

**Qatar Airways Group Q.C.S.C.
Doha, Qatar**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
31 MARCH 2026**

Qatar Airways Group Q.C.S.C.
CONSOLIDATED FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT
For the year ended 31 March 2026

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INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDER OF QATAR AIRWAYS GROUP Q.C.S.C.

To the Shareholder of
Qatar Airways Group Q.C.S.C
Doha – Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Airways Group Q.C.S.C (the “Company”), and its subsidiaries (together the “Group”), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group’s consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF QATAR AIRWAYS GROUP Q.C.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Company's article of association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
QATAR AIRWAYS GROUP Q.C.S.C. (CONTINUED)**

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021, we report the following:

- We are of the opinion that proper books of account were maintained by the Company and physical inventory verification has been duly carried out
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Company's Articles of Associations were committed during the year which would materially affect the Company's consolidated financial position or its financial performance.

**Doha – Qatar
19 May 2026**

**For Deloitte & Touche
Qatar Branch**




**Midhat Salha
Partner
License No. 257**

Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Note	2026 QR'000	2025 QR'000
Revenue	3	83,394,444	85,643,451
Other operating income	4	356,458	379,391
Operating expenses	5	(68,549,773)	(71,359,579)
Operating profit		15,201,129	14,663,263
Other income	6	3,923,588	4,044,511
Loss on disposal of property, plant and equipment and right-of-use assets		(55,708)	(20,539)
Share of profit from investment in joint ventures and associates	13	319,336	93,893
General and administrative expenses	7	(7,886,053)	(6,435,149)
Finance costs	8	(2,360,321)	(3,417,103)
Loss on foreign currency exchange		(573,078)	(692,113)
Impairment loss on property, plant and equipment and right-of-use assets	10 and 11	(761,750)	(254,036)
Profit before tax		7,807,143	7,982,727
Income tax expense	9	(731,435)	(131,022)
Profit for the year		7,075,708	7,851,705
<i>Attributable to:</i>			
Owners of the parent company		7,074,679	7,850,993
Non-controlling interests		1,029	712
		7,075,708	7,851,705

DELOITTE & TOUCHE
Doha-Qatar
19 MAY 2026
Signed for Identification
Purposes Only

This consolidated statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The attached notes 1 to 37 form part of these consolidated financial statements.

Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	<i>Note</i>	2026 QR'000	2025 QR'000
Profit for the year		<u>7,075,708</u>	<u>7,851,705</u>
<i>Item that will not be reclassified subsequently to consolidated profit or loss</i>			
Net gain on fair valuation of equity securities at FVOCI	21	<u>7,757,349</u>	<u>6,500,259</u>
		<u>7,757,349</u>	<u>6,500,259</u>
<i>Items that may be reclassified subsequently to consolidated profit or loss:</i>			
Changes in fair value of cash flow hedges	21	<u>1,445,127</u>	(440,912)
Exchange difference on translation of foreign operations		<u>40,692</u>	(12,033)
		<u>1,485,819</u>	<u>(452,945)</u>
Other comprehensive income for the year, net of tax		<u>9,243,168</u>	<u>6,047,314</u>
Total comprehensive income for the year		<u>16,318,876</u>	<u>13,899,019</u>
<i>Total comprehensive income attributable to:</i>			
Owners of the parent company		<u>16,317,847</u>	13,898,307
Non-controlling interests		<u>1,029</u>	<u>712</u>
		<u>16,318,876</u>	<u>13,899,019</u>

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Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 QR'000	2025 QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	83,638,539	70,447,750
Right-of-use assets	11	17,782,814	18,009,521
Intangibles	12	612,304	612,304
Investment in joint ventures and associates	13	2,488,885	2,252,079
Investment securities	14	28,221,905	24,841,148
Investment in finance lease		102,774	-
Deferred tax asset		1,681	1,509
		<u>132,848,902</u>	<u>116,164,311</u>
Current assets			
Inventories	15	2,051,877	1,973,893
Accounts receivable and prepayments	16	7,524,393	10,599,870
Derivative financial instruments	32	2,474,250	52,727
Short-term deposits	17	21,700,497	14,538,486
Cash and cash equivalents	17	10,977,816	27,819,245
		<u>44,728,833</u>	<u>54,984,221</u>
TOTAL ASSETS		<u><u>177,577,735</u></u>	<u><u>171,148,532</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	72,828,356	72,828,356
Capital reserve	19	1,643,816	1,643,816
Legal reserve	20	4,232,888	3,452,109
Fair value reserve	21	6,534,861	(2,242,619)
Accumulated losses		(9,830,905)	(16,549,801)
Foreign currency translation reserve		(6,367)	(47,059)
		<u>75,402,649</u>	<u>59,084,802</u>
Equity attributable to equity holder of the parent		<u>75,402,649</u>	<u>59,084,802</u>
Non-controlling interests		2,483	1,454
		<u>75,405,132</u>	<u>59,086,256</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits	24	2,347,600	2,131,669
Unredeemed frequent flyer liabilities	26	2,807,001	2,226,107
Deferred tax liability		51,284	50,727
Lease liabilities	11	15,522,853	15,120,649
Interest-bearing loans	23	25,084,529	24,676,679
Provision for maintenance	27	11,863,337	11,302,929
Retention payables	25	87,713	4,154
		<u>57,764,317</u>	<u>55,512,914</u>

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Doha-Qatar

19 MAY 2026

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Continued...

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Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

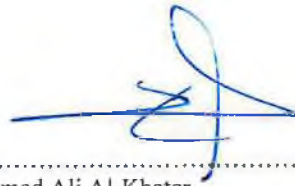
At 31 March 2026

	Notes	2026 QR'000	2025 QR'000
Current liabilities			
Accounts payable and accruals	28	15,789,227	12,044,006
Provision for maintenance	27	4,829,000	6,210,126
Sales in advance of carriage	22	8,812,734	13,513,162
Lease liabilities	11	3,552,404	3,896,731
Interest-bearing loans	23	11,424,921	20,685,402
Derivative financial instruments	32	-	199,935
		<u>44,408,286</u>	<u>56,549,362</u>
Total liabilities		<u>102,172,603</u>	<u>112,062,276</u>
TOTAL EQUITY AND LIABILITIES		<u>177,577,735</u>	<u>171,148,532</u>

These Consolidated Financial Statements were approved by the Board of Directors and signed on its behalf by the following on 19 May 2026.



H.E. Saad Bin Sharida Al-Kaabi
Chairman



Hamad Ali Al-Khater
Group Chief Executive Officer

DELOITTE & TOUCHE
Doha-Qatar

19 MAY 2026

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Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	<i>Share capital QR'000</i>	<i>Capital reserve QR'000</i>	<i>Legal reserve QR'000</i>	<i>Fair value reserve QR'000</i>	<i>Accumulated losses QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Attributable to equity holder of the parent QR'000</i>	<i>Non-controlling interest QR'000</i>	<i>Total equity QR'000</i>
At 1 April 2025	72,828,356	1,643,816	3,452,109	(2,242,619)	(16,549,801)	(47,059)	59,084,802	1,454	59,086,256
Profit for the year	-	-	-	-	7,074,679	-	7,074,679	1,029	7,075,708
Other comprehensive income	-	-	-	9,202,476	-	40,692	9,243,168	-	9,243,168
Total comprehensive income for the year	-	-	-	9,202,476	7,074,679	40,692	16,317,847	1,029	16,318,876
Transfer to legal reserve (Note 20)	-	-	780,779	-	(780,779)	-	-	-	-
Disposal of investment securities (Note 21)	-	-	-	(424,996)	424,996	-	-	-	-
At 31 March 2026	72,828,356	1,643,816	4,232,888	6,534,861	(9,830,905)	(6,367)	75,402,649	2,483	75,405,132

	<i>Share capital QR'000</i>	<i>Capital reserve QR'000</i>	<i>Legal reserve QR'000</i>	<i>Fair value reserve QR'000</i>	<i>Accumulated losses QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Attributable to equity holder of the parent QR'000</i>	<i>Non-controlling interest QR'000</i>	<i>Total equity QR'000</i>
At 1 April 2024	72,828,356	1,643,816	2,585,498	(8,263,146)	(23,573,003)	(35,026)	45,186,495	742	45,187,237
Profit for the year	-	-	-	-	7,850,993	-	7,850,993	712	7,851,705
Other comprehensive income	-	-	-	6,059,347	-	(12,033)	6,047,314	-	6,047,314
Total comprehensive income for the year	-	-	-	6,059,347	7,850,993	(12,033)	13,898,307	712	13,899,019
Transfer to legal reserve (Note 20)	-	-	866,611	-	(866,611)	-	-	-	-
Disposal of investment securities (Note 21)	-	-	-	(38,820)	38,820	-	-	-	-
At 31 March 2025	72,828,356	1,643,816	3,452,109	(2,242,619)	(16,549,801)	(47,059)	59,084,802	1,454	59,086,256

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Doha-Qatar

19 MAY 2026

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Qatar Airways Group Q.C.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 QR'000	2025 QR'000
OPERATING ACTIVITIES			
Profit before tax		7,807,143	7,982,727
Adjustments for:			
Depreciation on property, plant and equipment	10(a)	5,342,820	4,454,176
Amortization on right-of-use assets	11	3,906,756	4,298,597
Finance costs	8	2,360,321	3,417,103
Provision for employees' end of service benefits	24	366,355	338,827
Net impairment loss on financial assets	7 and 33	518,269	49,537
Provision / (reversal of provision) for obsolete and slow-moving inventories	15	339,300	(111,347)
Impairment loss on property, plant and equipment	10	190,567	151,069
Impairment loss on right-of-use assets	11	571,183	102,967
Share of profit from investment in joint ventures and associates	13	(319,336)	(93,893)
Finance income	6	(1,641,503)	(2,457,139)
Dividend income from investment securities	6	(773,512)	(559,091)
Loss on disposal of property, plant and equipment and right-of-use assets		55,708	20,539
Operating cash flows before movements in working capital		18,724,071	17,594,072
Working capital changes:			
(Decrease) / increase in accounts payable and accruals, sales in advance of carriage and provision for maintenance		(3,747,167)	2,067,885
Increase in inventories		(417,284)	(81,710)
Decrease in accounts receivable and prepayments		2,852,824	428,151
Cash generated by operations		17,412,444	20,008,398
Finance costs paid		(2,022,031)	(3,043,977)
Finance income received		1,767,189	2,409,728
Dividend received from investment securities		773,512	559,091
Employees' end of service benefits paid	24	(150,424)	(189,338)
Dividend received from investments in joint ventures		82,530	55,950
Net cash flows from operating activities		17,863,220	19,799,852
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1,641,687	98,998
Net movement in short-term deposits		(7,359,763)	14,602,458
Proceeds from loans to affiliates		-	44,999
Purchase of intangible assets	12	-	(327,371)
Proceeds from disposal of investment securities		4,376,592	477,616
Acquisition of investment in an associate	13	-	(2,018,568)
Additions to property, plant and equipment	10	(20,286,322)	(10,782,805)
Net cash flows (used in) / generated from investing activities		(21,627,806)	2,095,327
FINANCING ACTIVITIES			
Proceeds from interest-bearing loans		1,234,707	4,086,937
Repayment of interest-bearing loans		(10,087,338)	(11,162,533)
Payment of principal portion of lease liabilities		(3,897,893)	(4,321,185)
Net cash flows used in financing activities		(12,750,524)	(11,396,781)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(16,515,110)	10,498,398
Cash and cash equivalents at the beginning of the year		28,002,237	17,503,839
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	11,487,127	28,002,237

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The attached notes 1 to 37 form part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Qatar Airways Group Q.C.S.C. (the “Company”) is a Qatari Closed Shareholding Company registered in the State of Qatar. The Company was established on 30 November 1993 under commercial registration number 16070 and commenced operations in January 1994. The Company’s registered office is located at Qatar Airways Tower P.O. Box 22550, Doha, State of Qatar. The Company is ultimately wholly owned by the Government of the State of Qatar (the “Shareholder”).

The consolidated financial statements as of and for the year ended 31 March 2026 comprise the financial statements of the Company and its subsidiaries (together referred as the “Group”).

The main activities of the Group are as follows:

- Commercial air-transportation, which includes passenger, cargo, aircraft charters and related services;
- Aircraft handling, in-flight catering and related services to airlines using Hamad International Airport;
- Trading in duty free goods at Hamad International Airport and exchanging goods for redemption of award miles;
- Operation of restaurants at Hamad International Airport;
- Provision of facilities management services at Hamad International Airport;
- Hotel operations inside and outside the State of Qatar;
- Distribution of distilled beverages in the State of Qatar.

These consolidated financial statements of Qatar Airways Group Q.C.S.C. were authorised for issuance by the Board of Directors on 19 May 2026.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been presented in Qatari Riyals, which is the functional and presentation currency of the Group, and all values are rounded to the nearest thousand (QR’000) except where otherwise indicated.

The consolidated financial statements are prepared under the historical cost convention except for certain financial assets and liabilities, including FVOCI investments and derivative financial instruments that are measured at fair value.

2.2 Statement of compliance

The consolidated financial statements comply with the requirements of the Company's Articles of Association (AoA). As defined in Article 44 of the AoA, on matters where there is no special provision stated in the Company's Articles of Association, the Company is guided by the requirements of Qatar Commercial Companies Law No:11 of 2015, whose certain provisions were subsequently amended by Law No: 8 of 2021.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Qatar Airways Group Q.C.S.C. and its subsidiaries (together referred to as the “Group”). These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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, and
- 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 that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- The size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings

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 year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group’s accounting policies.

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.

The carrying amount of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Basis of consolidation (continued)

If the Group loses control over a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The material subsidiaries of the Group incorporated in the consolidated financial statements are as follows:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Effective shareholding</u>	
		<u>2026</u>	<u>2025</u>
Strader S.A.	Switzerland	100%	100%
Amadeus Qatar W.L.L.	State of Qatar	60%	60%
Dhiafatina for Hotels W.L.L.	State of Qatar	100%	100%
Oryx Holdings, Inc.	United States of America	100%	100%
Qatar Airways Investments (UK) Ltd	United Kingdom	100%	100%
Qatar Aviation Lease Company Q.J.S.C.	State of Qatar	100%	100%
Qatar Aviation Services Company W.L.L.	State of Qatar	100%	100%
Qatar Aviation Services India Pvt. Ltd.	Republic of India	100%	100%
Qatar Aircraft Catering Company W.L.L.	State of Qatar	100%	100%
Qatar Airways CDC Private Limited.	Republic of India	100%	100%
Qatar Distribution Company W.L.L.	State of Qatar	100%	100%
Qatar Duty Free Company W.L.L.	State of Qatar	100%	100%
Qatar Executive W.L.L.	State of Qatar	100%	100%
Internal Media Services Company W.L.L.	State of Qatar	100%	100%
Oryx International School W.L.L.	State of Qatar	100%	100%
Discover Qatar W.L.L.	State of Qatar	100%	100%
Qatar Airways Holidays W.L.L.	State of Qatar	100%	100%

Strader SA, (“Strader”) is a private limited liability company incorporated in Switzerland and the owner of Hilton Geneva Hotel and Conference Centre located in Geneva, Switzerland.

Amadeus Qatar W.L.L. is engaged in activities relating to marketing, distribution, installation and maintenance of the Amadeus reservation and travel agency system to various travel agencies in the State of Qatar.

Dhiafatina for Hotels W.L.L. is engaged in the operation of hotel properties inside and outside the State of Qatar. The key subsidiaries of Dhiafatina for Hotels W.L.L. are Dhiafatina Holdings Limited; Edinburgh Park Hotel Limited; Dhiafatina Melbourne Trust; Oryx Doha Hotel W.L.L., Ras Brouq Hotel W.L.L. and Oryx Airport Hotel W.L.L.

Oryx Holdings, Inc., incorporated in Wilmington, Delaware, USA, is principally engaged in holding real estate properties.

Qatar Airways Investments (UK) Ltd. is engaged to make and manage strategic investments in global airlines.

Qatar Aviation Lease Company Q.J.S.C. is registered as Qatari Joint Stock Company in the State of Qatar under Commercial Registration No. 42734. It was incorporated on 18 June 2009 and its primary objectives are to acquire and lease aircraft and aircraft components.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Basis of consolidation (continued)

Qatar Aviation Services Company W.L.L. is engaged in the operations of ground-handling services to various airlines operating in Qatar. It is also engaged in selling tickets of several international airlines on behalf of the customers.

Qatar Aviation Services India Pvt. Ltd is engaged in providing aircraft load data processing for passenger, cargo charter, air taxis and air cargo aircraft registered in Qatar and worldwide excluding India.

Qatar Aircraft Catering Company W.L.L. is engaged in providing in-flight catering and related services to Qatar Airways and other airlines in Qatar.

Qatar Airways CDC Private Limited is primarily engaged to operate a combined delivery center (CDC) and to provide back-office support services. It is registered in India.

Qatar Distribution Company W.L.L. is primarily engaged in the distribution of distilled beverages and specialty foods within the State of Qatar.

Qatar Duty Free Company W.L.L. is primarily engaged in trading of duty-free goods and operating restaurants and coffee shops at Hamad International Airport.

Qatar Executive W.L.L. is engaged in providing commercial and private charter flights.

Internal Media Services Company W.L.L. is engaged in public relations, advertising, marketing and promotional activities in the State of Qatar.

Oryx International School W.L.L. is an educational institution and co-educational preparatory school for students from reception to year 13.

Discover Qatar W.L.L. is engaged in providing tourist packages within the State of Qatar.

Qatar Airways Holidays W.L.L. is engaged in travel and tourism activities by providing services that include hotel bookings, flights tickets, and tours reservations.

The financial statements of the subsidiaries are prepared for the same reporting year as the Group except for Amadeus Qatar W.L.L., and Strader S.A., whose financial years end on 31 December and Oryx International School W.L.L whose financial year ends on 31 August. Appropriate adjustments are made for subsidiaries that use different accounting periods and policies to conform to those adopted by the Group.

Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealised gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. 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. Acquisitions of non-controlling interests are accounted for using the parent extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Basis of consolidation (continued)

Non-controlling interests (continued)

The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

2.4 Application of new and revised International Financial Reporting Standards (IFRSs)

a) New and amended IFRS Accounting Standards that are effective for the current year

Few amendments and interpretations apply for the first time in 2025, and do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2025, have been adopted in these consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

<u>New and amended IFRS Accounting Standard</u>	<u>Effective for annual periods beginning on or after</u>
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Amendments to IAS 21-The Effects of Changes in Foreign Exchange Rates titled Lack of January 1, 2025 Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

b) New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group did not early adopt any new or amended standards and interpretations during the year and intends to adopt these standards, if applicable, when they become effective. Most of these amendments are not expected to have any material impact on the consolidated financial statements of the Group in the period of initial application.

New and amended IFRS Accounting Standards

**Effective for
annual periods
beginning on or after**

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

January 1, 2026. Earlier application is permitted

These amendments:

- permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met;
- provide additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets;
- clarify the characteristics of contractually linked instruments that distinguish them from other transactions; and
- make updates to the disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (FVTOCI).

Annual Improvements to IFRS Accounting Standards – Volume 11

January 1, 2026. Earlier application is permitted

The IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

b) New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and amended IFRS Accounting Standards

Effective for annual periods beginning on or after

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

January 1, 2026. Earlier application is permitted

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9; 2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

IFRS 18 –Presentation and Disclosures in Financial Statements

January 1, 2027. Earlier application is permitted

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Management of the Group anticipates that the application of this standard will have an impact on the Group's financial statements presentation and disclosures in future periods.

At 31 March 2026

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

b) New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

January 1, 2027. Earlier application is permitted

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's financial statements as and when they are applicable. The Group is currently evaluating the impact of these new standards and amendments to existing standards.

2.5 Material accounting policies information

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value (which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree) and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19 *Employee Benefits* respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Business combinations and goodwill (continued)

If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses and is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Revenue

The Group's revenues are primarily derived from commercial air-transportation services which includes passenger, cargo, aircraft charters and related services.

Passenger revenue

Revenue is recognized when the transportation service has been provided.

Passenger tickets are generally paid for by customers in advance of transportation and are recognized, net of discounts, as deferred revenue (forward sales) on ticket sales in current liabilities until the customer has flown or the ticket expired unused. Unused flight documents are recognised as revenue using estimates regarding the timing of recognition based on the terms and conditions of the ticket and historical trends. Commission costs are recognised at the same time as the revenue to which they relate and are charged to operating expenses.

Where a flight is cancelled, the passenger is entitled to either compensation, a refund, changing to an alternative flight or the receipt of a voucher. Where compensation is issued to the customer, such payments are presented net within passenger revenue against the original ticket purchased.

A typical flight ticket contract includes promise to provide different flight segments and loyalty points. The Group considers these promises as separate distinct performance obligations and therefore, decided to allocate the transaction price in accordance with the requirements of IFRS 15. The Group considers whether it is an agent or a principal in relation to the services it provides by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Revenue (continued)

Payments received in relation to certain ancillary services regarding passenger transportation, such as change fees, are not considered to be distinct from the performance obligation to provide the passenger flight. Payments relating to these ancillary services are recognised in deferred revenue on ticket sales in current liabilities until the customer has flown.

The Group considers whether it is an agent or a principal in relation to passenger transportation services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party. The Group acts as an agent where (i) it collects various taxes, duties and fees assessed on the sale of tickets to passengers and remits these to the relevant taxing authorities; and (ii) where it provides interline services to airline partners outside of the Group. Commissions earned in relation to agency services are recognised as revenue when the underlying goods or services have been transferred to the customer.

Cargo revenue

The Group has identified a single performance obligation in relation to cargo services and the associated revenue is measured at its standalone selling price and recognised on satisfaction of the performance obligation, which occurs on the fulfilment of the transportation service.

Other revenue

The following are the other revenue recognised by the Group:

- Revenue from duty free goods and beverages is recognised when the control of the asset is transferred to the customer, generally on delivery of the goods.
- Revenue from commercial and private aircraft charters and related services is recognised when the transportation service has been provided. These are generally paid for by customers in advance of transportation and are recognized, net of discounts, as deferred revenue (forward sales) until the customer has flown.
- Revenue from ground handling services, income from hotel operations and commissions is recognised as the related performance obligation is satisfied (over time) using an appropriate methodology which reflects the activity that has been undertaken to satisfy the related obligation.

Other income

Finance income

Finance income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the Group's right to receive the payments is established.

Claims and liquidated damages

Claims and liquidated damages are recognised in the consolidated income statement when a contractual entitlement exists, amounts can be reliably measured and receipt is virtually certain. When the claims and liquidated damages do not relate to a compensation for loss of income, the amounts are taken to the consolidated statement of financial position as a reduction to the cost of the asset to which it relates.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Property, plant and equipment

Property, plant and equipment is initially measured at fair value of consideration given. Fair value of aircraft takes into account manufacturer's credit. The carrying value is reviewed if events or changes indicate such values are not recoverable.

Subsequent costs are included in the assets carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost can be reliably measured. Other costs are charged to the consolidated income statement during the year in which they are incurred.

When the Group purchases a leased aircraft, the related lease is first accounted for as a lease termination. The purchase consideration is then applied against the carrying amount of the related end of lease obligations, with any excess capitalised as 'Property, Plant and Equipment'. No gain or loss is recognised on such transactions.

Capital work in progress or capital projects is stated at cost. When the asset is ready for its intended use, it is transferred and classified from capital projects to the appropriate category under property, plant and equipment and depreciated in accordance with the Group's policies.

Fleet assets owned are depreciated at rate calculated to write down the cost to the estimated residual value at the end of their planned operational lives as per the Group's fleet plan, on a straight-line basis.

Land and capital projects are not depreciated. Depreciation on other property, plant and equipment is provided at rates calculated to write off the cost less their estimated residual value on a straight-line basis over the estimated economic useful life of the assets.

Property, plant and equipment, apart from freehold land is depreciated based on estimated economic useful life and estimated residual value or in the case of leasehold properties over the duration of the leases if shorter, on a straight-line basis.

The estimated economic useful life and estimated residual value of the Group's assets for the calculation of depreciation are as follows:

<i>Asset type</i>	<i>Estimated economic useful life</i>	<i>Estimated residual value</i>
Aircraft	5 - 24 years	0% - 35%
Executive jets (included as part of aircraft)	16 years	5%
Executive jets - Amiri (included as part of aircraft)	2 - 10 years	15% - 90%
Aircraft spare engines	6 - 31 years	0% - 21 %
Aircraft spares and modifications	Up to 15 years	0% - 20%
Buildings	20 - 50 years	Nil
Furniture, vehicles, ground and office equipment	3 - 15 years	Nil
Catering plant and equipment	6 - 7 years	Nil
Ground handling equipment	6 - 12 years	Nil

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Property, plant and equipment (continued)

Aircraft modifications are depreciated over remaining useful life or lease term (in case of aircraft under lease) of the respective aircraft.

Aircraft spare engines are depreciated over their respective aircraft fleet retirement date.

Leasehold improvements are depreciated over the lease term or estimated economic useful life, whichever is shorter.

The estimated residual value, estimated economic useful life and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year the item is derecognised.

Aircraft maintenance, repair and overhaul costs

The major maintenance checks, typically consist of more complex inspections and servicing of the aircraft, are capitalised when the recognition criteria is met and depreciated over the average expected life between major overhauls.

Maintenance costs which are covered by Power-By-The-Hour (PBTH) agreements with original equipment manufacturers/ maintenance, repair and overhaul (MRO's) where there is a transfer of risk and legal obligation are expensed on the basis of actual hours flows (accrue and pay).

Maintenance costs in accordance with respective lease agreements, for usage-based maintenance on leased aircraft, including those covered under PBTH agreements, are expensed based on actual hour flows (accrue and pay) and rates determined in accordance with the respective PBTH agreements or lease agreements, depending on the expected timing of the estimated shop visit and lease return. Maintenance costs for life limited parts (LLPs) of leased engines are expensed on the basis of engine flight cycles consumed.

All other line maintenance costs are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Where funds are borrowed specifically for the purpose of obtaining a qualifying asset, any investment income earned on temporary surplus funds is deducted from borrowing costs eligible for capitalisation. In the case of general borrowings, a capitalisation rate, which is the weighted average rate of general borrowing costs, is applied to the expenditure on qualifying assets and included in the cost of the asset.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost.

- a. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated income statement in the period in which the expenditure is incurred.
- b. Landing rights acquired from other airlines are capitalised at cost, less any accumulated impairment losses. Capitalised landing rights based within the EU are not amortised, as regulations within the EU consider them to have an indefinite economic life.
- c. Goodwill arising on the acquisition of subsidiaries and represent the excess of the consideration paid over the net fair value of identifiable assets and liabilities of the acquiree. Where the net fair value of the identifiable assets and liabilities of the acquiree is in excess of the consideration paid, a gain on bargain purchase is recognised immediately in the consolidated income statement.

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Leases

The Group as lessee

The group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on Group's incremental borrowing rate for borrowing funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Leases (continued)

The Group as lessee (continued)

Lease liability(continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use

The right-of-use (ROU) assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 11).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Sale and Leaseback

A sale and leaseback transaction involves the transfer of an asset by the Group (as seller-lessee) to another party (the buyer-lessor) and the leaseback of the same asset by the Group.

The Group assesses whether the transfer of the asset qualifies as a sale by applying the requirements of IFRS 15 - *Revenue from Contracts with Customers*. Only transactions that meet the criteria for a sale are accounted for as a sale and leaseback. If the transfer does not qualify as a sale, the transaction is accounted for as a financing arrangement. Where a sale occurs, the Group accounts for the leaseback in accordance with IFRS 16 - *Leases*.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Leases (continued)

Sale and Leaseback (continued)

The Group recognises a gain or loss arising from the sale only to the extent that it relates to the rights transferred to the buyer-lessor. Any gain or loss attributable to the rights retained through the leaseback is not recognised immediately and is reflected as an adjustment to the ROU asset. This portion of the gain or loss is subsequently recognised over the lease term through depreciation of the ROU asset.

Both the sale price and the lease payments are adjusted to reflect any off-market terms, with below-market payments treated as prepaid lease payments and above-market payments treated as additional financing provided by the buyer-lessor.

Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint ventures and associates are accounted for using the equity method.

Under the equity method, the investment in a joint venture or the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or the associate since the acquisition date. Goodwill relating to the joint venture and associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the joint ventures and the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture or an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or the associate are eliminated to the extent of the interest in the joint venture or the associate.

The aggregate of the Group's share of profit or loss in investment in joint ventures and an associates is shown on the face of the consolidated income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture or the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or the associate and its carrying value, then recognises the loss as 'Share of profit (loss) from investment in joint ventures and an associate in the consolidated income statement.

Upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or the associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value through other comprehensive income, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Financial instruments (continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. All financial instruments are recognized on the trade date, which is the date on which the Group becomes a party to the contractual provisions of an instrument. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss statement within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the interest income.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit or loss ('FVTPL'). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Financial assets (continued)

Receivables

Receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Receivables includes accounts receivables, that are measured at amortised cost using effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except short term receivables when the effect of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalent includes cash in hand and deposits with any qualifying financial institution (including money market funds) repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and investments in money market funds.

Equity instruments

Upon initial recognition, the Group classify its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at FVOCI are not subject to an impairment assessment.

(iii) Impairment

Overview of the expected credit loss (ECL) principles

The Group has followed a forward looking ECL approach.

The Group has been recording the allowance for expected credit losses for all receivables and other debt financial assets not held at FVTPL referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit loss expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group sets its financial assets (debt instruments) into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When financial debt instruments are first recognised, the Group recognises an allowance based on 12mECLs.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.
- Stage 3: Debt instruments considered credit-impaired. The Group records an allowance for the LTECLs.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Financial assets (continued)

(iii) Impairment (continued)

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The *Probability of Default* is an estimate of the likelihood of default over a given time horizon.
- EAD The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date and accrued interest.
- LGD The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, a best case and worst case). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a financial debt instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.
- Stage 3: For debt instrument that are considered credit-impaired, the Group recognises the lifetime expected credit losses for this debt instrument. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For receivables only, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Current market conditions

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Financial assets (continued)

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

(iv) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

(i) Initial recognition and measurement

The Group has classified all financial liabilities within the scope of IFRS 9 under loans and borrowings, derivative financial instruments, and other financial liabilities as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other financial liabilities, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Interest-bearing loans

Interest-bearing loans are initially recognised at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation process takes into account any discount or premium on acquisition, as well as fees or costs that form an integral part of the EIR.

Gains and losses are recognised in the consolidated income statement over the period of the loans through the EIR amortisation process. Instalments due within one year are classified as current liabilities in the consolidated statement of financial position.

The EIR amortisation is included within finance costs in the consolidated income statement.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Financial liabilities (continued)

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed by the supplier.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

For financial investments traded in organised markets, fair value is determined by reference to quoted market bid prices. For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Investments in mutual funds are stated at net assets value of the fund.

The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative using prevailing market rates. The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 34.

Derivatives and hedging activities

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as commodity derivatives to hedge its risks associated with jet-fuel price fluctuations and foreign currency forwards to hedge its currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contracts are entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of commodity derivatives and foreign currency exchange derivatives are determined by reference to available market information and swap/forward valuation methodology. Any gains or losses arising from changes in fair value of derivatives are taken directly to consolidated income statement, except for the effective portion and cost of hedging for cash flow hedges, which is recognised in other comprehensive income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Derivatives and hedging activities (continued)

Initial recognition and subsequent measurement (continued)

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of the hedge, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting, and the risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis at each reporting date or upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first. The assessment relates to expectations about hedge effectiveness and is therefore only forward-looking.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Cash flow hedges

The effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated income statement.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts and the ineffective portion relating to commodity contracts is recognised in the consolidated income statement.

Amounts recognised as other comprehensive income are transferred to the consolidated income statement when the hedged transaction affects the consolidated income statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects consolidated income statement.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the consolidated income statement at the time of the hedge relationship rebalancing.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Derivatives and hedging activities (continued)

Cost of hedging

When designating the spot element of the derivative financial instruments, the forward element shall be accounted as cost of hedging. As such, the change in fair value of the forward element is recognised in other comprehensive income and accumulated in a separate component of equity. In the case of a transaction related hedged item, the change in the fair value of the forward element is deferred in OCI and included, like transaction costs, in the measurement of the hedged item (or it is reclassified to profit or loss when a hedged sale occurs). In case of a time-period related hedged item, the forward element that exists at inception is amortised from the separate component of equity to profit or loss on a rational basis.

As a result of the above accounting, fluctuations in the fair value of the forward element over time will affect consolidated statement of comprehensive income, and the amount accumulated in OCI will be recognised in consolidated statement of income when the hedged item affects profit or loss (in case of a transaction related hedged item), or be amortised to profit or loss (in case of a time-period related hedged item).

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances:

- When the Group expects to hold a derivative as an economic hedge for a period beyond 12 months after the reporting date, the derivative is classified as non-current consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and a non-current portion only if a reliable allocation can be made.

Inventories

Inventories are valued at the lower of purchase cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Goods for resale, food and beverages are valued at weighted average costs
- Spare parts, catering materials and other supplies are valued on a first in first out (FIFO) basis

Provision for inventory obsolescence is estimated on a systematic basis and deducted from the gross carrying value of the inventory. Net realisable value is based on the estimated selling price in the ordinary course of business less any further costs expected to be incurred on completion and disposal.

Employees' end of service benefits

The Group provides for end of service benefits to its employees that meets or exceeds the provisions of the Qatar Labour Law and any amendments thereof. The entitlement to these benefits is based on employees' salaries and the number of years of service. The expected costs of the benefits are accrued over the period of employment. Applicable benefits are paid to employees on completion of their term of employment with the Group. Accordingly, the Group has no expectation of settling its employees' terminal benefits obligation in the near term.

With respect to its Gulf Cooperation Council ("GCC") employees, the Group makes contributions to a Government Pension Fund calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Frequent flyer programme

The Group operates a frequent flyer programme called “Privilege Club” that allows members to earn Avios points by flying on Qatar Airways and other airlines participating in the programme. Members can also earn Avios by participating in non-airline programmes. Avios are used to avail various rewards given by the Privilege Club programme.

The portion of revenue attributable to the Avios earned by the member is identified and accounted for separately as a liability (unredeemed frequent flyer liabilities) based on the relative Standalone Selling Price (“SSP”) per Avios. Estimation techniques are used to determine the SSP of Avios based on various historical trends such as weighted average ticket value, seat factor, routes used by members to avail reward tickets, other avenue used by members to redeem the Avios and expiry of Avios. The SSP of Avios is reviewed on a periodical basis.

The Group also recognises revenue associated with the proportion of Avios which are not expected to be redeemed, referred to as ‘breakage’, based on the results of modelling using historical experiences and expected future trends in customer behaviour, up until the reporting date. The amount of such revenue recognised is limited, where necessary, such that the risk of a significant reversal of revenue in the future is remote.

The liability (unredeemed frequent flyer liabilities) is recognised as revenue in the consolidated income statement when the Group fulfills its obligation of rewarding goods and services to the member for the Avios earned.

Avios accrued through utilising the services of programme partners are paid for by the participating partners and the resulting revenue is recorded as other operating income.

The Group considers whether it is an agent or a principal in relation to the loyalty services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party. In particular, the Group acts as an agent where customers redeem their Avios on interline partner flights outside of the Group, where the fees payable to the interline partner are presented net against the associated release of the deferred revenue from ticket sales.

Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction is recognised. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated income statement.

Non-monetary assets and liabilities, which are recognised at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date of determination of such fair value. The difference, if any, is taken to consolidated statement of other comprehensive income or consolidated income statement along with the fair value adjustments.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Foreign currencies (continued)

Foreign operation – consolidation

Assets and liabilities of foreign operations are translated into the functional currency at the rate prevailing on the reporting date and the income statements are translated using average exchange rates during the year. The exchange differences, on consolidation, are recognised in consolidated statement of other comprehensive income.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax for the year

Current tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current tax is also recognized in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax

Deferred tax assets and liabilities are recognized on the consolidated statement of financial position for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities arise when taxable temporary differences exist, whereas deferred tax assets are recognized only to the extent that it is probable that sufficient future taxable profit will be available to utilize deductible temporary differences, unused tax losses, or tax credits. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax balances are offset when a legally enforceable right exists to offset current tax assets and liabilities, and when they relate to the same taxation authority and entity.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Material accounting policies information (continued)

Deferred tax for the year

Deferred tax income or expense is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is also recorded in other comprehensive income or equity. Deferred tax arises due to changes in temporary differences, tax rate adjustments, or the recognition and reversal of previously unrecognized deferred tax assets. A deferred tax charge is recorded when taxable temporary differences increase, while a deferred tax credit is recognized when deductible temporary differences increase or previously unrecognized tax losses or credits become available for use.

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the consolidated financial statements when material.

3 REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major services.

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
<i>Scheduled services:</i>		
Passenger	59,726,095	60,649,887
Cargo	<u>16,212,820</u>	<u>17,929,869</u>
	<u>75,938,915</u>	<u>78,579,756</u>
<i>Other revenue:</i>		
Sale of duty-free goods and beverages	3,876,224	3,557,647
Aircraft charters and other ancillary services	1,764,106	1,609,662
Ground handling services and lounges	1,187,925	1,208,069
Hotel operations	360,470	360,357
In-flight catering and related service charges	120,901	192,759
Reservation and travel agency	104,926	95,787
Advertisement and promotions	<u>40,977</u>	<u>39,414</u>
	<u>7,455,529</u>	<u>7,063,695</u>
	<u>83,394,444</u>	<u>85,643,451</u>

4 OTHER OPERATING INCOME

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Concessionary income	114,178	139,163
Maintenance and development fees	97,525	93,387
School fee income	70,594	64,009
Service income	30,989	37,138
Commission	20,632	20,965
Miscellaneous	<u>22,540</u>	<u>24,729</u>
	<u>356,458</u>	<u>379,391</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

5 OPERATING EXPENSES

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Fuel costs	20,604,822	24,376,891
Salaries, allowances and other benefits	10,870,876	10,271,863
Landing, ground handling, over flying and crew layover	8,409,281	8,285,075
Aircraft maintenance and insurance	7,340,465	6,887,017
Depreciation on property, plant and equipment (Note 10)	4,454,196	3,605,631
Amortization on right-of-use assets (Note 11)	3,718,243	4,043,855
Passenger services	2,966,469	2,772,677
Aircraft and engine lease rentals (Note 11)	2,844,992	3,713,879
Cost of sales of duty-free goods and beverages	1,716,248	1,592,484
Revenue commissions	1,245,356	1,224,683
Reservations, communications and revenue accounting	1,097,549	1,106,611
Advertisement and promotions	1,176,268	1,235,413
Cost of in-flight catering and other services	658,685	792,857
Hotel operations	147,668	156,823
Indirect tax	208,706	96,696
Miscellaneous	1,089,949	1,197,124
	<u>68,549,773</u>	<u>71,359,579</u>

6 OTHER INCOME

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Finance income	1,641,503	2,457,139
Liquidated damages, incentives and compensation claims from suppliers	1,014,109	663,895
Dividend income from investment in financial assets	773,512	559,091
Leasing income	150,209	187,464
Management fees	24,627	16,634
Miscellaneous	319,628	160,288
	<u>3,923,588</u>	<u>4,044,511</u>

7 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Salaries, allowances and other benefits	3,726,981	3,289,030
Repairs, maintenance and insurance	944,347	728,167
Depreciation on property, plant and equipment (Note 10)	888,624	848,545
Net impairment loss on financial assets (Note 33)	518,269	49,537
Legal and consultancy fees	388,322	341,985
Provision / (Reversal) for obsolete and slow-moving inventories (Note 15)	339,300	(111,347)
Amortization on right-of-use assets (Note 11)	188,513	254,742
Rental - office, vehicles, accommodation and equipment (Note 11)	136,552	296,342
Communication	131,559	109,290
Management fees	84,555	100,912
Bank charges and commission	58,923	52,092
Stationery and publication materials	33,011	43,639
Office utilities	30,043	30,848
Travelling	15,214	14,166
Shipping and clearance	9,185	9,851
Miscellaneous	392,655	377,350
	<u>7,886,053</u>	<u>6,435,149</u>

Qatar Airways Group Q.C.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

8 FINANCE COSTS

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Interest on interest-bearing loans	952,939	2,035,672
Interest on lease liabilities (Note 11)	1,006,734	926,112
Interest on provision for maintenance (Note 27)	<u>400,648</u>	<u>455,319</u>
	<u><u>2,360,321</u></u>	<u><u>3,417,103</u></u>

9 INCOME TAX

The income tax expense represents the sum of current income tax computed and deferred tax arising from temporary differences. Current income tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the taxation authorities.

The Group is subject to the prevailing tax law in the State of Qatar. Qatar-sourced income of the Parent Company and its domestic subsidiaries continues to be exempt from corporate income tax. The Group's foreign subsidiaries, joint ventures, and foreign branches are subject to income tax in their respective jurisdictions. During the year, the Group recognised a monthly consolidated income tax provision based on estimated taxable profits of its foreign operations. Adjustments between accounting profit and taxable profit are determined in accordance with the local legislation applicable to each jurisdiction.

Given the Group's presence in multiple tax jurisdictions with differing tax regimes, it is not practical to provide a detailed reconciliation between accounting and taxable profits, together with the details of the effective tax rates.

The subsidiaries, joint ventures and associates of the Group, which file corporate income tax returns and compute their corporate income tax liability locally are as follows:

<u><i>Name of the entity</i></u>	<u><i>Country of tax residence</i></u>	<u><i>Tax legislation</i></u>
Al Qatariya Café W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Alshaffafia Trading W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Amadeus Qatar W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
AQA Holding S.P.A.	Italy	Law imposing imposta sul reddito delle società (IRES) and imposta regionale sulle attività produttive (IRAP)
Airlink Proprietary Limited	South Africa	Income Tax Act 58 of 1962
Dhiafatina for Hotels W.L.L.	State of Qatar, United Kingdom, and Australia	The Qatar Income Tax Law – Law No. 24 of 2018, United Kingdom Corporation Tax Act 2010, Tax Assessment Act 1936 (ITAA 1936) and Income Tax Assessment Act 1997 of Australia (ITAA 1997)
Discover Qatar W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Doha Sands L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Dromes for Management and Operation of Airports L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Edinburgh Park Hotel Limited	United Kingdom	United Kingdom Corporation Tax Act 2010
Excess Baggage DF Services W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Facilities Management & Maintenance Company L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Internal Media Services Company W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Istiqrar Real Estate W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Linc Facility Services L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Oryx Airport Hotel W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Oryx Doha Hotel L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Oryx Holdings, Inc.	United States of America	The Internal Revenue Code

9 INCOME TAX (CONTINUED)

<u>Name of the entity</u>	<u>Country of tax residence</u>	<u>Tax legislation</u>
Oryx International School W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
QA HMS Host LLC	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Aircraft Catering Company W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Airways CDC Private Limited	Republic of India	Income Tax Act 1961
Qatar Airways Holidays W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Airways Investments (UK) Ltd.	United Kingdom	United Kingdom Corporation Tax Act 2010
Qatar Airways Medical Center L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Airways SSP L.L.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Aviation Lease Company Q.J.S.C.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Aviation Services Company W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Aviation Services India Pvt. Ltd.	Republic of India	Income Tax Act 1961
Qatar Company for Airports Operation and Management L.L.C. (MATAR)	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Distribution Company W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Duty Free Company W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Executive W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Qatar Travel & Tourism Services W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Ras Brouq Hotel W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Safinat Transport W.L.L.	State of Qatar	The Qatar Income Tax Law – Law No. 24 of 2018
Strader S.A.	Switzerland	Federal Act of 14 December 1990
Virgin Australia Holdings Limited	Australia	Tax Assessment Act 1936 (ITAA 1936) and Income Tax Assessment Act 1997 of Australia (ITAA 1997)

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Organisation for Economic Cooperation and Development (OECD) has introduced the Global Anti-Base Erosion (GloBE) Model Rules under its Pillar Two initiative, providing for a global minimum effective tax rate of 15% for multinational enterprise groups with consolidated annual revenue of EUR 750 million or more. The State of Qatar has committed to implementing these rules and has enacted enabling provisions through Law No. 11 of 2022 and further amendments through Law No. 22 of 2024, effective from 1 January 2025. On 12 February 2026, the Council of Ministers issued Executive Implementing Rules (Resolution No. 2 of 2026), published in the Official Gazette, which provide detailed guidance on the application of the Qatar Global Minimum Tax regime, including the Income Inclusion Rule (IIR) and Domestic Minimum Top-Up Tax (DMTT), under the OECD's GloBE Model Rules.

Several foreign jurisdictions in which the Group operates have also enacted Pillar Two legislation that became effective during the year. Accordingly, for the year ended 31 March 2026, the Group has recognised a Pillar Two top-up tax expense of QAR 626 million reflecting management's best estimate of the potential top-up tax exposures arising under the 15% global minimum tax framework. The recognised Pillar Two top-up tax expense comprises amounts arising under the Qatar Global Minimum Tax regime (as implemented through the IIR and DMTT) and amounts arising in foreign jurisdictions where top-up tax is assessed under local Pillar Two provisions. The split of the recognised tax expense between within Qatar and outside Qatar is disclosed further down this note.

The OECD has introduced a transitional safe harbour framework intended to reduce compliance burden for multinational groups during the transition period. The Group has assessed the applicability of the Transitional Country-by-Country Reporting Safe Harbour (TCSH) on a jurisdiction-by-jurisdiction basis, using simplified calculations derived from existing financial information.

9 INCOME TAX (CONTINUED)

Based on this assessment, a significant number of jurisdictions are deemed to have no Pillar Two top-up tax exposure for the period.

Where the TCSH does not apply, the Group performs detailed GloBE calculations in accordance with the OECD's BEPS GloBE Rules and applicable local legislation, applying either DMTT rules in the relevant jurisdiction or the IIR in Qatar, as applicable. Accordingly, the Pillar Two top-up tax recognised for the period reflects management's best estimate of exposure arising in jurisdictions that do not meet the safe harbour conditions.

In May 2023, the IASB issued amendments to IAS 12 introducing a mandatory temporary exception from recognising or disclosing deferred tax assets and liabilities related to the Pillar Two rules. The Group has applied this exception; therefore, no deferred taxes arising from the Pillar Two framework have been recognised.

Income Tax	2026 QR'000	2025 QR'000
Current Tax	105,359	131,022
Deferred Tax	-	-
Pillar Two Taxes – Inside Qatar	621,475	-
Pillar Two Taxes – Outside Qatar	4,601	-
	<u>731,435</u>	<u>131,022</u>

Qatar Airways Group Q.C.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

10 PROPERTY, PLANT AND EQUIPMENT

	<i>Aircraft QR'000</i>	<i>Aircraft spare engines QR'000</i>	<i>Aircraft spares QR'000</i>	<i>Land and buildings QR'000</i>	<i>Furniture, vehicles, ground and office equipment QR'000</i>	<i>Catering plant and equipment QR'000</i>	<i>Ground handling equipment QR'000</i>	<i>Capital projects QR'000</i>	<i>Total QR'000</i>
Cost:									
At 1 April 2025	71,424,075	6,558,027	7,890,887	6,750,371	6,040,535	267,342	803,931	20,921,659	120,656,827
Additions	-	-	-	79,347	97,784	4,332	40,233	20,064,626	20,286,322
Reclassifications	11,780,164	1,435,082	1,114,930	33,788	447,243	7,642	(53)	(14,818,796)	-
Disposals including write-offs	(2,984,875)	(52,789)	(123,363)	-	(72,775)	(1,683)	(12,898)	(20,740)	(3,269,123)
Foreign currency translation adjustment	-	-	-	112,540	20,582	-	-	(12)	133,110
At 31 March 2026	<u>80,219,364</u>	<u>7,940,320</u>	<u>8,882,454</u>	<u>6,976,046</u>	<u>6,533,369</u>	<u>277,633</u>	<u>831,213</u>	<u>26,146,737</u>	<u>137,807,136</u>
Depreciation and impairment:									
At 1 April 2025	35,506,106	3,401,161	4,686,774	1,559,120	4,040,505	68,392	629,005	318,014	50,209,077
Provided during the year	3,540,371	421,997	419,197	276,002	600,436	59,887	24,930	-	5,342,820
Impairment loss during the year (Note 36)	74,659	25,277	49,948	-	16,496	92	-	24,095	190,567
Disposals including write-offs	(1,434,031)	(48,085)	(60,111)	-	(71,963)	(1,683)	(12,860)	-	(1,628,733)
Foreign currency translation adjustment	-	-	-	39,066	15,836	(36)	-	-	54,866
At 31 March 2026	<u>37,687,105</u>	<u>3,800,350</u>	<u>5,095,808</u>	<u>1,874,188</u>	<u>4,601,310</u>	<u>126,652</u>	<u>641,075</u>	<u>342,109</u>	<u>54,168,597</u>
Net book value:									
At 31 March 2026	<u>42,532,259</u>	<u>4,139,970</u>	<u>3,786,646</u>	<u>5,101,858</u>	<u>1,932,059</u>	<u>150,981</u>	<u>190,138</u>	<u>25,804,628</u>	<u>83,638,539</u>

Qatar Airways Group Q.C.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<i>Aircraft QR'000</i>	<i>Aircraft spare engines QR'000</i>	<i>Aircraft spares QR'000</i>	<i>Land and buildings QR'000</i>	<i>Furniture, vehicles, ground and office equipment QR'000</i>	<i>Catering plant and equipment QR'000</i>	<i>Ground handling equipment QR'000</i>	<i>Capital projects QR'000</i>	<i>Total QR'000</i>
Cost:									
At 1 April 2024	66,862,151	5,815,631	7,261,025	6,596,638	5,718,088	166,897	800,066	17,292,567	110,513,063
Additions	-	-	-	42,900	159,982	14,452	21,592	10,543,879	10,782,805
Reclassifications	4,645,120	976,309	690,796	148,692	350,989	87,499	5,245	(6,904,650)	-
Disposals including write-offs	(83,196)	(233,913)	(60,934)	(71)	(181,888)	(1,506)	(22,972)	(10,147)	(594,627)
Foreign currency translation adjustment	-	-	-	(37,788)	(6,636)	-	-	10	(44,414)
At 31 March 2025	<u>71,424,075</u>	<u>6,558,027</u>	<u>7,890,887</u>	<u>6,750,371</u>	<u>6,040,535</u>	<u>267,342</u>	<u>803,931</u>	<u>20,921,659</u>	<u>120,656,827</u>
Depreciation and impairment:									
At 1 April 2024	32,644,953	3,320,083	4,350,315	1,306,955	3,622,476	48,085	627,944	189,436	46,110,247
Provided during the year	2,890,832	297,203	358,290	263,715	598,635	21,811	23,690	-	4,454,176
Impairment loss during the year (Note 36)	-	-	9,748	790	-	-	-	140,531	151,069
Disposals including write-offs	(29,679)	(216,125)	(31,579)	(67)	(176,031)	(1,504)	(22,629)	(11,953)	(489,567)
Foreign currency translation adjustment	-	-	-	(12,273)	(4,575)	-	-	-	(16,848)
At 31 March 2025	<u>35,506,106</u>	<u>3,401,161</u>	<u>4,686,774</u>	<u>1,559,120</u>	<u>4,040,505</u>	<u>68,392</u>	<u>629,005</u>	<u>318,014</u>	<u>50,209,077</u>
Net book value:									
At 31 March 2025	<u>35,917,969</u>	<u>3,156,866</u>	<u>3,204,113</u>	<u>5,191,251</u>	<u>2,000,030</u>	<u>198,950</u>	<u>174,926</u>	<u>20,603,645</u>	<u>70,447,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(a) The depreciation charge has been allocated in the consolidated income statement as follows:

	2026 QR'000	2025 QR'000
Operating expenses (Note 5)	4,454,196	3,605,631
General and administrative expenses (Note 7)	888,624	848,545
	<u>5,342,820</u>	<u>4,454,176</u>

- (b) Property, plant and equipment with a net carrying amount of QR 15,421 million (2025: QR 18,482 million) is mortgaged as security for certain interest-bearing loans.
- (c) Buildings with a total net carrying amount of QR 1,423 million (2025: QR 1,507 million) were constructed on plots of land received from the Government of State of Qatar which were accounted at nominal value.
- (d) Borrowing costs amounting to QR 1,106 million (2025: QR 962 million) were capitalised during the year. A capitalisation rate of 5.1% (2025: 5.7%) had been used on general borrowings up to the date when substantially all the activities necessary to bring the qualifying asset to its intended use are complete.
- (e) At 31 March 2026, the aircraft fleet comprised of 313 aircraft (2025: 292 aircraft). This comprises of 249 passenger aircraft (2025: 233 aircraft) 30 freighters (2025: 28 freighters), and 34 executive jets (2025: 31 executive jets). Out of the total aircraft fleet, 140 aircraft (2025: 150 aircraft) are under lease (Refer Note 11). During the year, the Group disposed of 5 owned aircraft (2025: 0 owned aircraft) including certain aircraft sales with sale and leaseback transactions. The corresponding gain on the right transferred to the buyer is recognized in the consolidated statement of profit or loss.
- (f) Capital projects is expenditure incurred for property, plant and equipment that have not yet entered service. This includes construction projects and pre-delivery payments for future aircraft deliveries.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the right-of-use assets recognised and the movement during the year:

	<i>Aircraft</i> <i>QR'000</i>	<i>Commercial and residential buildings</i> <i>QR'000</i>	<i>Vehicles</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
At 1 April 2025	17,663,452	343,936	2,133	18,009,521
Additions during the year including remeasurements	5,209,179	392,617	1,828	5,603,624
Disposals during the year	(1,346,137)	(5,842)	(62)	(1,352,041)
Amortisation on right-of-use assets	(3,709,195)	(196,086)	(1,475)	(3,906,756)
Impairment of right-of-use assets	(571,183)	-	-	(571,183)
Effect of foreign currency translation	-	(349)	(2)	(351)
At 31 March 2026	<u>17,246,116</u>	<u>534,276</u>	<u>2,422</u>	<u>17,782,814</u>

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

	<i>Aircraft</i> <i>QR'000</i>	<i>Commercial and residential buildings</i> <i>QR'000</i>	<i>Vehicles</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
At 1 April 2024	19,604,464	505,823	1,537	20,111,824
Additions during the year including remeasurements	2,228,888	103,979	2,102	2,334,969
Disposals during the year	(30,138)	(5,364)	-	(35,502)
Amortisation on right-of-use assets	(4,036,795)	(260,296)	(1,506)	(4,298,597)
Impairment of right-of-use assets	(102,967)	-	-	(102,967)
Effect of foreign currency translation	-	(206)	-	(206)
	<u>17,663,452</u>	<u>343,936</u>	<u>2,133</u>	<u>18,009,521</u>
At 31 March 2025	<u>17,663,452</u>	<u>343,936</u>	<u>2,133</u>	<u>18,009,521</u>

During the year, the Group recognised an impairment on certain right of use assets relating to leased aircraft. This impairment, with the impairment loss recognised in the consolidated statement of profit or loss, was triggered by external conditions arising from the geopolitical situation associated with the regional crisis, as a result of which certain grounded leased aircraft are no longer expected to be operated by the Group. The affected right of use assets does not constitute a separate cash generating unit comprising grounded leased aircraft only. The recoverable amount was assessed under IAS 36 based on expected market-based recoverability from exit actions, as no value in use is expected.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At 1 April	19,017,380	21,066,480
Additions during the year	5,098,686	2,291,628
Disposals during the year	(1,143,309)	(18,217)
Interest on lease liabilities (Note 8)	1,006,734	926,112
Payments made during the year	(4,904,627)	(5,247,297)
Effect of foreign currency translation	393	(1,326)
At 31 March	<u>19,075,257</u>	<u>19,017,380</u>

Maturity analysis of lease liability as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
No later than 1 year	3,552,404	3,896,731
Later than 1 but not than 5 years	10,937,002	11,560,281
Later than 5 years	4,585,851	3,560,368
	<u>19,075,257</u>	<u>19,017,380</u>

Presented in the consolidated statement of financial position as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Current portion	3,552,404	3,896,731
Non-current portion	<u>15,522,853</u>	<u>15,120,649</u>
	<u>19,075,257</u>	<u>19,017,380</u>

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following are the amounts recognised in consolidated statement of profit or loss:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Amortization on right-of-use assets (Note 5)	3,718,243	4,043,855
Amortization on right-of-use assets (Note 7)	188,513	254,742
Interest on lease liabilities (Note 8)	1,006,734	926,112
Short-term rentals - office, vehicles, accommodation and equipment (Note 7)	136,552	296,342
Short-term rentals - aircraft and engine leases (Note 5)	2,844,992	3,713,879
Impairment loss on right of use assets	571,183	102,967
Total amount recognised in consolidated statement of profit or loss	<u>8,466,217</u>	<u>9,337,897</u>

During the year the Group had total cash outflows for leases of QR 4,904 million (2025: QR 5,247 million) and non-cash additions to right-of-use assets of QR 5,603 million (2025: QR 2,335 million) and lease liabilities of QR 5,099 million (2025: QR 2,292 million).

12 INTANGIBLES

Intangible assets pertain to landing rights owned by the Group at London Heathrow Airport, which establish the right to operate flights through that airport. The landing rights have an indefinite useful life as the Group has title to slots on a permanent basis and there is no foreseeable limit to the period over which the slots are expected to generate net cash flows for the Group. These landing rights have been reviewed and tested for impairment and the Group has not identified any impairment at the reporting date.

	<i>Landing rights</i> <i>QR'000</i>
At 1 April 2025	612,304
Additions	-
At 31 March 2026	<u>612,304</u>
	<i>Landing rights</i> <i>QR'000</i>
At 1 April 2024	284,933
Additions	327,371
At 31 March 2025	<u>612,304</u>

13 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Details of each of the group's material joint venture and associates is as follows::

<i>Name</i>	<i>Type</i>	<i>Activities</i>	<i>Effective shareholding</i>	
			<i>31 March</i> <i>2026</i>	<i>31 March</i> <i>2025</i>
Facilities Management and Maintenance Company L.L.C. (FMMC)	Joint venture	Primarily engaged in delivery of facilities management services to the Hamad International Airport	51%	51%
Linc Facility Services L.L.C. (LFS)	Joint venture	Primarily engaged in onsite facility management in the State of Qatar and other MENA countries	33.5%	33.5%

13 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

<i>Name</i>	<i>Type</i>	<i>Activities</i>	<i>Effective shareholding</i>	
			<i>31 March 2026</i>	<i>31 March 2025</i>
Qatar Airways SSP L.L.C. (QASSP)	Joint venture	Primarily engaged in restaurant management and beverages trading in the State of Qatar	51%	51%
QA HMSHost L.L.C. (QA HMSHost)	Joint venture	Primarily engaged in management and operating of food and beverage outlets.	51%	51%
Virgin Australia Holdings Limited	Associate	Commercial air-transportation, which includes passenger, cargo, aircraft charters and related services	23.39%	25%
Airlink Proprietary Limited	Associate	Commercial air-transportation, which includes passenger, cargo, aircraft charters and related services	25%	25%
AQA Holding S.P.A. (AQA)	Associate	Under liquidation refer (Note 13.2)	49%	49%
			2026	2025
			QR'000	QR'000
Investment in joint ventures (Note 13.1)			204,989	212,564
Investment in associates (Note 13.2)			2,283,896	2,039,515
			2,488,885	2,252,079
Group's share of results from its investment in joint ventures and associates in the consolidated income statement:				
			2026	2025
			QR'000	QR'000
Group's share of profit from investment in joint ventures (Note 13.1)			63,526	72,944
Group's share of profit from investment in associates (Note 13.2)			255,810	20,949
			319,336	93,893

13.1 Investment in joint ventures

The following table illustrates the summarised statements of financial position of the material joint ventures:

	<i>FMMC</i>	<i>LFS</i>	<i>QASSP</i>	<i>QA</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>HMS Host</i>	<i>QR'000</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
At 31 March 2026					
Current assets	311,656	218,352	46,820	1,760	578,588
Non-current assets	36,721	25,798	23,540	84,421	170,480
Current liabilities	(178,541)	(39,530)	(17,762)	(16,981)	(252,814)
Non-current liabilities	(8,007)	(18,421)	(3,997)	-	(30,425)
Net assets	161,829	186,199	48,601	69,200	465,829
The Group's share and the carrying amount of the investments	82,533	62,377	24,787	35,292	204,989

13 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

13.1 Investment in joint ventures (continued)

	<i>FMMC</i> <i>QR'000</i>	<i>LFS</i> <i>QR'000</i>	<i>QASSP</i> <i>QR'000</i>	<i>QA</i> <i>HMS Host</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
<i>At 31 March 2025</i>					
Current assets	279,516	223,505	51,330	2,737	557,088
Non-current assets	57,850	37,153	28,105	84,480	207,588
Current liabilities	(106,718)	(48,205)	(20,650)	(21,410)	(196,983)
Non-current liabilities	(65,432)	(17,123)	(1,323)	-	(83,878)
Net assets	<u>165,216</u>	<u>195,330</u>	<u>57,462</u>	<u>65,807</u>	<u>483,815</u>

The Group's share and the carrying amount of the investments	<u>84,260</u>	<u>65,436</u>	<u>29,306</u>	<u>33,562</u>	<u>212,564</u>
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Summarised income statements of the material joint ventures for the year ended 31 March are as follows:

	<i>FMMC</i> <i>QR'000</i>	<i>LFS</i> <i>QR'000</i>	<i>QASSP</i> <i>QR'000</i>	<i>QA HMS</i> <i>Host</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
2026					
Revenue	<u>503,133</u>	<u>266,724</u>	<u>85,874</u>	<u>-</u>	<u>855,731</u>
Profit for the year	<u>66,612</u>	<u>50,870</u>	<u>21,139</u>	<u>3,394</u>	<u>142,015</u>
Group's share of profit	<u>33,972</u>	<u>17,041</u>	<u>10,781</u>	<u>1,732</u>	<u>63,526</u>
	<i>FMMC</i> <i>QR'000</i>	<i>LFS</i> <i>QR'000</i>	<i>QASSP</i> <i>QR'000</i>	<i>QA HMS</i> <i>Host</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
2025					
Revenue	<u>408,376</u>	<u>266,075</u>	<u>106,748</u>	<u>107,836</u>	<u>889,035</u>
Profit for the year	<u>60,759</u>	<u>60,587</u>	<u>29,151</u>	<u>13,320</u>	<u>163,817</u>
Group's share of profit	<u>30,987</u>	<u>20,297</u>	<u>14,867</u>	<u>6,793</u>	<u>72,944</u>

The joint ventures had no other contingent liabilities or capital commitments as at 31 March 2026 and 2025, except as disclosed in Note 29(b).

13.2 Investment in associates

(i) Investment in Virgin Australia Holdings Limited (Virgin Australia)

In March 2025, the Group acquired 25% interest in Virgin Australia Holdings Limited (Virgin Australia). The acquisition was subject to (a) obtaining regulatory approval in Australia which was received on 27 February 2025 and (b) fulfilment of the consideration and legal transfer of the ownership of the shares. As at 12 March 2025, these conditions were met and the acquisition completed. The transaction has been accounted for under the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures, as set out in the Group's accounting policies in note 2.5. During 2025, Virgin Australia successfully returned to public markets through an IPO, with approximately 30% of its equity floated. As a result of the IPO and issuance of new shares, the Group's ownership interest was diluted from 25% to 23.39%, while continuing to be accounted for as an associate under IAS 28.

13 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

13.2 Investment in associates (continued)

(i) Investment in Virgin Australia Holdings Limited (Virgin Australia) (continued)

The total consideration paid for the investment amounted to QAR 1,870 million. At the acquisition date, Virgin Australia reported negative net assets, primarily due to accumulated losses from prior years, including the economic downturn experienced during the pandemic. As a result, a substantial portion of the purchase price was allocated to goodwill following a full Purchase Price Allocation (PPA) exercise.

The financial year end date of Virgin Australia is 30 June. This was the reporting date established when that entity was incorporated. For the purposes of applying the equity method of accounting for the current reporting period ended 31 March 2026, the Group has recognized its share of the Virgin Australia's post-acquisition results based on the latest available financial information. The carrying amount of the investment in the associate as of 31 March 2026 is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Consideration paid for investment	1,869,674	1,869,674
Share of net assets acquired (negative equity)	(451,522)	(451,522)
Preliminary goodwill and intangible assets	<u>2,321,196</u>	<u>2,321,196</u>
Fair value of identified intangible assets (net)	415,000	-
Goodwill	1,906,196	-
	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
The Group's share and carrying amount of the investment	<u>2,093,519</u>	<u>1,875,341</u>
	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Associate's revenue	<u>15,879,889</u>	<u>641,950</u>
Associate's profit for the period	<u>1,010,604</u>	<u>22,666</u>
Group's share of profit	<u>218,179</u>	<u>5,666</u>

Given the negative net assets of Virgin Australia, the Group continues to assess whether there are indicators of impairment under IAS 36 – Impairment of Assets. However, based on current financial performance and the recovery of the Virgin Australia's equity position, no impairment indicators have been identified at this stage.

During the year, Group's management completed the PPA exercise relating to the Virgin Australia investment, including the identification and fair valuation of acquired intangible assets, in accordance with IFRS 3 – Business Combinations.

Based on the PPA exercise, the following intangible assets have been identified upon completion of the allocation:

	Estimated Useful life (Years)
Airport Slots	Indefinite
Frequent Flyer Program (Velocity trademark)	Indefinite
Customer relationships related to Velocity	17
Customer relationship related to Virgin Australia Regional Airlines (VARA)	21

13 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

13.2 Investment in associates (continued)

(i) Investment in Virgin Australia Holdings Limited (Virgin Australia) (continued)

The fair value of the identifiable intangible assets was determined using the Multi-period Excess Earnings Method (MEEM) and the Relief-from-Royalty Method (RFR). The resulting amortisation of intangible assets with finite useful lives has decreased the Group's share of profit through equity accounting by QAR 18.20 million.

The investment in Virgin Australia remains recorded based on the initial consideration paid, adjusted for the Group's share of Virgin Australia's post-acquisition results.

(ii) Investment in Airlink (Proprietary) Limited (Airlink)

In September 2024, the Group acquired 25% interest in Airlink Proprietary Limited (Airlink). The transaction has been accounted for under the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures, as set out in the Group's accounting policies in note 2.5.

The total consideration paid for the investment amounted to QAR 149 million. The financial year end date of Airlink is 31 August. This was the reporting date established when that entity was incorporated. For the purposes of applying the equity method of accounting for the current reporting period ended 31 March 2026, the Group has recognized its share of the Airlink's post-acquisition results based on latest available financial information. The carrying amount of the investment in the associate is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
The Group's share and carrying amount of the investment	<u>190,377</u>	<u>164,176</u>
Associate's revenue	<u>2,629,117</u>	<u>1,169,060</u>
Associate's profit for the period	<u>150,524</u>	<u>61,131</u>
Group's share of profit	<u>37,631</u>	<u>15,283</u>

(iii) Investment in AQA Holding S.P.A ("AQA")

In September 2017, the Group acquired 49% interest in AQA Holding S.P.A. ("AQA") which is the parent company of "Air Italy S.P.A." (formerly known as 'Meridiana Fly').

On 11 February 2020, as a result of the Extra-ordinary Shareholders meeting of Air Italy S.P.A., the shareholders of Air Italy S.P.A. approved the placement of Air Italy S.P.A. in liquidation. As a result of which the Group impaired its investment in an associate.

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 2.5. Summarised financial information in respect of each of the Group's material associates is set out above. The summarised financial information above represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Dividends received from associates represent the actual amounts attributable and hence received by the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

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14 INVESTMENT SECURITIES

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Investment in financial assets measured at FVOCI – equity securities	<u>28,221,905</u>	<u>24,841,148</u>
	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At cost	23,142,147	27,093,742
Fair value reserve (Note 21)	<u>5,079,758</u>	<u>(2,252,594)</u>
	<u>28,221,905</u>	<u>24,841,148</u>

Investment securities with a net carrying amount of QAR 19,321 million (2025: QAR 18,027 million) are mortgaged as security for certain interest-bearing loans (Note 23). During the year ended March 2026, the Group disposed of certain investment securities for a consideration of QAR 4,377 million (2025: QAR 478 million), which resulted in a gain on disposal of shares amounting to QAR 425 million (2025: QAR 39 million) recorded in other comprehensive income (Note 21).

15 INVENTORIES

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Spare parts	1,479,286	1,144,536
Goods for resale	668,711	606,341
Catering materials	416,548	414,316
Goods-in-transit	38,287	32,349
Other supplies	<u>55,169</u>	<u>60,208</u>
	2,658,001	2,257,750
Less: Provision for obsolete and slow-moving inventories	<u>(606,124)</u>	<u>(283,857)</u>
	<u>2,051,877</u>	<u>1,973,893</u>

Movements in the provision for obsolete and slow-moving inventories are as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At 1 April	283,857	401,787
Provision / (Reversal) during the year (Note 7)	339,300	(111,347)
Written-off during the year	<u>(17,033)</u>	<u>(6,583)</u>
At 31 March	<u>606,124</u>	<u>283,857</u>

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Trade accounts receivable	1,903,896	4,974,349
Amounts due from related parties (Note (a))	3,646,922	3,617,983
Accrued income	255,000	432,443
Deposits	120,166	112,556
Loan to an affiliate (Note 31)	430	-
Other receivables	<u>835,022</u>	<u>1,011,332</u>
	6,761,436	10,148,663
Less: Allowance for expected credit losses of trade accounts receivable and amounts due from related parties	<u>(222,277)</u>	<u>(290,504)</u>
	6,539,159	9,858,159
Prepayments	945,355	724,008
Advances to suppliers	<u>39,879</u>	<u>17,703</u>
	<u>7,524,393</u>	<u>10,599,870</u>

Set out below is the movement in the allowance for expected credit losses of trade accounts receivables and amounts due from related parties:

	<i>2026</i> <i>QR '000</i>	<i>2025</i> <i>QR '000</i>
At 1 April	290,504	251,790
(Reversal) / allowance for expected credit losses (Note 33)	(5,816)	50,632
Amounts written-off	<u>(62,411)</u>	<u>(11,918)</u>
At 31 March	<u>222,277</u>	<u>290,504</u>

Notes:

(a) Included in the amounts due from related parties are the following balances:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
<i>Shareholder:</i>		
Government of the State of Qatar	3,421,481	2,528,281
<i>Joint ventures:</i>		
Qatar Airways SSP L.L.C.	2,962	3,700
QA HMS Host L.L.C.	37,811	37,343
Facilities Management and Maintenance Company L.L.C.	134	1,241
<i>Affiliates and other related parties:</i>		
Hamad International Airport (Note (c))	-	504,456
Qatar Tourism	1,855	-
Amiri Flight	181,430	537,499
Other affiliates	<u>1,249</u>	<u>5,463</u>
	<u>3,646,922</u>	<u>3,617,983</u>

(b) Subsequent to the reporting period ended 31 March 2026, an amount of QAR 2.1 billion representing the full outstanding balance was collected and settled by the Government of the State of Qatar in respect of receivables relating to the Bugesera International Airport construction project in Rwanda.

(c) Qatar Company for Airports Operations & Management (MATAR) is managing and operating Hamad International Airport by virtue of Management Agreement signed between MATAR and Qatar Civil Aviation Authority (QCAA) where MATAR only acts as an agent under direct supervision of QCAA.

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16 ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

- (d) For credit risk disclosures of expected credit loss on trade accounts receivable and amounts due from related parties under IFRS 9, please see Note 33 and Note 31, respectively.

17 CASH AND CASH EQUIVALENTS

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

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Cash at banks and on hand	6,947,602	8,807,632
Money market funds	55,588	200,468
Short-term deposits	<u>25,675,123</u>	<u>33,349,631</u>
	32,678,313	42,357,731
Less: Short-term deposits with original maturity of more than 3 months	<u>(21,700,497)</u>	<u>(14,538,486)</u>
	10,977,816	27,819,245
	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Cash and cash equivalents as per consolidated statement of cash flows	11,487,127	28,002,237
Impairment allowance	<u>(509,311)</u>	<u>(182,992)</u>
Cash and cash equivalents as per consolidated statement of financial position	10,977,816	27,819,245

As at the reporting date, Group's management assessed the recoverability of these balances and, where recovery was no longer considered probable due to ongoing restrictions and volatility, an impairment was recognised to reflect the amounts expected to be unrecoverable under IFRS 9.

- (a) Cash at bank earns interest at market rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and one year, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Short-term deposits and bank balances amounting to QR 2,385 million (2025: QR 869 million) are held with entities ultimately owned by the Government of the State of Qatar, on an arm's length basis.
- (b) Cash at bank balances and short term deposits as shown in the statement of financial Position, include funds amounting to QR 898 million (2025: QR 569 million) in certain countries that the Group operates. These deposits have been restricted from being transferred out of those countries due to various reasons. The Group has fully impaired these blocked funds.
- (c) The Group invests in low volatility money market funds with same day access for subscription and redemption. They are measured at fair value through profit and loss under IFRS 9.
- (d) For credit risk disclosures of expected credit loss on short-term deposits under IFRS 9, please see Note 33.

18 SHARE CAPITAL

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
<i>Authorised shares</i>		
7,300,000,000 (2025: 7,300,000,000) shares of QR 10 each	<u>73,000,000</u>	<u>73,000,000</u>
<i>Issued and fully paid shares</i>		
7,282,835,632 (2025: 7,282,835,632) shares of QR 10 each	<u>72,828,356</u>	<u>72,828,356</u>

19 CAPITAL RESERVE

Capital reserve includes the fair value of non-monetary contribution representing three plots of land received from the Government of the State of Qatar, the ultimate shareholder of the Company. In 2013, the Group disposed the three plots of land.

20 LEGAL RESERVE

As required by Qatar Commercial Companies' Law No. 11 of 2015 (whose certain provisions were subsequently amended by Law No. 8 of 2021) and the Articles of Associations of the respective companies in the Group, 10% of the annual profit for the year of each company should be transferred to legal reserve until such time it reaches 50% of the issued share capital of the respective company. The reserve is not normally available for distribution, except in the circumstances stipulated by the above Law.

21 FAIR VALUE RESERVE

	<u>2026</u>		
	<i>Cash flow hedges QR'000</i>	<i>Financial asset at FVOCI QR'000</i>	<i>Total QR'000</i>
At 1 April	9,975	(2,252,594)	(2,242,619)
Net gain on fair valuation	-	7,757,349	7,757,349
Transferred to the consolidated income statement upon settlement (Note 32)	(720,222)	-	(720,222)
Net gain on cash flow hedges	2,165,349	-	2,165,349
Net movement shown as part of other comprehensive income	<u>1,445,127</u>	<u>7,757,349</u>	<u>9,202,476</u>
Released to retained earnings	-	(424,996)	(424,996)
At 31 March	<u>1,455,102</u>	<u>5,079,759</u>	<u>6,534,861</u>
	<u>2025</u>		
	<i>Cash flow hedges QR'000</i>	<i>Financial asset at FVOCI QR'000</i>	<i>Total QR'000</i>
At 1 April	450,887	(8,714,033)	(8,263,146)
Net gain on fair valuation	-	6,500,259	6,500,259
Transferred to the consolidated income statement upon settlement (Note 32)	801,804	-	801,804
Net loss on cash flow hedges	(1,242,716)	-	(1,242,716)
Net movement shown as part of other comprehensive income	<u>(440,912)</u>	<u>6,500,259</u>	<u>6,059,347</u>
Released to retained earnings	-	(38,820)	(38,820)
At 31 March	<u>9,975</u>	<u>(2,252,594)</u>	<u>(2,242,619)</u>

The Group has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within fair value reserve as part of equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

22 SALES IN ADVANCE OF CARRIAGE

Sales in advance of carriage consists of passenger and cargo revenue documents to be utilised for future travel as at the reporting date. These documents expire if they are not utilised within the expiry period, or on the date of planned travel, depending on the terms and conditions. In case of no refunds, revenue is recognised when the airline fulfils its performance obligations for the respective transportation services. At the time of travel, any revenue documents that are not expected to be utilised are also recognised as revenue using estimates based on the terms and conditions of the document, experience and historical expiry trends.

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March 2026 is expected to be recognized as revenue one year from reporting date.

23 INTEREST-BEARING LOANS

	2026 QR'000	2025 QR'000
Current	11,424,921	20,685,402
Non-current	25,084,529	24,676,679
	<u>36,509,450</u>	<u>45,362,081</u>

Various term loans were obtained by the Group mainly to finance the acquisition of aircraft, investment securities, commercial properties and for working capital requirements. The loans carry interest at commercial rates. These loans were secured by a pledge of the acquired aircraft with a carrying value of QR 15,189 million (2025: QR 18,226 million), pledge of shares of investment securities with a carrying value of QR 19,321 million (2025: QR 18,027 million) and mortgage of commercial properties with a carrying value of QR 232 million (2025: QR 255 million).

The maturity profile of the term loans is shown below:

	2026 QR'000	2025 QR'000
Within one year	11,424,921	20,685,402
Between 2 and 5 years	22,075,520	20,013,995
After 5 years	3,009,009	4,662,684
	<u>36,509,450</u>	<u>45,362,081</u>

The currency denomination of the term loans is shown below:

	2026 QR'000	2025 QR'000
US Dollars (USD)	19,376,423	29,274,282
Qatari Riyal (QR)	16,377,755	15,374,250
Euro (EUR)	158,484	146,348
Swiss Francs (CHF)	596,788	567,201
	<u>36,509,450</u>	<u>45,362,081</u>

Term loans by interest rate:

	2026 QR'000	2025 QR'000
Fixed rate	3,016,336	2,916,111
Floating rate	33,493,114	42,445,970
	<u>36,509,450</u>	<u>45,362,081</u>

The carrying value approximates the fair value of the interest-bearing loans as most of the outstanding loans have floating interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

24 EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At 1 April	2,131,669	1,982,180
Provided during the year	366,355	338,827
End of service benefits paid	(150,424)	(189,338)
Translation reserve	-	-
	<u>2,347,600</u>	<u>2,131,669</u>
At 31 March	<u>2,347,600</u>	<u>2,131,669</u>

25 RETENTION PAYABLES

Retention payables represent the amount withheld from payments to contractors. These amounts will be settled upon completion of the maintenance/construction period subject to satisfactory discharge of the obligations by the contractors. These have been disclosed in the consolidated statement of financial position as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Current portion (Note 28)	20,566	208,996
Non-current portion	87,713	4,154
	<u>108,279</u>	<u>213,150</u>

26 UNREDEEMED FREQUENT FLYER LIABILITIES

Unredeemed frequent flyer liabilities relate to the frequent flyer programme and represent the fair value of outstanding reward credits. Revenue is recognised when the Group fulfils its obligations by supplying free goods and services on the redemption of the reward credits.

The unsatisfied performance obligation under the Group's frequent flyer programme is expected to be recognised as revenue in 1 to 5 years as at reporting date.

27 PROVISION FOR MAINTENANCE

Presented in the consolidated statement of financial position is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Current portion	4,829,000	6,210,126
Non-current portion	11,863,337	11,302,929
	<u>16,692,337</u>	<u>17,513,055</u>

Movement for the provision for maintenance is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At 1 April	17,513,055	16,198,944
Provided during the year	4,186,102	3,401,891
Unwinding of discount* (Note 8)	400,648	455,319
Payments made during the year	(5,732,646)	(3,214,048)
Remeasurements	325,178	670,949
	<u>16,692,337</u>	<u>17,513,055</u>
At 31 March	<u>16,692,337</u>	<u>17,513,055</u>

27 PROVISION FOR MAINTENANCE (CONTINUED)

* Expected future cashflows to settle the future maintenance obligations and end of lease obligations are discounted. If the discount rates were to increase by 1%, holding all other factors constant, there would be a cumulative adjustment to decrease the provision by QR 437 million (2025: QR 410 million).

28 ACCOUNTS PAYABLE AND ACCRUALS

	2026 QR'000	2025 QR'000
Trade accounts payable	4,056,171	3,414,799
Accrued expenses	7,048,865	6,333,818
Tax payable	976,403	150,651
Unearned revenue	585,763	575,366
Interest payable	149,417	211,776
Advances from customers	41,936	46,125
Retention payables (Note 25)	20,566	208,996
Credits received from suppliers	6,428	16,159
Amounts due to related parties (Note (a))	1,187,922	7,774
Other payables (b)	<u>1,715,756</u>	<u>1,078,542</u>
	<u>15,789,227</u>	<u>12,044,006</u>

Note:

(a) Included in the amounts due to related parties are the following balances:

	2026 QR'000	2025 QR'000
<i>Affiliates and other related parties:</i>		
Hamad International Airport	1,187,922	-
Other affiliates	<u>-</u>	<u>7,774</u>
	<u>1,187,922</u>	<u>7,774</u>

Terms and conditions relating to amounts due to related parties are disclosed in Note 31.

(b) Other payable includes tax liability payable on flown tickets.

29 CONTINGENCIES

(a) The Group is involved in certain claims and litigations related to its operations. In the opinion of management as advised by the legal counsel, liabilities, if any, arising from these claims and litigations will not have a material adverse effect on the Group's consolidated statement of financial position or on the results of its operations.

(b) At 31 March 2026, the Group had contingent liabilities in respect of performance bonds, letters of credit and letters of guarantee amounting to QR 706 million (2025: QR 640 million) arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, including its share of joint ventures' contingent liabilities which have been incurred jointly with other investors.

(c) Air transportation activities:

The tax position with respect to air transportation activities in many jurisdictions is determined in accordance with the relevant Double Tax Treaty or other legal instruments such as reciprocal exemption, tunis convention (collectively called as 'Tax instruments') as applicable. There is an increased focus on the use of Tax instruments by international governments and international governing bodies dictating tax policy. In the case of international airlines, detailed reviews are being conducted by foreign tax authorities to ensure that international airlines remain in compliance with the intended scope of relief under Tax instruments. The Group has reviewed the relevant Tax instruments and has concluded that it remains within the scope of the intended relief. While it is difficult to predict how foreign tax authorities will concur, if a dispute of this nature were to arise, the Group does not anticipate that there will be a material impact on the Group's consolidated statement of financial position.

29 CONTINGENCIES (CONTINUED)

(c) Air transportation activities (continued):

The Group files corporate income tax returns and computes its corporate income tax liability where there is a statutory requirement to do so in respect of its air transportation activities in many jurisdictions globally. In certain jurisdictions, the corporate income tax returns are currently under detailed review by the relevant tax authority. Corporate income tax returns contain matters which could be subject to differing or evolving interpretations by the local tax authority. Further in certain jurisdictions, the process of obtaining the approval of the local tax authority in respect of a corporate income tax return – i.e. tax clearance for a particular year may comprise a lengthy time-frame.

Resolution of a tax position adopted by way of negotiation or litigation may take several years to complete. While it is difficult to predict the outcome of certain open corporate income tax assessments, the Group does not anticipate that there will be a material impact on the Group's consolidated statement of financial position and a sufficient provision have already been accounted in the Group's books of accounts.

30 CAPITAL COMMITMENTS

Commitments for the purchase of aircraft and engines

The total capital commitments for the purchase of aircraft and engines are as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Authorised and contracted	<u>712,696,930</u>	<u>282,043,010</u>

Commitments have been entered into for the purchase of aircraft for delivery as follows:

	<u><i>Number of Aircraft</i></u>	
	<i>2026</i>	<i>2025</i>
Within 1 year	17	45
More than 1 year	<u>347</u>	<u>157</u>
	<u>364</u>	<u>202</u>

Others

As at 31 March 2026, the Group had raised various order commitments amounting to QR 1,655 million (2025: QR 1,352 million) to purchase rotables, spares and other inventory items. The Group expects to receive these within twelve months.

Other capital projects

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Other capital projects	<u>799,046</u>	<u>641,228</u>

31 RELATED PARTY DISCLOSURES

Related parties represent the Shareholder and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of transactions with these related parties are approved by the Group's management.

31 RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions

Transactions with related parties included in the consolidated income statement are as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
<i>Affiliates and other related parties:</i>		
<i>Income</i>		
Revenue and operating income	<u>169,729</u>	<u>124,033</u>
Interest income	<u>36,649</u>	<u>56,959</u>
<i>Expenses</i>		
Finance costs	<u>9,194</u>	<u>12,084</u>
Operating and other expenses	<u>756,135</u>	<u>527,144</u>

In addition to the above, the Group has also entered into transactions, such as purchase of fuel and services, with other Government owned or controlled entities in the normal course of business.

Related party balances

The sales to and purchases from, and banking transactions with related parties are made at terms mutually agreed between the parties. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash except otherwise disclosed in the notes to these consolidated financial statements. As at 31 March 2026, the impairment allowance amounts to QR 110.7 million (2025: QR 174.2 million) relating to amounts due from joint ventures and an associate and affiliates and other related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Amounts due from and due to related parties and certain other balances are disclosed in Notes 16 and 28 respectively.

Loans to affiliates and to an associate

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Gross carrying amount	430	-
Less: Allowance for expected credit losses	<u>-</u>	<u>-</u>
	<u>430</u>	<u>-</u>

Set out below is the movement in the allowance for expected credit losses of loans to affiliates and to an associate:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
At 1 April	-	49,109
Reversal of expected credit losses	<u>-</u>	<u>(49,109)</u>
At 31 March	<u>-</u>	<u>-</u>

Disclosed in the consolidated statement of financial position is as follows

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Non-current	-	-
Current (Note 16)	<u>430</u>	<u>-</u>
	<u>430</u>	<u>-</u>

31 RELATED PARTY DISCLOSURES (CONTINUED)

Related party balances (continued)

For credit risk disclosures of expected credit loss on loans to affiliates and to an associate under IFRS 9, please see Note 33.

Compensation of key management personnel

The remuneration of members of key management during the year is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Short-term benefits	93,530	77,188
Employees' end of service benefits and pension benefits	<u>5,124</u>	<u>4,054</u>
	<u>98,654</u>	<u>81,242</u>

32 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Fuel hedging related derivative instruments

The Group's earnings are affected by changes in the price of jet fuel. The Group's strategy for managing the risk on fuel price, as defined by the management, aims to provide the Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps and options with approved counterparties and within approved credit limits.

The Group manages this fuel price risk by using commodity swaps contracts and hedging up to 2 years forward. IFRS 9 permits hedge accounting of risk components provided they are separately identifiable and reliably measurable. Crude oil and jet fuel crack derivatives, which were previously designated as a proxy hedge for forecasted jet fuel consumptions, are now designated in qualifying cash flow hedges of the crude oil and jet fuel crack risk component of highly probable forecasted jet fuel consumptions resulting to a one to one hedge ratio. Accounting ineffectiveness may still arise where the price index of the designated hedging instrument is different to the crude oil and jet fuel crack benchmarks in the geographical location of the hedged jet fuel uplift and when the timing of cash flows from hedging instruments significantly deviate from the timing of cash flows from forecasted jet fuel consumptions.

The Group consider Brent crude and jet fuel crack to be a separately identifiable and measurable component of jet fuel price. In addition, the Group primarily operates in a geographical area in which Brent is the crude oil benchmark.

The description of the Group risk management strategy and each risk category of risk exposures are discussed further in Note 33 Financial Risk Management.

Foreign exchange forward contracts

The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises due to exchange rate fluctuations between the Qatar Riyal (QR) and other currencies generated from revenue earnings. The Group's management monitors currency positions on a regular basis and provides for the appropriate hedging strategy through the use of forward foreign exchange contracts with approved counterparties and within approved credit limits.

The Group uses forward contracts and hedging to manage a total or a portion of its foreign currency revenue or expenditures in accordance with the Group's foreign currency hedging policy.

The Group manages currency exposures generally over a period of time depending on market conditions through currency forwards.

Cash flow hedges in respect of foreign currency forwards include only the spot element of the forward contracts. IFRS 9 allows the forward element of forward contract to be excluded from the designation of a financial instrument and accounted for as a cost of hedging. The fair value changes related to the forward element are recognised in other comprehensive income and would be reclassified to profit or loss in the same period that the hedged item hits the profit or loss.

32 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Derivative financial instruments included in the consolidated statement of financial position are as follows:

	2026 QR'000	2025 QR'000
<u>Derivative liabilities</u>		
Jet fuel hedging contracts	-	199,935
Foreign currency forwards	-	-
Negative fair value	<u>-</u>	<u>199,935</u>
Presented in the consolidated statement of financial position as:		
Current portion	<u>-</u>	<u>199,935</u>
<u>Derivative assets</u>		
Jet fuel hedging contracts	2,427,471	-
Foreign currency forwards	46,779	52,727
Positive fair value	<u>2,474,250</u>	<u>52,727</u>
Presented in the consolidated statement of financial position as:		
Current portion	<u>2,474,250</u>	<u>52,727</u>

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

Risk Category	Assets⁽¹⁾ QR'000	Liabilities⁽¹⁾ QR'000	Hedge ineffectiveness recognised in profit or loss loss ⁽²⁾ QR'000	Amount reclassified from the hedge reserve to profit or loss ⁽²⁾ QR'000
2026				
Jet fuel hedges	2,427,471	-	-	(720,222)
Foreign currency forwards	46,779	-	-	-
<hr/>				
2025				
Jet fuel hedges	-	199,935	-	801,804
Foreign currency forwards	52,727	-	-	-
<hr/>				

⁽¹⁾ Fair value of hedging instruments is reported on the face of consolidated statement of financial position as 'derivative financial instruments'.

⁽²⁾ Hedge ineffectiveness and amount reclassified from the hedge reserve upon settlement is included in the consolidated income statement under 'Operating expenses - 'Fuel costs'' (Refer Note 21).

33 FINANCIAL RISK MANAGEMENT

Objective and policies

The Group operates globally and generates revenue in various currencies. The Group's operations carry certain financial and commodity risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of its investments. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance. The Group's policy is to use derivatives to hedge specific exposures.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)**Objective and policies (continued)**

The Group's principal financial liabilities comprise interest-bearing loans, lease liabilities, retention payables, trade accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade accounts receivable, investment securities, derivative financial instruments, amounts due from related parties, deposits, short-term deposits, other receivables and cash and cash equivalents, which arise directly from its operations.

As derivatives are used for the purpose of risk management, they do not expose the Group to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenue or costs being hedged. Moreover, counterparty credit risk is generally restricted to any hedging gain from time to time, and not the principal amount hedged. Therefore, the possibility of a material loss arising in the event of non-performance by counterparty is considered to be unlikely.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management periodically reviews and approves the Group's financial risk management policies which are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates, equity prices and fuel prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

(i) Interest rate risk

The Group's financial assets and liabilities that are subject to interest rate risk comprise of bank deposits and interest-bearing loans.

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 March.

The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Effect on profit	<u>(21,389)</u>	<u>(23,825)</u>

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign currency exchange rates.

The Group's foreign currency risk exposure arises from services offered and received by the Group in currencies other than the Group's functional currency.

As the Qatari Riyal is pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk. The Group's exposure to currency risk is limited to currencies other than US Dollar and US Dollar pegged currencies.

Trade accounts payable and interest-bearing loans include an amount of QR 1,198 million (2025: QR 1,068 million) due in foreign currencies, mainly in Euro, Chinese Yuan, Hong Kong Dollar, Indian Rupee and Great Britain Pound.

Trade accounts receivable includes an amount of QR 18 million (2025: QR 3,151 million) in foreign currencies, mainly in Euro, Indian Rupee, Nigerian Naira, Australian Dollar, Hong Kong Dollar, Chinese Yuan and Great Britain Pound.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(ii) Foreign currency risk (continued)

Bank balances includes an amount of QR 3,090 million (2025: QR 4,932 million) in foreign currencies, mainly in Euro, Indian Rupees, Nigerian Naira, Australian Dollar, Chinese Yuan and Great Britain Pound.

The following table demonstrates the sensitivity to a reasonably possible change in the Euro, Great Britain Pound, and other foreign exchange rates, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities held as at 31 March 2026.

The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown.

	<i>Effect on profit</i>	
	<i>2026</i>	<i>2025</i>
	<i>QR'000</i>	<i>QR'000</i>
	<i>5%</i>	<i>5%</i>
Euro	68	43,808
Great Britain Pound	(6,152)	29,280
Other currencies	101,598	277,646
	95,514	350,734

(iii) Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair value to reasonably possible changes in quoted prices, with all other variables held constant. The effect of decreases in prices is expected to be equal and opposite impact on the equity.

	<i>Changes in equity prices</i>	<i>Effect on equity</i>	
		<i>2026</i>	<i>2025</i>
		<i>QR'000</i>	<i>QR'000</i>
At 31 March			
London Stock Exchange	+5%	899,204	679,861
Hong Kong Stock Exchange	+5%	-	171,136
Santiago Stock Exchange	+5%	271,691	172,829
Shanghai Stock Exchange	+5%	64,149	61,284
Madrid Stock Exchange	+5%	66,841	65,599
Qatar Exchange	+5%	31,869	30,848
New York Stock Exchange	+5%	1,342	1,956

(iv) Jet fuel price risk

Jet Fuel price risk is the risk of loss to the Group arising from adverse fluctuations in fuel prices. To mitigate the risk, the Group aims to reduce if not eliminate a proportion of the price risk to manage break-even fuel rate and pass-through fuel costs. Management acknowledges that as market condition and risk appetite change, the risk management strategy may change and hence will be reconsidered and revised (as a minimum) as part of the annual review process.

The jet fuel price risk sensitivity analysis below is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. The sensitivity analysis is based on contracts that are still outstanding as at the reporting date. Under these assumptions, the effect of increase in both jet fuel and crude oil prices by one US Dollar per barrel, the sensitivity of the consolidated income statement is as follows:

	<i>Changes in fuel price USD/ Barrel</i>	<i>Effect on profit QR'000</i>
At 31 March 2026	+1	(222,112)
<i>At 31 March 2025</i>	+1	(227,827)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(iv) Jet fuel price risk (continued)

The effect of the decreases in both jet fuel and crude oil prices, each by one US Dollar per barrel is expected to be equal and opposite to the effect of the increases shown above.

Credit risk

The Group is exposed to credit risk if counterparties fail to make payments as they fall due in respect of:

- Payment of trade receivables as invoices fall due after being raised
- Contractual cash flows of short-term deposits carried at amortised cost
- Payment of loans as instalments fall due

The following credit risk modelling applies:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Especially the following indicators are incorporated:

- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within determined defaulted days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments at a determined default definition. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are fully provided for if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the table below. It is not the practice of the Group to obtain collateral over receivables. The Group evaluates the concentration of risk with respect to trade accounts receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Net allowance for expected credit loss on financial assets disclosed in the consolidated income statement is summarised as follows:

	2026 QR'000	2025 QR'000
Trade accounts receivable and amounts due from related parties (Note 16)	(5,817)	50,632
Bank balances and short-term deposits	524,086	(1,095)
Net (Note 7)	518,269	49,537

(i) General approach

General approach is used for short-term deposits and loans to affiliates and to an associate. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtor and adjusts for forward looking macroeconomic data.

The Group provides for credit losses against these financial assets as follows:

Category	External credit rating	Basis for recognition of expected credit loss provision	31 March 2026			31 March 2025		
			Estimated gross carrying amount at default QR '000	Carrying amount (net of impairment provision) QR '000	ECL Provision at 31 March 2026 QR '000	Estimated gross carrying amount at default QR '000	Carrying amount (net of impairment provision) QR '000	ECL Provision at 31 March 2025 QR '000
Short-term deposits	Investment grade	12 M ECL	26,063,819	25,675,123	388,696	33,540,194	33,349,631	190,563

(ii) Simplified approach

For trade accounts receivable, Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The loss allowance provision as at 31 March is determined as follows; the expected credit losses below also incorporate forward looking information.

	Current – 30 days past due QR '000	30 – 60 days past due QR '000	61 – 90 days past due QR '000	91 – 180 days past due QR '000	181 – 360 days past due QR '000	More than 360 days past due QR '000	Total QR '000
2026							
Expected credit loss rate	0.33%	0.12%	1.35%	3.38%	10.97%	74.95%	5.86%
Estimated gross carrying amount	1,389,699	119,798	68,609	165,019	31,478	129,293	1,903,896
Expected credit loss	4,555	147	925	5,580	3,453	96,910	111,570
2025							
Expected credit loss rate	0.039%	2.36%	1.22%	2.41%	5.86%	71.15%	2.20%
Estimated gross carrying amount	4,809,260	95,625	80,417	107,256	37,890	149,363	5,279,811
Expected credit loss	1,896	2,260	985	2,587	2,222	106,274	116,224

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

With respect to credit risk arising from the other financial assets such as deposits and other receivables, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position. Exposures are considered of good credit standing and management believes there is a minimal risk of default thus, expected credit loss is insignificant but being monitored for significant changes in credit risk.

As at 31 March 2026, the Group has recorded an impairment allowance of QR 110.7 million (2025: QR 174.3 million) relating to amounts due from joint ventures and an associate and affiliates and other related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. (Refer note 31)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or putting to risk the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the Group's own reserves. The Group's terms of purchases require amounts to be paid within 30-45 days from the invoice date.

The table below summarises the maturity profile of the Group's financial liabilities at 31 March based on contractual undiscounted payments:

	<i>Less than 1 year QR'000</i>	<i>1 to 5 years QR'000</i>	<i>> 5 years QR'000</i>	<i>Total QR'000</i>
At 31 March 2026				
Interest-bearing loans	13,202,087	24,579,574	3,197,430	40,979,091
Lease liabilities	4,427,881	12,921,017	5,369,721	22,718,619
Provision for maintenance	4,954,185	11,394,949	2,469,024	18,818,158
Trade accounts payable and accruals	15,155,099	-	-	15,155,099
	<u>37,739,252</u>	<u>48,895,540</u>	<u>11,036,175</u>	<u>97,670,967</u>
At 31 March 2025				
Interest-bearing loans	22,373,943	23,106,800	5,048,075	50,528,818
Lease liabilities	4,745,360	13,379,193	4,004,650	22,129,203
Provision for maintenance	6,258,360	10,666,150	2,215,331	19,139,841
Trade accounts payable and accruals	11,406,356	4,154	-	11,410,510
	<u>44,784,019</u>	<u>47,156,297</u>	<u>11,268,056</u>	<u>103,208,372</u>

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may issue new shares or obtain funds from the shareholder. No changes were made in the objectives, policies or processes during the years ended 31 March 2026 and 2025.

Capital, which includes share capital, capital reserve, legal reserve, and accumulated losses is measured at QR 68,874 million as on 31 March 2026 (2025: QR 61,374 million).

34 FAIR VALUES OF ASSETS AND LIABILITIES

Financial instruments comprise financial assets and financial liabilities.

As at 31 March 2026, the Group held the following assets and liabilities measured at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

<i>At 31 March 2026</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
<i>Assets/(Liabilities) measured at fair value:</i>			
Financial assets at FVOCI	27,033,973	-	1,187,931
Money market funds	55,588	-	-
Jet fuel hedging contracts	-	2,427,471	-
Foreign currency forwards	-	46,779	-
<i>At 31 March 2025</i>			
	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
<i>Assets/(Liabilities) measured at fair value:</i>			
Financial assets at FVOCI	23,670,270	-	1,170,897
Money market funds	200,469	-	-
Jet fuel hedging contracts	-	(199,935)	-
Foreign currency forwards	-	52,727	-

Transfers between Level 1 and Level 3

During the years ended 31 March 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

During the year, the Group entered commodities derivative contracts. The fair values of these derivative instruments are measured at their mark to market values as at the end of the reporting period and are determined using observable market inputs. As the Group hedged its jet fuel exposure through jet fuel crack swaps for the next financial year, and as the majority of fuel purchases are denominated in United States Dollars, a jet fuel crack price of US Dollar 41.70 per barrel as at 31 March 2026 was used as the key market input in the valuation model.

During the current year the Group has entered into new foreign currency forwards. The fair value of currency forwards is the mark to market values of these derivative contracts at the end of the reporting date.

35 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows from financing activities.

	<i>At 1 April 2025 QR'000</i>	<i>Financing cash flows QR'000</i>	<i>Other movements QR'000</i>	<i>At 31 March 2026 QR'000</i>
Lease liabilities	19,017,380	(3,897,893)	3,955,770	19,075,257
Interest bearing loans	45,362,081	(8,852,631)	-	36,509,450

35 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	<i>At</i> <i>1 April 2024</i>	<i>Financing</i> <i>cash flows</i>	<i>Other</i> <i>movements</i>	<i>At 31 March</i> <i>2025</i>
	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>
Lease liabilities	21,066,480	(4,321,185)	2,272,085	19,017,380
Interest bearing loans	52,437,677	(7,075,596)	-	45,362,081

- (i) The net repayment of the lease liabilities during the year amounted to QR 4,905 million (2025: QR 5,247 million).
(ii) The repayments and proceeds from interest bearing loans amounted to QR 10,087 million and QR 1,235 million, respectively (2025: QR11,163 million and QR. 4,086 million).

36 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Classification of investment in financial asset at FVOCI

IAS 28: Investments in Associates and Joint Ventures defined significant influence as "power to participate in financial and operating policy decisions of the investee, but not control or joint control over those policies". Significant influence is presumed when an entity owns 20% or more of the voting power of the investee unless it can be clearly demonstrated that this is not the case. Significant influence is presumed not to be present when an entity owns less than 20% of the voting power of the investee unless such influence can be clearly demonstrated.

(i) Investments in International Consolidated Airlines Group (IAG)

As at the reporting date, the Group owns 24.85% of the ordinary share capital of IAG with a carrying value of QAR 19.3 billion. The Group assessed that it does not have significant influence over its investments in IAG at the reporting date. As a result of this judgement, the investment is accounted for at FVOCI as described in Note 2 to the consolidated financial statements.

The Group considered the following factors in assessing whether the Group has significant influence with respect to its investment in IAG:

- On 8 September 2020, two directors nominated by the Group were appointed on IAG's Board. These directors, although nominated by the Group, act in their individual capacity as experts without influence from the Group. Neither of the nominees are employees or directors of the Group.
- The Group does not participate in policy-making decisions or processes of IAG.
- Due to strict anti-trust legal and regulatory requirements, the Group has conducted a detailed assessment of risks relating to its participation in IAG's financial and operating policy decisions. Since the Group and IAG are competitors, there are potential concerns over antitrust violations. The Group cannot participate in IAG's strategic decision-making process involving access to sensitive information relating to financial and operating matters. Hence, the Group has no practical ability to exercise significant influence over IAG.
- The Group does not have access to the financial information to apply the equity method of accounting under IAS 28 as this would require the Group to seek potentially wide-ranging, granular, and competitively sensitive information from IAG in order to discharge its financial reporting obligations. There is no mechanism, nor has there ever been to seek advance 'clearance' or 'approval' from the relevant authorities to neutralise the potentially serious antitrust exposure resulting from information exchanges between competitors, and there are significant challenges in designing safeguards to address the serious antitrust exposure resulting from unlawful information exchanges.

36 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Critical judgements in applying the Group's accounting policies (continued)

Classification of investment in financial asset at FVOCI (continued)

(i) Investments in International Consolidated Airlines Group (IAG) (continued)

- Transactions between the Group and IAG are routine transactions and there are no other material transactions between the Group and IAG.
- There is no interchange of managerial personnel or provision of essential technical information between the Group and IAG.
- There are no potential voting rights.

(ii) Investments in JetSuiteX Inc. (JSX)

The Group considered the following factors in assessing whether the Group has significant influence with respect to its investment in JSX:

- The appointed Director acts in his capacity as an independent director without any influence on the Group.
- The Group does not participate in policy-making decision or processes of JSX.
- Transactions between the Group and JSX are routine transactions and there are no other material transactions between the Group and JSX.
- There is no interchange of managerial personnel or provision of essential technical information.
- There are no potential voting rights.

Leases - Determining the lease term of contracts with renewal options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Some of the Group leases include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue recognition

IFRS 15 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of revenue. These judgements, estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Sale and leaseback transactions

In assessing sale and leaseback transactions, the Group applies significant judgement in determining whether a sale has occurred under IFRS 15 and the extent of rights retained through the associated lease arrangements under IFRS 16. This includes evaluating the terms and conditions of the leaseback, such as lease term, variable lease payments, purchase options and other contractual features, to determine whether control of the underlying aircraft has transferred. Judgement is also applied in assessing whether any retained rights significantly affect the measurement of the right-of-use asset and gain or loss recognised on the sale, resulting in adjustments to the recognised right-of-use assets in certain transactions.

36 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Critical judgements in applying the Group's accounting policies (continued)

Sale and leaseback transactions (continued)

In addition, where lease agreements include purchase options, management applies judgement in determining whether it is reasonably certain that such options will be exercised. This assessment considers, among other factors, the Group's fleet strategy, historical practice, the strategic importance of the aircraft type and alignment of the option price with expected market values. For certain aircraft, management has concluded that purchase options are reasonably certain to be exercised, and accordingly the lease term and depreciation period of the related right-of-use assets are aligned with the estimated useful lives applied to owned aircraft of a similar type.

Consolidation

The Group has carried out an assessment of its arrangements with other shareholders, through a review of shareholder agreements and other documentation establishing rights and obligations of the shareholders, for its investments in joint venture and other entities. In assessing whether the Group exercises control over an investee, the Group has considered whether it 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.

The Group has evaluated its involvement with investees in determining whether the Group has control, joint control or significant influence over such investees. Based on its assessment, the Group has concluded that the accounting classification and treatment reflected in the consolidated financial statements is appropriate.

Going concern

Management has assessed the Group's ability to continue as a going concern for a period of at least twelve months from the reporting date. This assessment has considered the Group's current and projected liquidity position, available financial resources, operating performance, and the potential impact of prevailing geopolitical tensions in the Middle East, including within the State of Qatar.

The recent escalation of regional conflict has resulted in uncertainty and, in certain cases, temporary operational and economic disruption. Management continues to actively monitor the evolving situation and assess its implications for the Group's operations, financial position, cash flows, and performance. At the date of approval of these consolidated financial statements, the nature and extent of any future impacts cannot be reliably quantified. Based on the assessment performed, management is satisfied that the Group has adequate resources to meet its obligations as they fall due and to continue its operations for the foreseeable future. No material uncertainties have been identified that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date in accordance with IAS 36. Landing rights, which have indefinite economic lives, are tested for impairment annually, while other non-financial assets with definite economic lives are assessed when indicators of impairment exist. Impairment exists when the carrying amount of an asset or a cash-generating unit (CGU) exceeds its recoverable amount. These assessments require the use of significant estimates and assumptions.

As at 31 March 2026, the only impairment indicator identified by the Group was an external indicator arising from the geopolitical environment associated with the regional crisis. As a result, certain leased aircraft were reviewed for impairment, with impairment losses recognised as disclosed in Note 11.

The Group also reassessed the specific impairment of its A380 fleet and their related assets. The recoverable value measured at the higher of its fair value less cost of disposal or value-in-use. Where relevant, the Group utilised the valuation reports of a third-party independent valuer to assess the fair values of the aircraft and related assets.

During the year the Group has an impairment loss on certain assets amounting to QR 762 million (2025: QR 254 million) in the consolidated income statement.

36 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**Key sources of estimation uncertainty (continued)**

Total impairment loss / (reversal) of non-financial assets included in the consolidated income statement is as follows:

	<i>2026</i> <i>QR'000</i>	<i>2025</i> <i>QR'000</i>
Impairment loss included under property, plant and equipment (Note 10)	190,567	151,069
Impairment loss included under right-of-use assets (Note 11)	571,183	102,967
	<u>761,750</u>	<u>254,036</u>

Impairment of investment in joint ventures and associates

The Group determines, at each reporting date, whether there is any objective evidence that the investment in joint ventures and associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and their carrying value and recognises that amount in the 'share of profits of joint ventures and associate' in the consolidated income statement. Based on the assessment performed, the Group has not observed any impairment indicators for its investment in joint ventures and associates as of 31 March 2026 and 31 March 2025.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Allowance for expected credit losses

The Group applies the ECL model to all financial assets measured at amortised cost, including trade receivables, related-party and government receivables, and cash and short-term deposits, in accordance with IFRS 9. For trade accounts receivables, the provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by Geography, product type, customer type and rating, and coverage by letters of credits and other credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the aviation sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets measured at amortised cost and contract assets is disclosed in Note 33.

Provision for obsolete and slow-moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

At the reporting date, gross inventories were QR 2,658 million (2025: QR 2,257 million) with provision for obsolete and slow-moving inventories amounting to QR 606 million (2025: QR 284 million). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated income statement.

36 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Key sources of estimation uncertainty (continued)

Frequent flyer programme

Due to the unavailability of a directly observable selling price for Avios, the management estimated their standalone selling price based on historical redemption data. Management used the weighted average of redemption values obtained from historical redemption transactions to determine an appropriate standalone selling price for a Avios (a function of values based on services such as: excess baggage, lounge access, upgrades, spending on duty free using miles etc. realized in its redemption transactions). Management also expects breakage from Avios expiry based on their analysis of historical redemption trends. The redemption rates were derived using historical redemption data. Estimates of Avios revenues as well as remaining frequent flyer programme liability are dependent on updates made to the calculated redemption rates every year.

Revenue Breakage

In calculating the revenue from passenger and cargo ticket breakage, management derived its breakage rate based on an analysis of historical ticket expiry trends. Management believes that the use of expected value method provides the best estimate of the breakage rates based on recent historical information. Management had applied these rates for a portfolio of contracts in estimating the amounts to be recognized as breakage revenue.

Estimated economic useful life and residual values of property, plant and equipment

The Group's management estimates the economic useful life and residual values of its property, plant and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the asset or physical wear and tear. Management reviews the estimated residual value and estimated economic useful life annually and future depreciation charges would be adjusted where management believes the estimated economic useful life and residual value differ from previous estimates. During the year, there were no changes in the estimated economic useful lives and residual values of property, plant and equipment.

Aircraft maintenance and overhaul expenditure under power-by-the-hour agreements

The Group has entered into several 'risk-transfer' Power-By-The-Hour (PBTH) agreements with original equipment manufacturers/Maintenance, repair and overhauls to cover maintenance services for both owned and leased aircraft components such as aircraft engines and APUs. Determination of whether the risks have been transferred to the service provider may depend on, among other things, the contract, the related rights and obligations of each party in the event of termination and whether contract payments are refundable, contract cost adjustments and true-ups. The assessment would be made at the inception of the contract or after the contract has been substantially modified.

The Group accounts for such provision for maintenance on the contractual PBTH rate per flying hour/cycle consumed at reporting date and using assumptions relating to expected costs including escalation and discount rates commensurate with the expected obligation maturity and long-term maintenance schedules. An estimate is made at each reporting period to ensure that the provision corresponds to the expected costs to be borne by the Group. A significant level of judgement is exercised by management given the long-term nature and diversity of assumptions that go into the determination of the provision.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

37 SUBSEQUENT EVENTS

Regional Geopolitical Developments

Since 28 February 2026, geopolitical tensions in the Middle East, including within the State of Qatar, have resulted in temporary security measures. These actions might cause some disruption to economic activity.

Management continues to monitor the evolving situation and assess its potential impact on the Group's operations, financial position, and performance. At the date of these financial statements, the full extent of any future operational or financial effects cannot yet be reasonably estimated.