

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

**Condensed Consolidated Interim Financial Information (Unaudited)
and
Independent Auditor's Review Report
30 September 2023**

C o n t e n t s

	Page
Independent Auditor's Review Report	1
Condensed Consolidated Statement of Financial Position (Unaudited)	2
Condensed Consolidated Statement of Profit or Loss (Unaudited)	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	4
Condensed Consolidated Statement of Changes in Equity (Unaudited)	5
Condensed Consolidated Statement of Cash Flows (Unaudited)	6
Notes to the Condensed Consolidated Interim Financial Information (Unaudited)	7 - 13

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Jazeera Airways K.S.C.P. (the "Parent Company") and its subsidiaries (together called the "Group") as at 30 September 2023 and the related condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for three-month and nine-month periods then ended and the related condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

Report on Other Legal and Regulatory Requirements

Based on our review, the interim financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations or of the Memorandum of Incorporation and Articles of Association, as amended, of the Parent Company, during the nine-month period ended 30 September 2023, that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the nine-month period ended 30 September 2023, that might have had a material effect on the business of the Parent Company or on its financial position.



Bader A. Al-Wazzan

License No. 62A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait

6 November 2023

Condensed Consolidated Statement of Financial Position (Unaudited) as at 30 September 2023

		Kuwaiti Dinars		
	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
ASSETS				
Non-current assets				
Property and equipment	3	75,140,493	44,164,805	37,681,283
Right of use asset	4	139,058,073	145,092,349	145,564,659
Advance for maintenance		7,034,078	7,234,341	2,580,017
Security deposits		1,005,331	1,890,950	1,401,998
		<u>222,237,975</u>	<u>198,382,445</u>	<u>187,227,957</u>
Current assets				
Inventories		3,412,808	2,426,741	2,185,067
Security deposits		760,214	325,916	1,305,034
Trade and other receivables		24,293,933	18,695,005	29,417,148
Cash and bank balances	5	15,643,026	52,267,804	55,022,643
		<u>44,109,981</u>	<u>73,715,466</u>	<u>87,929,892</u>
Total assets		<u>266,347,956</u>	<u>272,097,911</u>	<u>275,157,849</u>
LIABILITIES AND EQUITY				
Equity				
Share capital	6	22,000,000	22,000,000	22,000,000
Legal reserve		2,843,811	2,843,811	740,756
Hedge reserve		791,172	-	-
Retained earnings		7,794,306	11,683,441	14,469,505
Total equity		<u>33,429,289</u>	<u>36,527,252</u>	<u>37,210,261</u>
Non-current liabilities				
Post-employment benefits		3,896,149	2,912,300	3,307,649
Maintenance payables		20,983,226	19,433,727	17,959,270
Lease liabilities	7	126,099,291	133,398,702	136,468,042
Term loan/Murabaha payables		4,000,000	4,425,635	4,430,066
		<u>154,978,666</u>	<u>160,170,364</u>	<u>162,165,027</u>
Current liabilities				
Maintenance payables		8,560,172	7,531,410	11,617,628
Lease liabilities	7	23,894,023	22,485,345	22,621,039
Term loan/Murabaha payables		1,000,000	849,285	862,612
Trade and other payables		34,385,278	29,201,588	27,893,295
Deferred revenue		10,100,528	14,355,356	12,787,987
Bank overdrafts	5	-	977,311	-
		<u>77,940,001</u>	<u>75,400,295</u>	<u>75,782,561</u>
Total liabilities		<u>232,918,667</u>	<u>235,570,659</u>	<u>237,947,588</u>
Total liabilities and equity		<u>266,347,956</u>	<u>272,097,911</u>	<u>275,157,849</u>

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



Marwan Marzouq Boodai
Chairman



Condensed Consolidated Statement of Profit or Loss (Unaudited) -
Nine months ended 30 September 2023

		Kuwaiti Dinars				
		Three months ended 30 September		Nine months ended 30 September		
Note		2023	2022	2023	2022	
	Revenue	8	61,052,778	63,199,358	158,906,183	140,812,170
	Operating costs	9	(50,072,343)	(45,157,972)	(134,245,215)	(109,448,919)
	Gross profit		<u>10,980,435</u>	<u>18,041,386</u>	<u>24,660,968</u>	<u>31,363,251</u>
	Other operating income		193,737	212,707	1,083,281	600,099
	Gain on sale and lease back of engine		-	-	-	1,734,319
	General and administrative expenses	10	(2,248,792)	(1,911,152)	(6,579,912)	(5,400,406)
	Finance costs		(1,736,348)	(1,613,712)	(5,215,540)	(4,570,346)
	Foreign exchange currency gain/(loss)		174,207	(728,519)	74,381	(1,968,743)
	Expected Credit Loss (ECL)		-	-	(74,460)	-
	Profit before contribution and taxes		<u>7,363,239</u>	<u>14,000,710</u>	<u>13,948,718</u>	<u>21,758,174</u>
	Zakat		(83,333)	(142,565)	(156,023)	(227,700)
	Contribution to Kuwait Foundation for the Advancement of Sciences		(72,915)	(126,013)	(132,184)	(195,830)
	National Labour Support Tax		(208,334)	(356,404)	(390,058)	(569,240)
	Profit for the period		<u>6,998,657</u>	<u>13,375,728</u>	<u>13,270,453</u>	<u>20,765,404</u>
	Attributable to:					
	Shareholders of the Parent Company		<u>6,998,657</u>	<u>13,375,728</u>	<u>13,270,453</u>	<u>20,765,404</u>
	Earnings per share (fils)					
	Basic & diluted	11	<u>31.81</u>	<u>60.8</u>	<u>60.32</u>	<u>94.39</u>

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

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) -
Nine months ended 30 September 2023**

	Kuwaiti Dinars			
	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
Profit for the period	6,998,657	13,375,728	13,270,453	20,765,404
Other comprehensive income				
Items that may be reclassified subsequently to statement of profit or loss				
Hedge Reserve – Cash flow hedge	925,660	-	791,172	-
Total comprehensive income for the period	<u>7,924,317</u>	<u>13,375,728</u>	<u>14,061,625</u>	<u>20,765,404</u>
Attributable to:				
Shareholders of the Parent Company	<u>7,924,317</u>	<u>13,375,728</u>	<u>14,061,625</u>	<u>20,765,404</u>

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

**Condensed Consolidated Statement of Changes in Equity (Unaudited) –
Nine months ended 30 September 2023**

	Kuwaiti Dinars				
	Share capital	Legal reserve	Hedge reserve	Retained earnings	Total equity
At 1 January 2023	22,000,000	2,843,811	-	11,683,441	36,527,252
Total comprehensive income for the period	-	-	791,172	13,270,453	14,061,625
Dividend (note 6)	-	-	-	(17,159,588)	(17,159,588)
At 30 September 2023	22,000,000	2,843,811	791,172	7,794,306	33,429,289
At 1 January 2022	22,000,000	740,756	-	7,343,773	30,084,529
Total comprehensive income for the period	-	-	-	20,765,404	20,765,404
Dividend (note 6)	-	-	-	(13,639,672)	(13,639,672)
At 30 September 2022	22,000,000	740,756	-	14,469,505	37,210,261

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

**Condensed Consolidated Statement of Cash Flows (Unaudited) –
Nine months ended 30 September 2023**

	Note	Kuwaiti Dinars	
		30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Cash flows from operating activities			
Profit before contribution and taxes		13,948,718	21,758,174
<i>Adjustments for:</i>			
Depreciation	3,4	14,945,537	13,301,331
Finance costs		5,215,540	4,570,346
Foreign exchange currency (gain)/loss		(74,381)	1,968,743
Gain on sale and lease back of engine		-	(1,734,319)
Provision for post-employment benefits		1,224,049	1,237,320
Other operating income- interest income		(921,725)	(608,280)
Expected credit loss on financial assets		74,460	-
Cash flows from operating activities before working capital changes		34,412,198	40,493,315
<i>Changes in:</i>			
- inventories		(986,067)	(988,343)
- trade and other receivables		(5,924,460)	(7,151,331)
- security deposit		722,622	(110,687)
- advance for maintenance		200,263	(523,332)
- maintenance payables		2,459,688	7,180,966
- trade and other payables		6,421,560	5,518,050
- deferred revenue		(4,254,828)	6,423,281
Cash generated from operations		33,050,976	50,841,919
Post-employment benefits paid		(240,200)	(225,900)
Paid to KFAS, Zakat & NLST		(955,793)	(327,078)
Net cash from operating activities		31,854,983	50,288,941
Cash flows from investing activities			
Purchase of property and equipment and right of use asset	3	(32,515,679)	(52,763,092)
Proceed from sale of property and equipment and lease back of engine		-	38,445,163
Proceeds from Interest income		921,725	585,326
Deposits maturing after three months		16,631,568	16,000,000
Net cash (used in)/from investing activities		(14,962,386)	2,267,397
Cash flows from financing activities			
Dividend paid		(17,159,588)	(13,639,672)
Payment for lease liabilities		(13,377,018)	(12,662,288)
Finance costs paid		(5,096,970)	(4,458,803)
Murabaha payable		(274,920)	(833,232)
Net cash used in financing activities		(35,908,496)	(31,593,995)
Net (decrease)/increase in cash and cash equivalents		(19,015,899)	20,962,343
Cash and cash equivalents at beginning of period	5	29,645,525	11,415,332
Expected credit loss on financial assets		-	-
Cash and cash equivalents at end of period	5	10,629,626	32,377,675

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

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

1. Constitution and activities

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

The objectives of the Parent Company are –

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

The Parent Company has the following subsidiaries:

Name of the Company	Country of Incorporation	Percentage of Holding	
		2023	2022
Jazeera Airport services Company (formerly known as “Al Sahaab Aviation Services W.L.L.”)	Kuwait	99.99%	99.99%
Kuwaitia Free Zone/ Duty Free Management Co S.P.C.	Kuwait	99.99%	-
Jazeera Safeguard Co. S.P.C.	Kuwait	100%	-
Jazeera Academy Co. S.P.C.	Kuwait	100%	-
Jazeera Airways Company L.L.C	Kingdom of Saudi Arabia	49%	-

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

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

The condensed consolidated interim financial information was approved for issue by the Board of Directors on 6 November 2023

2. Basis of preparation and significant accounting policies

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

This condensed consolidated interim financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in this condensed consolidated interim financial information. Operating results for the nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For more details, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

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

Changes in accounting policy and disclosures

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022. Certain amendments and interpretations apply for the first time in 2023, but do not have an impact on the condensed consolidated interim financial information of the Group.

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

Judgement and estimates

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2022.

3. Property and equipment

	Kuwaiti Dinars					
	Engines & rotables	Leasehold improvements	Furniture & equipment	Vehicles	Capital work-in-progress	Total
Cost						
As at 31 December 2022	7,288,572	17,629,519	5,642,361	68,986	26,439,673	57,069,111
Additions	683,866	15,233	466,409	27,223	31,188,963	32,381,694
Transfers	-	228,337	195,223	-	(423,560)	-
As at 30 September 2023	7,972,438	17,873,089	6,303,993	96,209	57,205,076	89,450,805
Depreciation						
As at 31 December 2022	2,805,565	6,049,292	4,011,345	38,104	-	12,904,306
Charge for the period	376,791	472,213	548,667	8,335	-	1,406,006
As at 30 September 2023	3,182,356	6,521,505	4,560,012	46,439	-	14,310,312
Net book value						
As at 30 September 2023	4,790,082	11,351,584	1,743,981	49,770	57,205,076	75,140,493
As at 31 December 2022	4,483,007	11,580,227	1,631,016	30,882	26,439,673	44,164,805
As at 30 September 2022	4,465,254	11,704,395	1,457,563	32,962	20,021,109	37,681,283

Leasehold improvements include airport terminal and office building including park & fly constructed on leasehold land amounting to KD 9,808,340 (31 December 2022: KD 9,787,324; 30 September 2022: 9,807,712) and KD 897,034 (31 December 2022: KD 921,586; 30 September 2022: 937,580) respectively.

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

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

	Kuwaiti Dinars		Kuwaiti Dinars	
	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2023	2022	2023	2022
Operating costs	290,647	139,237	857,638	887,884
General and administrative expenses	180,105	166,410	548,368	478,885
	470,752	305,647	1,406,006	1,366,769

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

4. Right of use assets

	Kuwaiti Dinars			Total
	Aircraft	Aircraft engines	Leasehold land	
Cost				
As at 31 December 2022	175,076,740	12,111,428	10,427,534	197,615,702
Additions	6,929,905	1,016,257	-	7,946,162
Modification/reclassification	2,628,771	(2,628,771)	(440,907)	(440,907)
As at 30 September 2023	184,635,416	10,498,914	9,986,627	205,120,957
Depreciation				
As at 31 December 2022	49,640,363	1,602,724	1,280,266	52,523,353
Charge for the period	12,546,340	845,955	147,236	13,539,531
As at 30 September 2023	62,186,703	2,448,679	1,427,502	66,062,884
Net book value				
As at 30 September 2023	122,448,713	8,050,235	8,559,125	139,058,073
As at 31 December 2022	125,436,377	10,508,704	9,147,268	145,092,349
As at 30 September 2022	129,636,541	8,068,075	7,860,043	145,564,659

5. Cash and bank balances

	Kuwaiti Dinars		
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Cash on hand	86,113	62,301	47,995
Current account with banks	8,571,452	7,577,705	30,342,085
Time deposits with banks	7,052,440	44,644,968	24,644,968
	15,710,005	52,284,974	55,035,048
Expected credit loss	(66,979)	(17,170)	(12,405)
	15,643,026	52,267,804	55,022,643
Less: Overdrafts	-	(977,311)	-
Deposits with original maturity of more than 3 months	(5,013,400)	(21,644,968)	(22,644,968)
Cash and cash equivalents in the statement of cash flows	10,629,626	29,645,525	32,377,675

6. Share capital

	Kuwaiti Dinars		
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Authorised, issued and fully paid in cash: 220,000,000 (31 December 2022: 220,000,000; 30 September 2022: 220,000,000) shares of 100 fils each	22,000,000	22,000,000	22,000,000

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

Dividend

The annual general meeting of shareholders for the year ended 31 December 2022 held on 28 March 2023 approved distribution of final cash dividend of 50 fils (31 December 2021 - 32 fils) per share amounting to KD 10,999,736 (31 December 2021 - KD 7,039,831). After obtaining necessary regulatory approvals, this was paid to the registered shareholders on 19 April 2023.

Interim Dividend

The Board of Directors in their meeting held on 7 August 2023, approved distribution of interim cash dividend of 28 fils (2022: 30 fils per share) per share amounting to KD 6,159,852 (2022: KD 6,599,841) to the registered shareholders. This was paid to the registered shareholders on 29 August 2023.

7. Lease liabilities

	Kuwaiti Dinars		
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
At the beginning of the period/year	155,884,047	136,819,830	136,819,830
Additions	7,812,175	28,259,904	26,926,673
Modification	(440,907)	5,766,608	5,766,607
Finance costs	4,495,926	5,625,310	4,060,983
Payments	(17,872,944)	(22,727,445)	(16,723,271)
Foreign exchange currency loss	115,017	2,139,840	2,238,259
At the end of the period/year	149,993,314	155,884,047	159,089,081

The above is segregated as:

	Kuwaiti Dinars		
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Current	23,894,023	22,485,345	22,621,039
Non-current	126,099,291	133,398,702	136,468,042
	149,993,314	155,884,047	159,089,081

8. Revenue

	Kuwaiti Dinars			
	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2023	2022	2023	2022
Passenger revenue	51,615,032	55,354,304	135,227,600	121,179,822
Ancillary revenue	4,788,845	4,076,237	12,145,265	10,214,865
Cargo revenue	555,231	502,625	1,628,028	1,499,010
Terminal revenue	4,093,670	3,266,192	9,905,290	7,918,473
	61,052,778	63,199,358	158,906,183	140,812,170

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

9. Operating costs

	Kuwaiti Dinars			
	Three months ended		Nine months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
Aircraft maintenance cost	7,839,667	6,399,531	21,032,302	16,284,772
Depreciation (Refer Note 3&4)	4,973,307	4,238,503	14,397,169	12,822,446
Aircraft fuel	15,737,293	18,282,377	43,565,088	41,465,012
Staff costs	7,891,298	5,922,594	21,254,568	14,436,576
Overflying, landing and ground handling charges	8,450,379	6,571,071	22,057,065	16,549,764
Lease rental	1,998,239	1,114,161	3,790,587	1,194,094
Insurance	334,152	254,058	946,666	758,920
Passenger meals	936,360	626,526	2,256,468	1,513,491
Reservation system expenses	226,547	266,523	577,280	621,999
Others	1,685,101	1,482,628	4,368,022	3,801,845
	<u>50,072,343</u>	<u>45,157,972</u>	<u>134,245,215</u>	<u>109,448,919</u>

10. General and administrative expenses

	Kuwaiti Dinars			
	Three months ended		Nine months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
Staff costs	344,824	255,692	976,488	819,539
Marketing	707,324	710,844	2,314,560	1,976,572
Depreciation (Refer Note 3)	180,105	166,410	548,368	478,885
Professional and consultancy	98,199	100,698	315,602	259,002
Travel	90,210	27,339	188,294	104,122
Others	828,130	650,169	2,236,600	1,762,286
	<u>2,248,792</u>	<u>1,911,152</u>	<u>6,579,912</u>	<u>5,400,406</u>

11. Earnings per share

Earnings per share is calculated based on the profit attributable to the equity shareholders of the Parent Company for the period and the weighted average number of shares outstanding, as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
Net Profit for the period	6,998,657	13,375,728	13,270,453	20,765,404
Weighted average number of shares outstanding	220,000,000	220,000,000	220,000,000	220,000,000
Earnings per share (fils) – Basic and Diluted	<u>31.81</u>	<u>60.8</u>	<u>60.32</u>	<u>94.39</u>

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

12. Related party transactions and balances

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

	Kuwaiti Dinars			
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)	
Balances				
Due from related parties	96,850	71,259	112,606	
	Kuwaiti Dinars			
	Three months ended 30 September (Unaudited) 2023	2022	Nine months ended 30 September (Unaudited) 2023	2022
Transactions				
Sales and services	200,030	221,581	556,824	544,679
General and administrative expenses	111,724	195,711	364,170	349,950
Key management compensation				
Salaries and other employment benefits	439,383	166,203	1,300,149	508,711

13. Segment information

The Group's operating segments are the operation of passenger airline service and operation and maintenance of terminal.

Following is the segment information of the nine months ended 30 September:

	Kuwaiti Dinars					
	Passenger airline Service		Terminal operations		Total	
	2023	2022	2023	2022	2023	2022
Segment revenue	149,000,893	132,893,697	9,905,290	7,918,473	158,906,183	140,812,170
Segment expenses	138,949,919	115,180,419	1,875,287	1,637,649	140,825,206	116,818,068
Other operating income	1,083,281	600,099	-	-	1,083,281	600,099
Gain on Sale of Engine	-	1,734,319	-	-	-	1,734,319
Finance costs	4,816,848	4,308,698	398,692	261,648	5,215,540	4,570,346
Segment results [profit/(loss)]	6,317,407	15,738,998	7,631,311	6,019,176	13,948,718	21,758,174
Assets:						
Segment assets	244,738,907	255,308,239	21,609,049	19,849,610	266,347,956	275,157,849
Liabilities:						
Segment liabilities	225,043,854	230,942,772	7,874,813	7,004,816	232,918,667	237,947,588
Capital expenditure	39,768,218	77,864,453	559,638	381,864	40,327,856	78,246,317
Depreciation	14,446,681	12,931,458	498,856	369,873	14,945,537	13,301,331

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) – 30 September 2023

14. Derivative financial instruments

The table below shows the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period-end and are not indicative of either market or credit risk. All derivative contracts are fair valued based on observable market data.

The Company's fuel forward contracts are treated as cash-flow hedges of forecast fuel purchases for risks arising from the commodity price of fuel.

At 30 September 2023:	Kuwaiti Dinars	Nominal quantity by term to maturity			
		Positive fair value	Within 3 months	3-24 months	Notional quantity

Derivatives held for hedging:

Cash flow hedges-Commodity (oil) forward contracts	791,172	225,000	-	225,000
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At 31 December 2022:

Kuwaiti Dinars	Nominal quantity by term to maturity		
Negative fair value	Within 3 months	3-24 months	Notional quantity
			Barrels

Derivatives held for hedging:

Cash flow hedges-Commodity (oil) forward contracts	-	-	-	-
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At 30 September 2022:

Kuwaiti Dinars	Nominal quantity by term to maturity		
Negative fair value	Within 3 months	3-24 months	Notional quantity
			Barrels

Derivatives held for hedging:

Cash flow hedges-Commodity (oil) forward contracts	-	-	-	-
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15. Commitments and contingent liabilities

	Kuwaiti Dinars		
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Capital commitments	370,200,508	368,866,221	382,605,855
Bank guarantees	58,329,305	49,288,694	39,562,513
	428,529,813	418,154,915	422,168,368

The above bank guarantee include guarantee to the lessors amounting to KD 51,930,572 (31 December 2022: KD 43,169,807; 30 September 2022: KD 29,300,585) for the aircraft maintenance in lieu of payments for Maintenance Reserve under the lease agreement.

Capital commitments include commitment towards purchase of aircraft and engines.