized capital (Par value of Jordanian Dinar per share)	363,627	363,627
Paid-in capital	363,627	363,627

Share discount

Share discount amounted to JD 78,2 million as at 31 March 2025 and 31 December 2024. The accumulated balance in this account represents the difference between the issuing price and the par value of the shares issued.

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(9) REVENUES FROM CONTRACTS WITH CUSTOMERS

	For the three months ended 31 March	
	2025	2024
Scheduled Services		
Passengers	138,283	118,079
Cargo	9,258	5,241
Excess baggage	2,489	1,696
Airmail	1,413	1,215
Total scheduled services (note 13)	151,443	126,231
Cargo warehouse revenues	4,613	5,291
Commercial revenues from arriving and departing aircraft of other companies	3,637	3,832
Chartered flights (note 13)	1,600	1,271
Royal tours revenues (Tours operating revenues)	1,590	1,555
Ancillary revenue	1,224	980
First class services revenues	1,118	1,518
Frequent flyer revenues	1,115	712
Revenues from technical and maintenance services provided to other companies	923	886
Revenue from airport operator	846	1,005
Revenues from NDC (Galileo)	730	779
Catering revenues	267	-
Training revenue	208	319
Other revenues	600	438
	169,914	144,817

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(10) INCOME TAX

Tax status:

Alia – The Royal Jordanian Airlines Company:

No provision for income tax was calculated by the Company for the period ended 31 March 2025 and 2024 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

The Company filed its tax return for the years from 2021 until 2023 within the statutory period. The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2020 whereas the years from 2021 until 2023 are yet to be reviewed up to date of these interim condensed consolidated financial statement.

Royal Wings Company – under liquidation:

No provision for income tax was calculated by the Company for the period ended 31 March 2025 and 2024 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Royal Wings Company filed its tax return for the years 2022 and 2023 within the statutory period. The Income and Sales Tax Department is currently reviewing the Company's tax returns at the first instance court. Royal Wings Company reached a final settlement with the Income and Sales Tax Department up to the year 2021. Whereas the years from 2022 until 2023 are yet to be reviewed up to date of these interim condensed consolidated financial statement.

Royal Tours Company:

No provision for income tax was calculated by the Company for the period ended 31 March 2025 and 2024 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Royal Tours for Travel and Tourism Company filed its tax return for the years from 2020 until 2023 within the statutory period. Royal Tours for Travel and Tourism Company reached a final settlement with the Income and Sales Tax Department up to the year 2019. The Income and Sales Tax Department did not review the Company's accounting records for the years from 2020 until 2023 up to date of these interim condensed consolidated financial statement.

Tikram for Airport Services Company:

No provision for income tax was calculated by the Company for the period ended 31 March 2025 and 2024 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Tikram for Airport Services Company filed its tax returns for the years from 2022 until 2023. Tikram for Airport Services Company reached a final settlement with the Income and Sales Tax Department for the year 2021. The Income and Sales Tax Department did not review the Company's accounting records for the years 2022 and 2023 up to date of these interim condensed consolidated financial statement.

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)**Public Shareholding Company****Notes to The Interim Condensed Consolidated Financial Statements****31 March 2025 (Unaudited)****(In Thousands of Jordanian Dinars except for amounts in foreign currencies)****Jordan Airline Training and Simulator Company:**

Jordan Airline Training and Simulator Company is exempt from income tax according to the Investment Environment Law No. (21) of 2022.

Jordan Airline Training and Simulator Company filed its tax return for the year 2023 within the statutory period. Jordan Airline Training and Simulator Company reached a final settlement with the Income and Sales Tax Department up to the year 2022 whereas the year 2023 are yet to be reviewed up to date of these interim condensed consolidated financial statement.

Jordan Airports Company:

A provision for income tax was calculated by the Company for the period ended 31 March 2025 and 2024 in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Jordan Airports Company filed its tax return for the years from 2021 until 2023 within the statutory period. Jordan Airports Company reached a final settlement with the Income and Sales Tax Department up to the year 2020 whereas the years from 2021 until 2022 are yet to be reviewed up to date of these interim condensed consolidated financial statement. The tax return for the year 2023 has been approved according to the sampling system.

Jordan Flight Catering Company:

The Company is exempted from income tax as per the Prime Minister decision no. (5713) in the letter dated 30 July 2019 which exempt the Company's main operations in the Duty-Free Zone from income tax under law no (34) for the year 2014 (as amended).

Reconciliation between accounting profit and taxable profit is as follows:

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Accounting loss	(6,023)	(24,646)
Non-taxable profits	(7,428)	(3,962)
Non-deductible expenses	619	1,602
Taxable loss	(12,832)	(27,006)
Income tax expense	220	156

Income tax provision:

Movement on income tax provision is as follows:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	385	199
Income tax expense for the period / year	220	514
Acquisition of a subsidiary	10	-
Income tax paid during the period / year	(29)	(328)
Balance as at the end of the period / year	586	385

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Below is the details of the income tax expenses related to subsidiaries profit for the period ended 31 March 2025 and 2024:

	<u>31 March 2025</u>	<u>31 March 2024</u>
	(Unaudited)	(Unaudited)
Jordan Airport Company	<u>220</u>	<u>156</u>

The legal income tax rate including the national contribution tax rate for Alia - The Royal Jordanian Airlines Company, Royal Wings, Royal Tours for Travel and Tourism Company, Tikram for Aviation Services Company and Jordan Airport Company is 21%.

(11) COMMITMENTS AND CONTINGENCIES

Letters of credit and guarantees

As of 31 March 2025, the Group had letters of credit that amounted to JD 30,253 and letters of guarantees amounted to JD 3,700 (31 December 2024: letters of credit amounted to JD 30,320 and letters of guarantees amounted to JD 3,634).

Claims against the Group

The Group is a defendant in a number of lawsuits amounting to JD 7,991 as at 31 March 2025 (31 December 2024: JD 7,678) representing legal actions and claims related to its ordinary course of business. Related risks have been analyzed as to the likelihood of occurrence, although the outcome of these matters cannot always be ascertained with precision. In the opinion of the Group and their legal counsels, the provision recognized as of 31 March 2025 is sufficient to cover any contingent liabilities and claims that may arise from these lawsuits.

Capital Commitments

As of 31 March 2025, and 31 December 2024, the Group had capital commitments of USD 1,170,007,630, equivalent to JD 829,793 relating to finance lease agreements signed for eight new aircraft.

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(12) ACQUISITION OF A SUBSIDIARY

The Company's stake in Jordan Flight Catering Company was increased from 30% to 51% during January 2025 in exchange for a catering services contract for ten years until the end of 2033. Accordingly, the investment was classified as an investment in a subsidiary.

The fair value of the identifiable assets and liabilities of Jordan Flight Catering Company as of the date of acquisition are as follows:

	Fair Value *	Carrying value
<u>ASSETS</u>		
Right-of-use assets	2,142	2,142
Property and equipment	925	925
Inventory, net	959	959
Accounts receivable	3,425	3,425
Cash and bank balances	2,625	2,625
Other current assets	176	176
TOTAL ASSETS	<u>10,252</u>	<u>10,252</u>
<u>LIABILITIES</u>		
Accounts payable	2,657	2,657
Lease obligation	2,577	2,577
Other current liabilities and provisions	2,284	2,284
TOTAL LIABILITIES	<u>7,518</u>	<u>7,518</u>
Net assets acquired	<u>2,734</u>	<u>2,734</u>

* The initial accounting for this business combination was determined provisionally, as the fair values to be assigned to the acquirees' identifiable assets and liabilities could be determined only provisionally by the end of the period in which the combination was affected. The Group will recognize any adjustment to those provisional values as a result of completing the initial accounting within twelve months from the date of acquisition.

	<u>31 March 2025</u> <u>(Unaudited)</u>
Cash flow on acquisition:	
Net cash acquired with the subsidiary	2,625
Cash paid	-
Net cash paid	<u><u>2,625</u></u>

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(13) GEOGRAPHICAL DISTRIBUTION OF REVENUES

All operations are integrated under the airline business. The Group does not have any segment information other than the geographical distribution of revenues, which is used by the management executives to measure the Group's performance.

	For the three months ended 31 March 2025				For the three months ended 31 March 2024			
	Scheduled services	Chartered Flights		Total	Scheduled services	Chartered Flights		Total
		Passengers	Cargo			Passengers	Cargo	
Levant	21,724	44	745	22,513	16,284	142	489	16,915
Europe	39,200	92	512	39,804	31,425	106	389	31,920
Arab Gulf	38,680	-	-	38,680	36,246	-	-	36,246
America	42,403	-	-	42,403	36,055	-	-	36,055
Asia	4,070	-	-	4,070	3,947	94	-	4,041
Africa	5,366	150	57	5,573	2,274	51	-	2,325
Total revenues	151,443	286	1,314	153,043	126,231	393	878	127,502

(14) RELATED PARTY TRANSACTIONS

Related party transactions represent transactions with associated companies, employees' Provident fund, and the Government of the Hashemite Kingdom of Jordan. Pricing policies and terms of these transactions are approved by the Group's management.

Following is a summary of balances due to and from related parties included in the interim condensed consolidated statement of financial position:

	31 March 2025		31 December 2024	
	Accounts receivable (Unaudited)	Accounts payable (Unaudited)	Accounts receivable (Audited)	Accounts payable (Audited)
Government of Jordan	10,054	465	7,175	425
Employees' Provident Fund	-	3,344	-	3,152
Social Security Corporation	4	10,840	-	13,396
Jordan Aircraft Maintenance Company	5,863	416	7,362	-
Jordan Flight Catering Company	-	-	-	1,660
	15,921	15,065	14,537	18,633

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The following is a summary of the transactions with associated companies included in the interim condensed consolidated income statement:

	For the three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Jordan Aircraft Maintenance Company (JORAMCO):		
Scheduled services revenues	102	91
Repair and maintenance expenses	(1,244)	(867)
Jordan Flight Catering Company: *		
Passenger services expenses	-	(4,684)

* The Company's stake in Jordan Flight Catering Company was increased from 30% to 51% during January 2025 in exchange for a catering services contract for ten years until the end of 2033. Accordingly, the investment was classified as an investment in a subsidiary. All intra-group expenses relating to transactions between members of the Group are eliminated in full for the three months ended 31 March 2025.

The following is a summary of the transactions with the Government of the Hashemite Kingdom of Jordan included in the interim condensed consolidated income statement:

	For the three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Scheduled services revenues – passengers	2,004	1,881
Scheduled services revenues – cargo	228	416
Chartered flights	482	-
	2,714	2,297

Compensation of key management personnel:

The remuneration of members of key management during the period was as follows:

	For the three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Salaries and other benefits	248	228
Board of Directors remuneration	12	12

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(15) EARNINGS PER SHARE FROM THE LOSS OF THE PERIOD

	<u>31 March 2025</u> (Unaudited)	<u>31 March 2024</u> (Unaudited)
Loss for the period attributed to the equity holders' of the parent ('000)	(6,576)	(24,706)
Weighted average number of shares ('000)	<u>363,627</u>	<u>363,627</u>
Basic and diluted earnings per share (JD)	<u>(0.018)</u>	<u>(0.068)</u>

(16) COMPARATIVE FIGURES

Some of the comparative figures for the period ended 31 March 2024 have been reclassified to correspond with 31 March 2025 presentation with no effect on equity or loss for the period ended 31 March 2024.