air mauritius

Annual Report 2024

PAGES

Introduction

Air Mauritius Limited (the "Company", "Air Mauritius", "MK") is a Public Interest Entity ("PIE") under the provisions of the Financial Reporting Act 2004. The Directors' Report sets out the Company's commitment to transparency, good corporate governance and the continuous effort to enhance shareholder value. The Corporate Governance Report describes the application of the principles of the Code of Corporate Governance for Mauritius 2016 (the "Code") by the Company and explains how governance at the Company works.

The financial year ended March 31, 2024, is a significant milestone for Air Mauritius, marking the second full year of operations since exiting voluntary administration and delisting from the Stock Exchange of Mauritius (SEM). It also represents the second year of return to normal operations, with the Company gradually approaching pre-pandemic benchmark levels. Compared to the financial year ended March 31, 2023, Air Mauritius offered 20.3% more seats and carried 22.2% more passengers.

Financial year 2023/24 also marked the continued commitment of Air Mauritius towards its fleet expansion programme with the introduction of two A330-200 aircraft. The first A330-200 aircraft was delivered in April 2023, and the second one in October 2023. Moreover, to support the inter-island operations, an ATR-72-600 joined the fleet in December 2023. The fleet expansion is boosting Air Mauritius' support to the economy by providing a more direct connectivity to the world.

Principal activity

The main activities of the Company are the operation of international and domestic scheduled services for the carriage of passengers, freight, mail and the provision of ancillary services for aviation. The domestic network comprises solely of operations to Rodrigues using turbo prop ATR-72 aircraft.

Results and dividends

The Company reported a profit of **Eur 2.0M** for the year as compared to a profit of Eur 5.7M (restated) for the previous year.

The revenue generated by the Company increased to **Eur 599.4M** as compared to Eur 506.0M (restated) for the previous year. Number of passengers carried increased from 1,325,095 to 1,619,146 and cargo tonnage uplifted increased from 30,518 tons to 33,499 tons.

No dividend was declared during the year under review (2023: Nil).

Events after the reporting date

Events after the reporting date have been disclosed in Note 35 to the financial statements.

Outlook

After two difficult years which included voluntary administration and exit thereof as well as the Covid-19 pandemic, year 2023/24 showed improvement in performance, following the lifting of pandemic restrictions in most of the Company's markets. Operations approached pre-Covid-19 levels and fuel prices were less than the previous year.

The Company expects to offer more seats but the year will remain challenging, especially with more maintenance activities planned besides, the threat of recession, volatility of EUR/USD exchange rates and fuel prices coupled with competition from other carriers, that can negatively impact on the financial performance of the Company.

Directors
Details of the Directors, who were in office during the period April 1, 2023, to March 31, 2024, are disclosed in the Corporate Governance Report.

A service contract existed between the Company and Mr. Charles Cartier, Chief Executive Officer effective as from March 06, 2024. In consequence of his non-re-election as Director at the Annual Meeting of Shareholders held on February 06, 2025, Mr. Charles Cartier ceased to be Chief Executive Officer of the Company with immediate effect. There was no other contract of significance between the Directors and the Company.

Donations

There was no donation made during the year under review (2023: Nil).

Statement of Directors' responsibilities in respect of the financial statements
The Directors of Air Mauritius Limited are responsible for the integrity of the audited financial statements of the Company and the objectivity of the other information presented in these financial statements.

The Board confirms that, in preparing the audited financial statements, it has:

(i) selected suitable accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent;
(iii) stated whether the financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004;
(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
(v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and
(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern
The Directors have assessed the Company's ability to continue as going concern taking into account all available information about the future, which is at least, but not limited to, twelve months from date of authorisation of these financial statements. The assessment is disclosed in Note 4.3 Judgements (i) of the financial statements.

Auditors' remuneration

Fees – Eur'000	2024	2023
Audit	**233***	**237***
Non-Audit	**11.6**	**3.7**

**Includes overruns for financial year 2023 and 2022 respectively.*

Mr Kremchand Beegoo
Director
Date: February 28, 2025

Mr Appalsamy Thomas, GOSK
Director
Date: February 28, 2025

The Company is a Public Interest Entity ("PIE") as defined by law. Pursuant to the provisions of the Financial Reporting Act 2004, every PIE shall adopt, and report on corporate governance in accordance with the Code and shall submit to the Financial Reporting Council a statement of compliance with the Code and where there is no compliance, the statement shall specify the reasons for non-compliance.

This report describes, amongst others, the main corporate governance frameworks and compliance requirements of the Company in line with its Constitution, the National Code of Corporate Governance for Mauritius (2016) (the "Code") and the Mauritius Companies Act 2001.

PRINCIPLE ONE: GOVERNANCE STRUCTURE

"All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified."

The Board of Air Mauritius Limited (the "Board") considers corporate governance as critical to business integrity and to maintaining shareholders' trust in the Company. The Company expects all its directors and employees to act with honesty, integrity, and fairness. The Company will strive to act in compliance with the laws and regulations of the country; adopt proper standards of business practice and procedure and operate with integrity.

The primary role of the Board is to add long-term value to the wealth of shareholders, having appropriate regard to the interests of all material stakeholders. Having regard to this role, the Board will direct, and supervise the management of, the business and affairs of the Company including, in particular:

- Ensuring that the Company goals are clearly established, and strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management);
- Establishing policies for strengthening the performance of the Company;
- Monitoring the performance of management;
- Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Ensuring that the Company's financial statements are true and fair and conform with laws and regulations and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards");
- Ensuring the Company adheres to high standards of ethics and corporate governance; and
- Ensuring the Company has appropriate risk management/internal controls/ regulatory compliance policies in place.

The Company communicates directly with its shareholders and stakeholders. Furthermore, information on the Company is available on its website.

Constitution

The Constitution of the Company is in line with the Mauritius Companies Act 2001. There are no clauses of the Constitution deemed material enough for special disclosure.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONT'D)

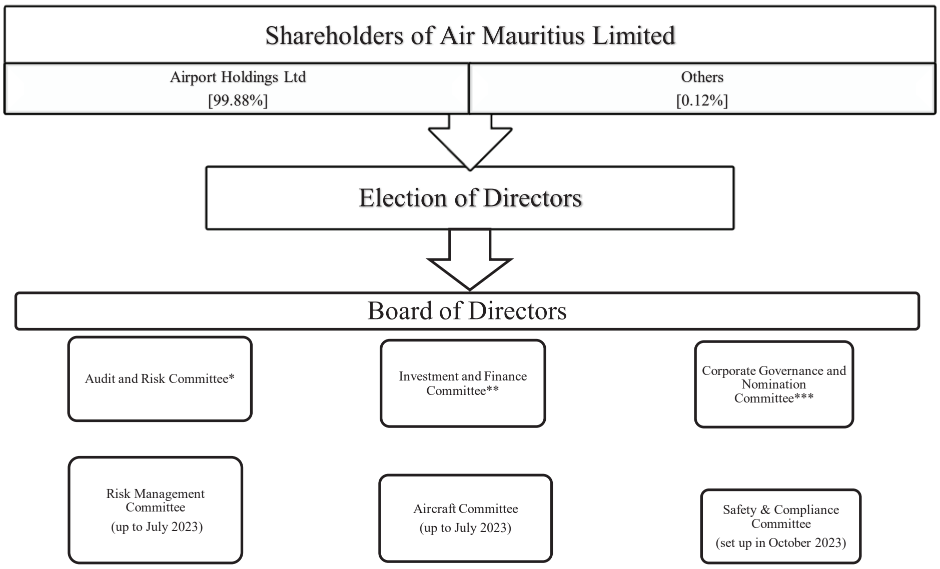
Board Charter

The Board of Directors' Charter sets out the objectives, limits of authority, roles, responsibilities, and composition of the Board of Directors of the Company. It provides a clear definition of the roles and responsibilities of the Chairperson, Executive and Non-Executive Directors, the Board's Committees, Chief Executive Officer of Air Mauritius Limited as well as the Company Secretary.

The Board is currently reviewing the following key governance documents, which would be made available on the Company's website: www.airmauritius.com.

Organisational Chart and Governance Structure

The Board remains committed to applying the principles of sound corporate governance and striving towards a coherent corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a robust platform to realise the Company's strategy.



* The Audit Committee and the Risk Management Committee have been merged to set up the Audit and Risk Committee effective July 2023
** The Investment and Finance Committee has replaced the Finance Committee effective July 2023
*** The Corporate Governance Committee and the Remuneration & Nomination Committee have been merged to set up the Corporate Governance & Nomination Committee effective July 2023

The Company's governance structure is set out in its Board Charter. It also sets out how they interact to promote efficient, transparent, and ethical functioning/decision-making processes within the Company.

In accordance with good governance practices, the Board ensures that regular Board meetings and Committee meetings are held.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONT'D)

Roles and Functions of Chairperson and Chief Executive Officer

The Chairperson's primary function is to preside over meetings of Directors and to ensure the smooth running of the Board and to preside the Company's meetings of Shareholders.

The function and role of the Chief Executive Officer is separate from that of the Chairperson. The main functions of the Chief Executive Officer are, inter alia, to develop and recommend to the Board a long-term vision and strategy for Air Mauritius Limited, to devise business plans and budgets that support the Company's long-term strategy, to strive to consistently achieve the Company's financial and operating objectives and to ensure that the day-to-day business affairs of the Company are appropriately managed and monitored.

In consequence of the non-re-election of Mr Charles Cartier as Director on the Board of Directors of Air Mauritius Limited at the Annual Meeting of Shareholders held on Thursday 06 February 2025, Mr Cartier, ipso facto, ceased to be the Chief Executive Officer of the Company with immediate effect.

Pending the appointment of a Chief Executive Officer, the Board of Directors has set up a Managing Committee with executive powers comprising Mr. Kremchand (Kishore) Beegoo, Chairman, Mr. Suresh Chundre Seeballuck, G.O.S.K., Director, Mr. Appalsamy (Dass) Thomas, G.O.S.K., Director. Furthermore, any two members of the Managing Committee, acting jointly could exercise the executive powers.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

"The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors, and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties."

Board Size and Structure

The Board of Directors of the Company, who held office during the year under review, consisted of the following members:

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Size and Structure (cont'd)

Directors who held office during the year April 01, 2023 to March 31, 2024			
Name of Directors	**Category**	**Date appointed**	**Date of resignation/ ceased to be Director**
Mr. Marday Venketasamy, G.O.S.K, C.S.K	Non-Executive Director	October 07, 2021	November 12, 2024
Mr. Nayen Koomar Ballah, G.O.S.K	Non-Executive Director	October 10, 2021	November 15, 2024
Mr. Goolabchund Goburdhun, G.O.S.K	Non-Executive Director	May 23, 2019	November 12, 2024
Mr. James Harold Mayer	Independent Non-Executive Director	October 07, 2021	January 09, 2025
Mrs. Ammanah Ragavoodoo	Independent Non-Executive Director	May 04, 2017	November 12, 2024
Mr. Muhammad Yoosuf Salemohamed, C.S.K	Independent Non-Executive Director	October 07, 2021	November 12,2024
Mr. Philippe Maxime Sauzier	Independent Non-Executive Director	October 07, 2021	November 12, 2024
Mr. Ken Arian	Non-Executive Director	June 01, 2022	March 04, 2024
Mr. Jitendra Nathsingh Bissessur	Non-Executive Director	June 01, 2022	November 15, 2024
Mr. Arvind Bundhun	Non-Executive Director	June 01, 2022	November 13, 2024
Mr. Peter Anthony Davies	Independent Non-Executive Director	June 01, 2022	January 09, 2025
Mr. Azim Fakhruddin Currimjee	Non-Executive Director	June 01, 2022	November 12, 2024
Mr. Surendra Teeluck, O.S.K	Non-Executive Director	June 01, 2022	January 09, 2025
Mr. Krešimir Kučko	Executive Director	December 19, 2022	September 19, 2023
Mrs. Kantabye Babajee	Non-Executive Director	March 06, 2024	-
Mr. Joseph Edouard Charles Cartier	Executive Director	March 06, 2024	February 06, 2025

Directors appointed after the year under review / Current composition of the Board		
Name of Directors	**Category**	**Date appointed**
Mr. Kremchand Beegoo	Non-Executive Director	January 09, 2025
Mr. Suresh Chundre Seeballuck, G.O.S.K	Non-Executive Director	January 09, 2025
Mr. Appalsamy Thomas, G,O.S.K	Non-Executive Director	January 09, 2025
Mrs. Kantabye Babajee	Non-Executive Director	March 06, 2024
Mr. Dheerendra Kumar Dabee, G.O.S.K	Non-Executive Director	January 09, 2025
Mr. Ramapathee Gujadhur, C.S.K	Independent Non-Executive Director	January 09, 2025
Mr. Foo Sui Siv Woo Shing Hui, G.O.S.K	Non-Executive Director	January 09, 2025
Mr. Devanand Dewkurun	Non-Executive Director	January 09, 2025
Mrs. Kreeti Devi Jugasing-Harrah	Non-Executive Director	January 09, 2025
Mr. Jean Marie René Leclézio	Independent Non-Executive Director	January 09, 2025
Mr. Shaukatally Oozeer	Independent Non-Executive Director	January 09, 2025
Mr. Pazhany Rangasamy	Independent Non-Executive Director	January 09, 2025
Mrs. Indira Rugjee	Non-Executive Director	January 31,2025

The Board should comprise with independent-minded Directors and its size should be in the proportion to the scale and level of sophistication of the organisation.

The Company is led by an effective and highly committed unitary Board. For the year under review, the Board consisted of fourteen (14) Directors constituting of two female Directors, out of which, five (5) are Independent Non-Executive Directors, Eight (8) Non-Executive Directors and one (1) Executive Director. As from January 09, 2025, the Board comprises thirteen (13) Directors (including three 3 female Directors), out of which, four (4) are Independent Non-Executive Directors and (9) Non-Executive Directors.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Size and Structure (cont'd)

With the combination of business and management experience, skills and core competencies of its members, the Board considers that, collectively, there is an appropriate balance and diversity of skills, experience, gender and knowledge to enable effective decision-making. Considering the scope and nature of the Company's operations, the Board considers that the current composition of thirteen (13) Directors is appropriate for enabling effective decision-making. If review of the composition of the Board is required, appropriate recommendations would be made to the Shareholders of the Company.

Board composition and attendance at Board Meetings during the financial year under review

No. of Board Meetings: 11

	Gender	Resident of Mauritius	Category	Board Attendance
Directors				
Mr. Marday Venketasamy, G.O.S.K, C.S.K (Up to November 12, 2024)		Yes	NED	11/11
Mr. Nayen Koomar Ballah, G.O.S.K (Up to November 15, 2024)		Yes	NED	10/11
Mr. Goolabchund Goburdhun, G.O.S.K (Up to November 12, 2024)		Yes	NED	10/11
Mr. James Harold Mayer (Up to January 09, 2025)		Yes	INED	9/11
Mrs. Ammanah Ragavoodoo (Up to November 12, 2024)		Yes	INED	10/11
Mr. Muhammad Yoosuf Salemohamed, C.S.K (Up to November 12, 2024)		Yes	INED	10/11
Mr. Philippe Maxime Sauzier (Up to November 12, 2024)		Yes	INED	9/11
Mr. Ken Arian (Up to March 04, 2024)		Yes	NED	9/10
Mr. Jitendra Nathsingh Bissessur (Up to November 15, 2024)		Yes	NED	11/11
Mr. Arvind Bundhun (Up to November 13, 2024)		Yes	NED	8/11
Mr. Peter Anthony Davies (Up to January 09, 2025)		No	INED	10/11
Mr. Azim Fakhruddin Currimjee (Up to November 12, 2024)		Yes	NED	11/11
Mr. Surendra Teeluck, O.S.K (Up to January 09, 2025)		Yes	NED	11/11
Mr. Krešimir Kučko (Up to September 19, 2023)		No	ED	5/5
Mrs. Kantabye Babajee (From March 06, 2024)		Yes	NED	1/1
Mr. Joseph Edouard Charles Cartier (From March 06, 2024 to February 06, 2025)		Yes	ED	1/1

Male Female - NED - Non-Executive Director INED – Independent Non-Executive Director, ED – Executive Director

The Directors are appointed by the shareholders of the Company. They are re-elected at each annual meeting of shareholders.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Focus Areas of the Board during the Financial Year 2024

Throughout the year under review, the Board considered/approved *inter alia* the following key items:

- Appointment of Chief Executive Officer;
- Business Operations Plan and Budget for the financial year March 31, 2024;
- Approval of the Audited Financial Statements for the year ended March 31, 2022 and March 31, 2023;
- Route/Network Analysis;
- Aircraft Fleet Management; and
- Key HR matters.

Directors' Profiles

Profiles of Directors who held office during the year April 01, 2024 to March 31, 2024, were as follows:

VENKETASAMY Marday, G.O.S.K, C.S.K. - Chairperson
Mr. Venketasamy, G.O.S.K, C.S.K. the Managing Partner of Filao Group of Companies, engaged for 45 years in the manufacturing of luxury leather products for top brands of the watch and jewelry sector, was from 2008 to 2011, President of the Union of Indian Ocean Chambers of Commerce and Industries (UCCIOI), which is a grouping of the Chambers of Commerce of Madagascar, Reunion Island, Comoros, Seychelles, Mauritius and Mayotte.

He was elected President of the Mauritius Chamber of Commerce and Industry in 1996, 2005, 2010, and 2018/2020, President of Mauritius Exports Processing Zone Association (MEPZA) from 1992 to 1994 and Chairman of Mauritius Exports Development and Investment Authority (MEDIA) from 1996 to 1999 and has been the past International Vice President of JCI International. He was elevated to the rank of Commander of Star and Key of the Indian Ocean (C.S.K) in 1996 for outstanding services to industry and to the rank of Grand Officer of the Order of the Star and Key of the Indian Ocean (G.O.S.K) in 2019 for significant contribution in the field of business. In 2011, he was made Chevalier de la Légion d'Honneur of the Republic of France. He is the current President of COMESA Business Council and a Member of Interim Committee of Africa Business Council. Since 2010, he is the Honorary Consulate of the United Republic of Tanzania in Mauritius.

CARTIER Joseph Edouard Charles - Chief Executive Officer
Mr. Joseph E. Charles Cartier was appointed as Chief Executive Officer of Air Mauritius on March 06, 2024. He ceased to be Chief Executive Officer of the Company on February 06, 2025.

Charles Cartier holds a vast experience in leadership positions within national and multinational organisations. He has led Accenture Mauritius from 2015 to 2024 and TNT Business Solutions from 2007 to 2015 respectively as Managing Director and Country Managing Director. He has been leading operations and advising businesses from a variety of industries such as Aeronautics and Defense, Insurance, Security, Transportation and Logistics, Car Industry.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

CARTIER Joseph Edouard Charles - Chief Executive Officer (cont'd)
He is a recognised business leader having chaired several Boards, both in private and public sector institutions. Charles Cartier is currently the Chairman of the Board of The Statistic of Mauritius and has served as the first Chairman of the Economic Development Board of Mauritius, the apex national body in charge of investment and trade promotion, and responsible for National Economic Planning. Charles Cartier has also chaired Outsourcing and Telecommunications Association of Mauritius (OTAM) and been Board member of The Bank of Mauritius, the Human Resource Development Council (HRDC) and Business Mauritius.

He holds a Bachelor of Science (with Hons) specialised in Economic, International Finance and Trade from the University of Orleans and holds a post graduate degree from ESCEM (Tours Graduate School of Management). He also holds professional certifications from Harvard Business School, the Massachusetts of Institute of Technology and UK Civil Aviation Authority in the fields of leadership, Supply chain and Airline Accountable Manager.

TEELUCK Surendra, O.S.K.
Mr. Teeluck, O.S.K. is currently the Chief Executive Officer of T@Media.Com Ltd, which is engaged in the telecommunications business. He is also an advisor to the Prime Minister's Office. He is serving as Chairperson of SSR Botanical Garden Trust and is currently a Director on the Board of Airports of Mauritius Co Ltd and Airmate Ltd.

MAYER James Harold
Mr. Mayer is currently the Managing Director of Horizon Property Partners and Chairman of Horizon Group. He offers property advisory and transaction services and also acts as corporate consultant on strategy, finance and operational excellence.

He holds a Bachelor's Degree in Commerce from University of the Witswatersrand and is a member of the South African Institute of Chartered Accountants. He began his career as the Head of Finance at New Island Clothing, forming part of CIEL Textile in 1990 and has been holding key positions within the Group since then. He was appointed as the Chief Executive Officer of CIEL Textile Group from 2006 to June 2020 when he retired.

Mr. Mayer is a finance professional whose exposure and experience have helped him to build a privileged network of quality relationships within the Mauritian private and public sectors.

Directorships in listed companies: CIEL Limited, Sun Limited and Omnicane Limited (Chairman).

SAUZIER Philippe Epaminondas Gaston Maxime
Me. Sauzier, SC, is an Executive Director at ENSafrica Mauritius. He specialises in employment matters, corporate, commercial and civil litigation and regularly appears before the Judicial Committee of the Privy Council and in international arbitration matters. He is currently the Chairman of Mauritius Telecom.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

SAUZIER Philippe Epaminondas Gaston Maxime (cont'd)
Me. Sauzier has acted for clients in a number of industries and sectors, including banking, insurance, hotels and tourism, petroleum and agriculture. He is a former member of parliament, and is a former Managing Director of Esso Mauritius Ltd.

Me. Sauzier holds a Diploma in French Law (Kings College, UK) and was called to the Bar of England and Wales, Inner Temple, UK in 1978.

CURRIMJEE Azim Fakhruddin
Mr. Currimjee is the Managing Director of the Food & Beverages Cluster of the Currimjee Group of Companies and the Managing Director of Quality Beverages Ltd.

He holds a BA in Mathematics from Williams College, Massachusetts and an MBA from Trinity College, Dublin. He has also undertaken executive courses at Insead Business School at Fontainbleau, Paris on Strategic Manufacturing and Management of Family-Owned Businesses. Mr. Currimjee has over 30 years of experience in Industry. He has led large textile organisations in the past and has been leading the Food & Beverages Cluster of the Currimjee Group for the last 12 years.

He was the President of the Mauritius Chamber of Commerce and Industry (MCCI) from March 2016 to March 2018, a responsibility he also held in 2007. In addition, Mr. Currimjee, as President of the MCCI, successfully postulated for the post of the First Vice President of the COMESA Business Council. Mr. Currimjee was the Vice President of the Economic Development Board of Mauritius (EDB) from 2017 to 2020. He was also a Board Director of the Mauritius Africa Fund (MAF) from 2018 to 2020.

Mr. Currimjee was a director on SBM Holdings, SBM Bank Holdings, SBM Kenya and SBM India for the period 2018 to 2020. Mr. Currimjee was appointed as Chairperson of the Business Regulatory Review Council (BRRC) in 2022 by the Ministry of Finance, Economic Planning and Development (MoFED).

Directorships in listed companies: Quality Beverages Ltd.

BUNDHUN Arvind Parmessur
Mr. Bundhun is the Director of Mauritius Tourism Promotion Authority ("MTPA"), the marketing arm under the aegis of the Ministry of Tourism. He directly oversees the tourism marketing strategy and spearheads the institution development plan.

He holds a Masters in Hotel Management with specialisation in sales and marketing from Klessheim Institute of Hotel Management, Austria.

Before joining the MTPA, Arvind has had a wide international exposure in the tourism industry, namely in China, Dubai, Seychelles where he held several top management positions.

He has been one of the key players towards the successful reopening phase of the tourism industry post the COVID-19 pandemic.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

DAVIES Peter Anthony

Mr. Davies is a seasoned Chief Executive with extensive experience leading airlines, as well as serving as Chair and Non-Executive Director for customer and business services companies. Throughout his career, he has focused on driving and safeguarding shareholder value. With over 30 years of experience, Mr. Davies has held the role of CEO at five different companies and has served as a Board Director, bringing a wealth of strategic insight and leadership to the organizations he works with. Mr. Peter Davies currently, the CEO of Airline Management Group, is a Fellow of the Royal Aeronautical Society and a former elected Member of IATA's Board of Directors. His major achievements include:

- Establishing DHL Express Services as a major player in expanding European markets, and turning around its business in both North and South America;
- Leading the successful restructuring of Brussels Airlines;
- Restructuring Air Malta, a highly political and strategic asset for an economy dependent on tourism, saving it from bankruptcy, navigating EU politics and delivering profitability;
- Closing and launching an airline for the Trinidadian Government in just three months, ensuring the sustainable connectivity of the islands into the future;
- Launching Oman's first low cost carrier SalamAir;
- Serving as Chief Restructuring Officer of South African Airways; and
- Empowering Airlink, an aviation industry disaster relief coordinating body, to grow its finances and capacity and provide a more responsive service at times of need.

With over 35 years of experience in aviation, Mr. Davies is a recognized expert in successfully restructuring ailing businesses and unleashing their potential.

BABAJEE Kantabye

Mrs. Babajee was appointed as Director on the Board of Air Mauritius Limited on March 06, 2024.

She is currently the Permanent Secretary of the External Communications Division of the Prime Minister's Office. Mrs. K. Babajee is holder of an MBA, a BSc (Hons) in Economics and a Diploma in Administration and Management. She also holds a Diplôme de Cycle International court, Ecole Nationale d'Administration, Strasbourg, France.

She joined the Civil Service in 1994 as Educator and became Administrative Officer in 1997 and subsequently held the position of Deputy Permanent Secretary at the Prime Minister's Office.

BISSESSUR Jitendra Nathsingh

Mr. Bissessur is the Chief Executive Officer of the Mauritius Investment Corporation Ltd (MIC) since March 2021. He was the Officer-in-Charge of the MIC since its inception in June 2020.

He was previously the Director of the Economic Research and Analysis and Statistics Department of the Bank of Mauritius (2018-2020). He worked as an economist in the African Department of the International Monetary Fund (IMF) (2013-14). Mr. Bissessur was a Member of the Bank's Monetary Policy Committee, Statistics Board, and the IMF's Task Force on Special Purpose Entities.

He joined the Research Department of the Bank of Mauritius in January 1991 and has over 30 years of experience in the central banking field. Mr. Bissessur is skilled in macroeconomic policy and statistical analysis and forecasting. Mr. Bissessur holds a BA (Hons) in Mathematical Statistics from the University of Delhi, India and a MSc in Applied Economics with specialisation in banking and finance from the University of Mauritius. Directorships in listed companies: New Mauritius Hotels

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

GOBURDHUN Goolabchund, G.O.S.K

Mr. Goburdhun, G.O.S.K. is a Fellow of the Association of Chartered Certified Accountants and holds a MSc in Finance from the University of Mauritius. He has been appointed as Managing Director of The State Investment Corporation Limited (SIC) since April 2019. He holds directorship on various SIC Investee Companies, including Lottotech Ltd, Casino Companies, SIC Development Co. Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, Port Louis Fund Ltd, Mauritius Shipping Corporation Limited and Ebène Car Park Ltd.

He was also Director of Air Mauritius Limited, Airports of Mauritius Co. Ltd and Cote d'Or International Racecourse and Entertainment Complex Ltd, which are not investee companies of SIC.

Mr. Goburdhun has extensive experience in the field of auditing, accounting and finance. He is registered with the Mauritius Institute of Professional Accountants as 'Professional Accountant.'

In the past, Mr. Goburdhun was in public practice as a Chartered Certified Accountant providing services relating to Accounting, Auditing, Management, Tax Consultancy and Corporate Secretarial Services. Previously, he held Chairmanship on various Government-related companies/institutions such as MauBank Holdings Ltd, MPCB (now MauBank Ltd), National Pensions Fund and Responsible Gambling and Capacity Building Fund of the Gambling Regulatory Authority.

Directorships in listed companies: Lottotech Ltd.

RAGAVOODOO Ammanah

Mrs. Ragavoodoo holds a Bachelor of Laws Degree from the London School of Economics and Political Science, United Kingdom since 1996. She also holds the LLM in International Business Law from Paris Pantheon Assas University. Having successfully completed the Vocational Examinations held by the Council of Legal Education in 1997, she was admitted as an Attorney in December 1998 and became a Member of the Mauritius Law Society. She has been in private practice for the last twenty-four years, advising corporate bodies, statutory bodies, local and international clients and representing clients before various courts and tribunals including the Judicial Committee of the Privy Council and in arbitration proceedings.

In March 2018, she was appointed Board Member of the Financial Intelligence Unit and reappointed on March 28, 2022. In November 2018, she was appointed a member of Electoral Supervisory Commission and Electoral Boundary Commission. In 2022, she was appointed a Board Member of Airmate Ltd.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

BALLAH Nayen Koomar, G.O.S.K

Mr. Ballah, G.O.S.K. was appointed Secretary for Home Affairs on January 01, 2015 and Secretary to Cabinet and Head of the Civil Service on September 16, 2016. He holds a Diploma in Public Administration and Management, a Bachelor of Arts in Political Science and Economics, and a Bachelor of Arts (Honours) in English.

He has a long career in the public service and has been the Secretary of the Public Service Commission and the Disciplined Forces Service Commission. He has served in senior positions as Permanent Secretaries in various Ministries such as the Ministry of Agriculture, Fisheries and Natural Resources, Ministry of Arts and Culture, Ministry of Youth and Sports, the Ministry of Public Infrastructure, Land Transport & Shipping, and the Prime Minister' s Office. He has also served as Chairperson and member on various boards and committees and was the Chairperson of the SBM (Bank Holdings) Ltd, the Mauritius Revenue Authority, Metro Express Limited and Multi- Carrier (Mauritius) Ltd, and Director on the Board of Mauritius Duty Free Paradise and Air Mauritius Limited
. He was conferred the award of Grand Officer of the Star and Key of the Indian Ocean (G.O.S.K) by the President of the Republic of Mauritius on March 12, 2018 for distinguished service in the public sector.

SALEMOHAMED Muhammad Yoosuf, C.S.K

Mr. Salemohamed, C. S. K. started his career in one of the leading Audit firms where he trained in Accounting and Auditing. In 1975, he joined a vertically integrated textile manufacturing company as Accountant and climbed the corporate ladder to the post of General Manager.

Since 1992, Mr. Salemohamed has been using his wealth of knowledge and expertise, acting in various capacities in the textile and property development sectors. He served as a President of the Mauritius Chamber of Commerce and Industry and of the MEFPA (now Business Mauritius Provident Association), Chairman of the Mauritius College of the Air and of Enterprise Mauritius. He was also a Director on the board of the Development Bank of Mauritius Ltd and an Adviser to the Ministry of Commerce and Industry. He was also the Navigator spearheading the project for the design of the National Export Strategy. He served as a Board member of Air Mauritius Limited from July 2015 to November 2019 and was the Chairman of the SICOM group from July 2018 to December 2021. Mr. Salemohamed is presently the Managing Director of Aurdally Bros & Co Ltd and Genuine Services Ltd.

Profiles of Directors who were appointed after the year end and presently holding office are a follows:

BEEGOO Kremchand – Chairperson

Mr. Kremchand Beegoo was appointed on the Board on January 9, 2025, and subsequently as Chairperson of the Board on January 13, 2025. He previously served as Executive Director at Air Mauritius Limited from 1988 to 2001 and Board Director from 2004 to 2014. During this period, he served the Audit, Senior Officers Remuneration, General Affairs & Policy Committees and as Chairman of the Executive Committee. He is a Past President of Rotary and Lions Clubs. Currently, he is the Managing Director of Cargotech Ltd, EV Cargo Ltd & EV Cargo Sarl. With deep knowledge in the Airline Industry, logistics, and supply chain management, he has been actively involved in consulting on strategic enhancement and organizational optimization for global transport companies. Mr Beegoo is recognized for his leadership and commitment to the advancement of the aviation industry in the region.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

SEEBALLUCK Suresh Chundre, G.O.S.K

Mr. Suresh Chundre Seeballuck, G.O.S.K. has been appointed Secretary to Cabinet and Head of the Civil Service as from November 15, 2024. He holds a BA Degree in Economics from the University of Delhi, India.

He has a long career in the public service and was the Secretary to Cabinet and Head of the Civil Service from 2006 to 2014 and the Secretary for Home Affairs from 2003 to 2005.

He has served in senior positions in various Ministries and also as Chairperson and Member on various Boards and Committees.

He is currently the Chairperson on the Board of Airport Holdings Ltd and Director on the Board of Air Mauritius Limited.

He was conferred the award of the Grand Officer of the Star and Key of the Indian Ocean (GOSK) by the President of the Republic of Mauritius on March 12, 2010 for distinguished service in the public sector.

THOMAS Appalsamy, G.O.S.K

Mr. Thomas, G.O.S.K. with a Diploma in Human Resources Management from the University of Mauritius and an MBA from the University of Surrey, UK, commands an extensive experience across multiple industries and management disciplines, including aviation, telecommunications, chemicals, textiles, consultancy, and human resources.

In 1986, he joined British American Tobacco (Mauritius) as Human Resources Manager, later embarking on an international career with the company for nearly five years. In 2004, he was appointed CEO for the Central, Eastern, and Southern Africa Region at DCDM, having joined the consultancy firm in 2001. Mr. Thomas also served as the Group Head of Human Resources, Marketing, and Communications at Harel Mallac for eleven years, contributing to the company's strategic growth.

Mr. Thomas began his career at Air Mauritius in 1975, where he spent thirteen years in various roles. He served as Advisor to the Chairman and Managing Director in 1999 and later took on the position of Chairman of Air Mauritius from 2012 to 2014, leading the airline during a crucial period.

Between 2006 and 2012, he was the Chairman of Mauritius Telecom, overseeing significant advancements in the telecommunications sector.

In January 2025, he was appointed as Director of Air Mauritius Limited. He currently serves as the Officer-in-Charge of Airport Holdings Ltd.

With a wealth of leadership experience and a strong background in corporate governance, Mr. Thomas, who is a fellow member of the Mauritius Institute of Directors, remains a key figure in the Mauritian business landscape.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

DABEE Dheerendra Kumar, G.O.S.K, S.C

Mr. Dheerendra Kumar Dabee, GOSK, SC, is a distinguished legal professional and a former Solicitor-General in the Attorney General' s Office, retiring in 2021. He currently serves as a Legal Adviser/ Consultant in the Attorney General' s Office. A Laureate and graduate in Law and Political Science from Birmingham University, he was called to the Bar at Middle Temple in 1981.

Over his career, he has held several key leadership roles, including Chairman of the Medical Tribunal, the Mauritius Cane Industry Authority (MCIA) Control and Arbitration Committee, and Vice-Chairperson of the Financial Services Commission (FSC). He has also served as the Chairperson of the Financial Intelligence Unit (FIU) and provided legal advisory services to various public organizations. Additionally, he has been a Board Director of multiple companies, including Metro Express Ltd, State Bank (Mauritius) Ltd, and Mauritius Telecom.

With extensive expertise in labour law, industrial relations, and contract negotiation, Mr. Dabee has played a pivotal role in Bilateral Air Services Negotiations, both as a participant and head of delegation. He was appointed to the Board on January 09, 2025.

GUJADHUR Ramapathee, C.S.K

Mr. Ramapatee Gujadhur, C. S. K. is a retired banker. He spent more than three decades at the Mauritius Commercial Bank (MCB) Limited. During his career he headed the Organization & Methods, Import and Legal departments and has also acted as Accountant and Executive Officer of MCB Finance Corporation Ltd, a subsidiary of MCB Limited specialized in medium- and long-term loans.

Mr. Gujadhur has been in charge of Audit and Security at MCB Limited for five years prior to joining the top management team in 1988 where he assumed, inter alia, the responsibility of the loan portfolio of traders. He is an Associate member of the Institute of Bankers in England and Wales.

Mr. Gujadhur has been a Director of Air Mauritius Limited for 13 years up to December 2014.

He is a Director of MTML LTD, fully owned subsidiary company of MTML, a government of India undertaking, since its inception in 2003. He has been a director of MEDINE LTD, a listed company for more than 12 years. He is also a Director on the Board of Indian Oil (Mauritius) Ltd.

Mr. Gujadhur was elevated to the rank of Commander of the Star and Key of the Indian Ocean by the President of Mauritius on the recommendation of the Prime Minister, for social services in 2008.

WOO SHING HUI Foo Sui Siv, G.O.S.K

Mr. François Woo Shing Hai, GOSK was appointed to the Board of Air Mauritius Limited on January 09, 2025 and is currently the Group Managing Director of Compagnie Mauricienne de Textile Ltée.

A visionary leader with an outstanding track record in the fashionwear manufacturing industry, he is known for driving innovation, operational excellence, and commitment to the industry's advancement. Under his leadership, CMT has not only strengthened its position as an economic pillar but also contributed significantly to national employment and sustainable growth for the country.

Mr. François Woo is recognized as a prominent voice in the Mauritian business landscape and received various awards during his career including Entrepreneur of the Year and Honorary Fellowship in Management by the University of Mauritius. He was also recommended by the International Monetary Fund to act as adviser to African countries in the development of their textile industry.

As a board member, his invaluable insights, leadership acumen, and forward-thinking approach will be instrumental to support the airline's turnaround.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

DEWKURUN Devanand
Mr. Devanand Dewkurun is the Founder and Managing Director of Sindicom Brokers Ltd. He is an experienced and results-driven leader with more than 25 years in the insurance sector. Throughout his career, he has consistently demonstrated expertise in managing extensive client portfolios, including those of major parastatal organizations and high-profile private companies. Mr. Dewkurun holds a BSc (Hons) in Economics and an LLB (Hons), both from the University of London. He was appointed on the Board of Air Mauritius Limited on January 09, 2025.

JUGASING-HARRAH Kreeti Devi
Mrs. Kreeti Devi Jugasing-Harrah is the Officer-in-Charge of the MIC since November 21, 2024. She holds a BSc degree in Finance from the University of Mauritius and is a qualified accountant from the Association of Chartered Certified Accountants, UK. She is also a holder of an MSc in Financial Management from Heriot-Watt University. Prior to joining MIC in 2022, she was employed as the Head of Treasury at Sun Limited where she oversaw the Global Treasury Management for the Sun Group. With over 18 years of experience in the finance industry, she has effectively overseen numerous projects pertaining to capital restructuring, corporate finance, and smart city master planning. She was appointed as Director on the Board of Air Mauritius Limited on January 09, 2025.

LECLÉZIO Jean Marie René
Mr. Jean Marie René Leclézio holds a Degree in Chemical Engineering and an MBA (London Business School). He worked as Chemical Engineer in the oil and gas industry, London; Assistant Manager at Lloyds Merchant Bank, London. He was Managing Director of Promotion and Development Ltd and director of several public and private companies, including Caudan Development Ltd, Mauritius Freeport Development Company Ltd, Swan General Ltd and Swan Life Ltd. He was appointed as a director of the Medine Group in 2001, Vice-Chairman from 2002 to June 2011 and then Chairman of the Medine Group since July 01, 2011.

Mr. Leclézio was appointed as Director on the Board of Air Mauritius Limited on January 09, 2025 and is the Chairperson of the Audit & Risk Committee as from January 30, 2025.

OOZEER Shaukatally
Mr. Shaukatally Oozeer is a distinguished legal professional having more than 40 years of practice at the Mauritian Bar with extensive experience in civil and criminal law, specializing in company law, commercial law, insurance, banking and industrial law. A past Secretary and Chairman of the Mauritius Bar Association, he served as Chairman of the National Accreditation and Equivalence Council and sat on the board of key institutions, also acting as legal adviser to commercial banks and insurance companies. In addition to his active legal practice, Shaukat has contributed to law reform as a former member of the Law Reform Commission and served on the Board of the Technical School Management Trust Fund. He holds a degree in Law and was called to the Bar of England & Wales at The Honourable Society of the Middle Temple in 1984, the same year he was admitted to the Mauritian Bar. He also holds a Diploma in Business Management. He is a Director on the Board of Air Mauritius Limited as from January 09, 2025.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profiles (cont'd)

RANGASAMY Pazhany

Mr. Pazhany Rangasamy is an accomplished legal professional with over 32 years of distinguished service at the bar. He qualified as an Attorney-at-Law in April 1993 and is a respected member of the Mauritius Law Society. His academic credentials include a Master of Laws (LLM) in Business International Law from the United Kingdom, underscoring his expertise in international legal frameworks.

In his current role as Managing Partner at PR LEGAL LTD—a registered law firm—he leads a team dedicated to upholding the highest standards of legal practice. His commitment to mentoring future legal professionals is evident in his position as Pupil Master of the Mauritius Law Society for Attorneys. His career is marked by significant leadership roles and contributions to various public bodies. He has served as a member of several influential committees and councils, including:

- The Mauritius Sports Council,
- The Medical Council,
- The Environment Tribunal, and
- The Law Reform Commission.

From March 2009 to August 2013, he held the position of Chairman of the Airports of Mauritius Co. Ltd, where he played a pivotal role in overseeing the operations of the nation's aviation infrastructure and the construction of the new airport terminal. Additionally, his extensive experience in litigation is reflected in his numerous appearances in high-profile cases across Mauritius. He also serves as a Registered Agent for the Judicial Committee of the Privy Council in the UK, a role that highlights his international standing and deep-rooted expertise in legal affairs.

He was appointed on the Board of Air Mauritius Limited on January 09, 2025.

RUGJEE Indira

Mrs. Indira Rugjee holds an MBA from the University of Birmingham, UK. She has a wide experience in the public service. As Permanent Secretary, she has headed a number of Ministries. She is currently in charge of the Ministry of Tourism. Mrs. Rugjee has also served both as Chairperson and Board Director in a multitude of Boards including the Mauritius Cane Industry Authority, the Sugar Investment Trust, Sugar Insurance Fund Board, Agricultural Marketing Board and State Trading Corporation. She has been appointed on the Board of Air Mauritius Limited on January 31, 2025.

Board Committee's Mandate

The Board applies responsible governance in managing the Company and overseeing the activities of the Company through various Board committees. Delegation is formal and involves approved and documented Terms of Reference for each Board committee and ensuring that members of each committee have the appropriate skills and expertise.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

At the start of the financial year, the following Committees assisted the Board in performing its duties:
- Audit Committee;
- Risk Committee;
- Corporate Governance Committee;
- Nomination and Renumeration Committee;
- Finance Committee; and
- Aircraft Committee.

In July 2023, the Board reviewed its corporate governance framework and re-structured existing sub-committees into the following Committees:

- Audit & Risk Committee;
- Corporate Governance, Remuneration and Nomination Committee;
- Investment and Finance Committee.

In October 2023, the setting up of a Safety and Compliance Committee was approved by the Board.

Following new Board composition, the Chairman for the sub-committees have been designated as follows:
- Audit & Risk Committee – Mr. Jean Marie René Leclézio
- Corporate Governance, Remuneration and Nomination Committee – Mr. Appalsamy Thomas, G.O.S.K
- Investment and Finance Committee – Mrs. Kreeti Devi Jugasing - Harrah
- Safety and Compliance Committee – Mrs. Kantabye Babajee

Audit Committee

Members	Number of Meetings held	Attendance
Mr. Harold Mayer, Chairperson		2/3
Mrs. Ammanah Ragavoodoo	3	3/3
Mr. Azim Currimjee		3/3

Focus Areas

- Approve yearly internal audit plan and follow-up.
- Consider internal audit reports.
- Examine and address key audit matters.
- Appointment of external auditors.
- Assess the effectiveness of the internal controls.
- Ensure compliance of reporting for financial statements.
- Review work undertaken by external auditors.
- Monitor of the financial risks.

Terms of Reference

- To oversee the financial reporting process to ensure the balance, transparency, and integrity of published information.
- To review the effectiveness of the Company's internal financial control.
- To evaluate the independence and to review the effectiveness of the internal audit function.
- To review the Company's process for monitoring compliance with laws and regulations affecting financial reporting, its Code of Ethics and Business Conduct and its Fraud Prevention Policy.
- To review the significant accounting judgements and monitor the integrity of the financial statements. The ultimate responsibility for the approval of the financial statements rests with the Board.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

Corporate Governance Committee

Members	Number of Meetings held	Attendance
Mr. Philippe Maxime Sauzier, Chairperson		1/1
Mr. Arvind Bundhun	1	1/1
Mr. Surendra Teeluck, O.S.K		1/1

Focus Areas

- Implementation of the Code of Corporate Governance.
- Compliance with Code of Corporate Governance.
- Review of the Corporate Governance Report.
- Board Evaluation.

Terms of Reference

- Advise the Board on all aspects of corporate governance.
- Recommend the adoption of best practices as appropriate for the Company.
- Recommend the Board on adoption of general policy on corporate governance.

Finance Committee

Members	Number of Meetings held	Attendance
Mr. Muhammad Yoosuf Salemohamed, C.S.K, Chairperson		2/2
Mr. Ken Arian	2	2/2
Mr. Jitendra Nathsingh Bissessur		2/2

Focus Areas

- Consider and approve all contracts exceeding EUR 1M.
- Monitor capital expenditure.
- Review cash flow forecasts and monthly management accounts.
- Examine and monitor the financing of major investments.
- Assess adequacy of liquidity and equity requirement for Board's appraisal.

Terms of Reference

To advise Board in relation:

- Financial policies, strategies, and courses of action.
- Capital structure and funding.
- Capital management planning and initiatives including capital allocation.
- Acquisitions and divestments of assets, including proposals which may have a material impact on the capital position of the Company.
- Financial risk management practices.
- Transactions or circumstances which could materially affect the financial condition and profile of the Company.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

Nomination and Renumeration Committee

Members	Number of Meetings held	Attendance
Mrs. Ammanah Ragavoodoo, Chairperson		1/1
Mr. Muhammad Yoosuf Salemohamed C.S.K	1	1/1
Mr. Ken Arian		1/1

Focus Areas

- Discussion on collective agreements of the various unions.
- Discussion on pension issues as highlighted by management.
- Monitor recruitment and deployment of employees across the Company.
- Approval/ratification of appointments.
- Approval of salary adjustments as recommended by management.
- Consider requests of early retirement of employees.
- Advise on litigation cases concerning employees.

Terms of Reference

To take appropriate decisions and/or to make recommendations to the Board on matters relating to inter alia:

- Human resource plans and strategies.
- Selection, recruitment, appointments, promotion restructuring and other related exercises.
- Remuneration and performance management system.
- Terms and conditions of service.
- Training and human resource development.
- Industrial relations policies and practices.

Risk Committee

Members	Number of Meetings held
Mr. Goolabchund Goburdhun, G.O.S.K, Chairperson	
Mr. Azim Currimjee	Nil
Mr. Peter Davies	

The last meeting of the Risk Committee was held on March 27, 2023. Further to the review of Board's Committees in July 2023, the Risk Matters were dealt with by the Audit & Risk Committee. The said Committee met three (3) times, from July 2023 to the end of the financial year.

Aircraft Committee

Members	Number of meetings	Number of Meetings held
Mr. Ken Arian, Chairperson		2/2
Mr. Jitendra Nathsingh Bissessur		2/2
Mr. Peter Davies	2	2/2
Mr Yoosuf Salemohamed, C.S.K		2/2

The Aircraft Committee mainly dealt with fleet management matters.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

Audit and Risk Committee

Members	Number of Meetings held	Attendance
Mr. Harold Mayer, Chairperson		3/3
Mr. Goolabchund Goburdhun, G.O.S.K	3	3/3
Mr. Jitendra Bissessur		3/3

Focus Areas

- Updated Risk Register.
- Budget Parameters.
- Enterprise Risk Management.
- Internal Audit Reports.
- Internal Audit Plan.
- Approval of the audited Financial Statements.

Terms of Reference

The Terms of Reference of the Committee are being finalised.

Investment and Finance Committee

Members	Number of Meetings held	Attendance
Mr. Muhammad Yoosuf Salemohamed C.S.K		3/4
Mr. Jitendra Bissessur (as from December 07, 2023)		2/2
Mr. Peter Davies		4/4
Mr. Arvind Parmessar Bundhun	4	2/4
Mr. Ken Arian (From December 07, 2023 to March 04, 2024)		2/2
Mr. Azim Currimjee		3/4

Focus Areas

- Approval of contracts for amounts exceeding EUR 1M.
- Acquisition of assets.
- Lease of aircraft.

Terms of Reference

The Terms of Reference of the Committee are being finalised.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

Corporate Governance, Nomination and Remuneration Committee

Members	Number of Meetings held	Attendance
Mrs. Ammanah Ragavoodoo, Chairperson		3/3
Mr. Philippe Maxime Sauzier	3	3/3
Mr Surendra Teeluck, O.S.K		3/3

Focus Areas

- Terms of Reference of the Committee
- Board Evaluation.
- Recruitment of staff at senior management level.
- Industrial dispute cases.

Terms of Reference

The Terms of Reference of the Committee are being finalised.

Safety & Compliance Committee (set up in October 2023)

Members	Number of Meetings held	Attendance
Mr. Peter Davies, Chairperson		1/1
Mr. Goolabchund Goburdhun, G.O.S.K	1	1/1
Mr. Philippe Maxime Sauzier		1/1

Focus Areas

- Charter of the Committee.
- Safety Management Issues.
- Training of Board Directors on Safety Governance.
- Staff Morale.

Terms of Reference

- Monitor management's efforts to promote flight safety and operational compliance at the Company, taking into account applicable government and industry standards, materiality, legal and business trends, excluding areas over which the Board has delegated authority or responsibility to its Audit & Risk Committee.
- Monitor and assist management in creating and maintaining a safety culture with the Company's flight operations.
- Periodically review with management, and such advisors and experts as the Committee deems appropriate, aspects of airline safety, specifically flight operations and operational compliance.
- Monitor management's review of such policies, programs and procedures of the Company as regards safety and operational compliance reporting systems.
- To assess whether the Company's safety and operational compliance practices support the Company's policies.
- Periodically report to the Board on the adequacy and effectiveness of the Company's safety and operational compliance programs and make recommendations to the Board regarding the Company's safety and operational compliance practices generally.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Board Committee's Mandate (cont'd)

Role and Function of the Company Secretary

The function of Company Secretary is fulfilled by Mr. Swaraj Kowlessur. He is a Member of the Chartered Governance Institute, United Kingdom. In addition, he holds Honours Degree in Management from the University of Mauritius, and an MBA from the University of Southern Queensland, Australia. He is also a fully qualified ACCA and a member of the Mauritius Institute of Directors. He has over 20 years working experience in company secretarial practice, corporate administration and governance matters.

The Company Secretary plays a key role in the application of Corporate Governance principles in the Company. He also ensures that the Company complies with its constitution and all relevant statutory requirements, codes of conduct and rules established by the Board. The Company Secretary ensures that papers for Board and Committee Meetings are distributed prior to the relevant meetings. All Board members have access to the Company Secretary for any further information they may require in the discharge of their responsibilities. The Company Secretary is the focal point of contact for shareholders. The appointment and removal of the Company Secretary is a matter for the Board.

LEADERSHIP TEAM

The leadership team of the Company consisted of the following main senior executives:

BAICHOO Sameer, Chief Operations Officer
Sameer joined Air Mauritius in 1999 as a cadet pilot and has since built an extensive career within the airline, rising through the ranks to become Chief Operations Officer in May 2024. Starting as a First Officer on the ATR fleet in 2002, Sameer quickly transitioned to the A319 in 2003, before moving to the A340 as First Officer in 2006, and later to the A330/A340 fleet in 2009. He held the role of Commander on the ATR fleet from 2016 to 2018, before taking command of the A340/A330 fleet from 2018 to 2020. With over 14,100 flying hours and 3,511 hours as Pilot-in-Command (PIC), Sameer has accumulated a wealth of experience across both short-haul and long-haul operations. He currently commands both the A330 and A350 aircraft, bringing leadership and operational expertise to the airline's flight operations.

In addition to flight operations, Sameer has played a significant role in training and compliance within Air Mauritius. As a Subject Matter Expert in Flight Operations Compliance since 2014, he has contributed to numerous safety and regulatory initiatives. A dedicated Crew Resource Management (CRM) and Safety Management System (SMS) facilitator since 2012, Sameer has developed and delivered training programs to enhance crew safety and decision-making. He also facilitates leadership courses aimed at developing future aviation leaders, including programs for socially disadvantaged youth. With a background in aviation training and regulatory compliance, including an EASA Airline Transport Pilot Licence and UK CAA Auditors Certificate, Sameer is committed to maintaining the highest standards of safety, operational efficiency, and regulatory compliance in all areas of the airline's operations.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

LEADERSHIP TEAM (cont'd)

RECOURA LAURENT, Chief Commercial Officer
Mr. Recoura was appointed as the Chief Commercial Officer in February 2025. He is a Commercial airline senior executive with over 30 years of international experience, spanning the USA, Europe, India, Asia and the Middle East. He has strong expertise on business transformation, turnaround exercises, revenue growth, and cost of sales control strategies. Furthermore, he has hands on experience on process reengineering, strategic planning, change management, program and project management, performance and metric definition, corporate negotiation.

AH CHIP Jean Laval, Head Treasury & Risks
Mr. Ah Chip is presently the Head Treasury & Risks, responsible for managing Finance Strategy, Treasury and Insurance.

Mr. Ah Chip is a Fellow Chartered Accountant (ICAEW). He holds an MSc in Management Information Systems and a BSc in Econometrics and Mathematical Economics at the London School of Economics (LSE). He joined Air Mauritius in 2011 as Head of Treasury & Risk, where he oversaw the airline's financing activities. Mr. Ah Chip started his career in Banking and Financial Markets at UBS Investment Bank and subsequently held various managerial positions in Credit Derivatives and Emerging Markets at JP Morgan and HSBC in London.

LUXIMON Narain, Attorney
Mr. Luximon is an Attorney at Law by profession. He holds a LLB Hons from the University of Mauritius and satisfied the requirements of the Council of Legal Education, Mauritius to practice as an Attorney at Law in October 1993. In the year 1995, he joined the then Etude de Commarmond Koenig. In the year 1999 he joined the Attorney General's Office and resigned as Ag Senior State Attorney in the year 2003 to join Air Mauritius in its Legal Department beginning 2004. Since the beginning of the year 2021, Mr. Luximon is overseeing the Legal Department. Mr. Luximon also holds a Diploma in Air Law from IATA.

SADIEN Jean Bernard, Head of Human Resources
Mr. Sadien joined the Company in 2003 as Human Resources Manager and has been appointed as the Head of Human Resources in February 2023. Mr. Sadien's over 20-year career spans all the areas of human resources management, including Talent Assessment and Acquisition, HR Operations, Talent Development and Employee Relations. Mr. Sadien is a Graduate from University of Paris X, specialising with a Master's degree (Diplome D'Etudes Superieures Specialisees) in Industrial/Organisational Psychology.

Captain LEUNG HING WAH Alain
Captain Leung Hing Wah is the Nominated Person – Flight Operations. Captain Leung Hing Wah joined the Company in 1985 after studies in SFACT and ENAC. He is a Captain on A350/A330 and he is also involved in Pilots' training and checking.

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

LEADERSHIP TEAM (cont'd)

LI YING Donald
Mr. Li Ying is the Vice President – Information Systems. He is heading the Information Systems Department which provides Information and Communication Technology related systems and services across the company. Mr. Li Ying is responsible for leveraging digital technologies within the airline to optimise operations, enhance customer experiences and foster innovation. He joined Air Mauritius in 1988.

RAMROOP Ravind
Mr. Ramroop is the Head of Technical Services. He is the nominated person for Continuing Airworthiness of aircraft in the airline's fleet and post holder for Air Mauritius Approved Maintenance Organisation. He joined the company in 1988 and has been in various critical positions in Technical Services. He holds an MBA.

PRINCIPLE THREE – DIRECTOR APPOINTMENT PROCEDURES

"There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders."

The needs of the Company are considered in appointing Board Members. The following factors are considered:
- Skills, knowledge, and expertise required on the Board.
- Skills, knowledge, and expertise of the proposed Director.
- Previous experience as a Director.
- Specific roles required on the Board such as Chairman of a Committee.
- Balance required on the Board such as gender and age.
- Independence where required.
- Amount of time the proposed Director can devote to the business of the Board.
- Conflict of interest.

As per the Constitution of the Company, shareholders approve the appointment of Directors. They take into consideration the above attributes required, in this process. Directors are re-elected for appointment at the Annual Meeting of shareholders.

PRINCIPLE THREE – DIRECTOR APPOINTMENT PROCEDURES (CONT'D)

Newly appointed Directors are briefed on the Company's operations, business environment and legal duties. They receive an induction pack. The Board shall conduct, as and when deemed necessary, a review to identify areas where the Board members require further training or development but remains committed to ensuring that all Directors constantly refresh their skills and knowledge to keep track with the changing business environment. The Directors receive regular updates on the Company's activities at Board where presentations on key topical areas are made. The Directors are also apprised of changes in the regulatory and corporate governance framework by the Company Secretary and can obtain independent professional advice at the Company's expense in connection with the exercising of their duties and responsibilities. Upon any change in directorship, the Board assumes the responsibility for succession planning.

PRINCIPLE FOUR – DIRECTORS' REMUNERATION AND PERFORMANCE

"Directors should be aware of the legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflict of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform up to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives."

Legal Duties

The Directors of the Company are aware of their legal duties and responsibilities in accordance with Mauritius Companies Act 2001 and the Code. Besides, the Directors maintain a reputation for high standards of business conduct and ethics and perform their duties with due care, skill and diligence.

Code of Ethics

The Board sets the tone for Directors of the Company to adhere to principles and norms which foster a fair, honest and ethical business conduct.

Conflict of Interests/Related Party Transactions

The Board believes that a Director should make its best endeavours to avoid conflict of interest or a situation where his fellow Directors might reasonably perceive such a conflict. Full information on any conflict or potential conflict of interest is made known to the Board and recorded accordingly. The onus is on the Directors to advise the Board on any change in their situation.

The individual directors should declare his / her specific interests in any discussions in respect of which the director concerned might have a conflict of interest.

On declaration of his/her interest, the concerned Director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises but may continue to be present. The transaction may however be conducted and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with accounting policies and standards.

Transactions with related parties are disclosed in detail in the financial statements.

PRINCIPLE FOUR – DIRECTORS' REMUNERATION AND PERFORMANCE (CONT'D)

Information, Information Technology and Information Security Governance

The Board is responsible for the information governance whereas the management of the information technology as well as the Information Security Governance have been delegated to the ICT Function, which falls under the responsibility of the Vice-President Information Systems. The Company has set up a governance model with a set of ICT Policies and Guidelines, and appropriate mechanisms.

The Company relies on reliable IT solutions and the good running order of technical systems and IT applications.

An Information and Communication Technology Policy is in place regulating the use, security, control and access rights which are hosted at the Company's premises. The document has been circulated to all the staff using the Information Technology Infrastructure and awareness sessions have been held for them to commit to it. The Board has also ensured rigorous monitoring of the resilience of the Information Technology Infrastructure to cyber-attack risks.

Whilst ensuring secured Information Technology Infrastructure, the Company is continuously working on upgrading state of the art technology like Oracle ERP, Aircraft and Flight Operation Systems, Skype for Business, and Office 365 to enhance their working environment and improve their efficiency. Any budget for information communication technology is provided for in the capital expenditure by the Company and submitted for approval to the Board.

Board Information

The Chairperson with the assistance of the management and the Company Secretary ensures that the Directors receive the necessary information to perform their duties and that the Board has sufficient time for consultation and decision-making. A new board application is in use for holding paper-less meeting, which allows Directors to receive papers more promptly, at the same time contributing towards to protect the environment.

The Board members ensure that matters relating to the Company, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to unauthorised person.

All Directors have unrestricted access to the Company's records, on request.

Directors' and Officers' Liability Insurance

A Directors' and Officers' Liability Insurance Cover has been taken by the Company to provide cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company.

During the financial year under review, a Board Effectiveness assessment was conducted and the results thereof were considered by the Corporate Governance, Nomination & Remuneration Committee and the Board.

The Board of the Company is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Furthermore, Independent Non-Executive Directors are chosen for their business experience and their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board. These Directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

PRINCIPLE FOUR – DIRECTORS' REMUNERATION AND PERFORMANCE (CONT'D)

Directors' Interests in Shares

As at March 31, 2024, none of the Directors hold shares in the Company.

Directors' Remuneration/Statement of Remuneration Philosophy

Fees are paid to the Directors for holding office in accordance with the Constitution of the Company. The underlying philosophy is to set remuneration at appropriate level to reward in alignment with their individual as well as joint contribution towards the achievement of the Company's objective and performance. The Executive Director, who is in full time employment at Air Mauritius, does not receive any additional remuneration for sitting on the Board of Directors. None of the Non-Executive Directors are entitled to remuneration in the form of share options or bonuses associated with the Company's performance.

The remuneration of the Executive Director was reviewed by the Corporate Governance and Remuneration Committee. It consists of both fixed and variable components, including a performance based bonus, duly approved by the Board. The performance target card for the Executive Director was approved by the Board post year end.

During the year under review, the remuneration paid to the Directors was as follows:

Names of Directors	€'000
Mr. Marday Venketasamy, G.O.S.K, C.S.K	19.77
Mr. Nayen Koomar Ballah, G.O.S.K	3.67
Mr. Goolabchund Goburdhun, G.O.S.K	3.67
Mr. Harold Mayer	3.67
Mrs. Ammanah Ragavoodoo	3.67
Mr. Muhammad Yoosuf Salehmohamed, C.S.K	3.67
Mr. Philippe Maxime Sauzier	3.67
Mr. Ken Arian (Up to March 04, 2024)	2.24
Mr. Jitendra Nathsingh Bissessur	3.67
Mr. Arvind Bundhun	3.67
Mr. Peter Davies	30.50
Mr. Azim Fakhruddin Currimjee	3.67
Mr. Surendra Teeluck, O.S.K	3.67
Mrs. Kantabye Babajee (as from March 06, 2024)	-
Mr. Krešimir Kučko (Up to September 19, 2023)	386.15
Mr. Joseph Edouard Charles Cartier* (as from March 06, 2024)	-

* Mr. Joseph Edouard Charles Cartier is only paid remuneration in respect of his employment contract as Chief Executive Officer of the Company. Refer to Note 27 of the financial statements where disclosure has been provided in respect to remuneration paid to key management personnel.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL

"The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system."

Risk Management and Internal Control

The Board has the ultimate responsibility for risk governance and internal control systems as well as determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, while ensuring that an appropriate risk culture has been embedded throughout the Company. The requirements placed on the internal control systems are essential not only for the survival of the Company, but also to maintain the confidence of the stakeholders. A comprehensive risk management system regularly assesses the appropriateness of the internal control system, taking not only qualitative and quantitative guidelines into account, but also specific control instruments for individual business activities.

The Board is responsible of the adequacy and effectiveness of the Company's business risk management and systems of internal control. The Board, through the Audit Committee and Risk Committee regularly receives reports on the risk management and take appropriate decisions accordingly.

- ***Financial Risks***

These risks comprise market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as disclosed in the financial statements.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping reliable credit lines available. Management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flows.

- ***Operational Risks***

These risks are defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company's processes are periodically re-evaluated to ensure their effectiveness.

- ***Compliance Risks***

Compliance risks are defined as the risks of not complying with laws, regulations and policies. The Company endeavours to comply with the requirements of the relevant legislations and regulatory authorities. The Company is also committed to the protection of the environment and towards the society at large.

- ***Strategic Risks***

Strategic risks are risks associated with the type of business-level strategy adopted by the Company in the pursuit of its strategic objectives and growth opportunities. Air Mauritius mitigates this risk through an ongoing review of strategic matters by the Board and preparation of business plans to assess the implications of its business strategies both from a best and worst-case perspective.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

- ***Reputational Risks***

These risks arise from losses due to unintentional or negligent failure to meet a professional obligation to stakeholders. The Company's strong reputation revolves around effective communication and building solid relationships.

- ***Information Communication Technology ("ICT") Failure Risks***

These represent significant or sustained loss of ICT capability which could have a material effect on the ability to do business, especially in certain business units. The management of departments is encouraged to create a central awarenessof ICT risks around and ensure, as far as possible, that appropriate disaster recovery plans are in place at each site.

- ***Economic and Business Environment Risks***

The revenues are sensitive to the economic and business environment and can be affected by a downturn in the general economic and business environment locally and internationally. The Board has put in place a Risk Management Manual, whereby the Audit and Risk Committee oversees different and specific risks affecting and which may affect the Company. Ultimately, the Board is fully responsible for managing properly the risks of the Company. A Risk Register is maintained, identifying, assessing and ranking risks to ultimately adopt risk-mitigation strategies.

Whistleblowing Procedures or Mechanisms for Raising Concerns

The Company has established a policy which sets out the procedures or mechanisms for raising concerns. The staff and any other stakeholder who has genuine cases of wrongdoing or malpractice are encouraged to report them. The Company is working on putting in place of a software application for whistle blowing.

PRINCIPLE SIX – REPORTING WITH INTEGRITY

"*The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report*."

The Board is responsible for the preparation of financial statements that fairly present the state of affairs of the organisation. Please refer to the Directors' Report, Sustainability Report, Risk Management Framework and Statement of Directors' Responsibilities.

PRINCIPLE SEVEN – AUDIT

"Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors."

PRINCIPLE SEVEN – AUDIT (CONT'D)

External Audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented and whether they are prepared in all material respects in accordance with IFRS Accounting Standards and in compliance with the Mauritius Companies Act 2001 and Financial Reporting Act 2004. Their audit also includes an assessment of selected internal controls. The preparation of the annual financial statements and the adequacy of the systems of internal control remain the responsibility of the Directors. Where permissible, the external auditors could be approached to provide non-audit services.

In line with the Code and the Financial Reporting Act 2004, Messrs KPMG was appointed external auditors of the Company, for the financial year under review.

Significant audit issues are discussed with the Audit and Risk Committee and the Board.

The External Auditors are in attendance at meetings of the Audit and Risk committee, when the audited financial statements of the Company are tabled for consideration.

During the year under review, audit fees payable to KPMG for the financial statements audit of the Company amounted to **EUR 233,000** (2023: EUR 237,000). Non-audit fees paid to KPMG amounted to **EUR 11,600** (2023: EUR 3,700) and pertained to tax-related services and agreed-upon procedures. The teams involved in the tax assignment are not the same as the one providing audit services. Regarding the agreed-upon procedures, no judgement is used for the provision of the service. A factual finding report is issued, and the outcome of the agreed-upon procedures has no impact on the opinion issued on the financial statements. Hence, the objectivity and independence of the external auditors are safeguarded.

Internal Audit

Internal Audit is a department independent of Management. The Internal Audit has a direct and primary reporting line to the Chairperson of the Audit and Risk Committee, with administrative reporting to the Chief Executive Officer. The Internal Audit Department assists the Board in monitoring risks and internal controls of the Company. Internal Audit Department performs its evaluation of internal controls against the International Internal Auditing Standards.

The Audit and Risk Committee approves the internal audit plan and ensures the adequacy of internal audit resources. The scope of the Internal Audit Department covers all businesses and support functions within the Company. During the year, the Internal Audit conducted its audit reviews based on the approved internal audit plans. Upon completion of its findings and recommendations to management who would respond on the actions to be taken. The Internal Audit Department submits internal audit summary reports to the Audit and Risk Committee on the audit findings and actions taken by management on the findings.

The responsibility for the oversight of the adequacy and effectiveness of the Company's business risk management and systems of internal control is handled by the Audit and Risk Committee. The Board regularly receives reports with recommendations from the Audit and Risk Committee and makes decisions accordingly.

The Internal Audit Department is headed by Mr. Reaz Kodaruth, Vice President. He is a fellow of the Association of Chartered Certified Accountant. He reports directly to the Audit and Risk Committee. Most personnel of the internal audit team are also members of the Association of Chartered Certified

PRINCIPLE SEVEN – AUDIT (CONT'D)

Internal Audit (cont'd)

The key contribution of the Internal Audit during the year under review were as follows:

- Assist the organisation in its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- Assess compliance with policies and procedures and sound business practices in all areas of operations;
- Evaluate the adequacy of the system of internal controls and recommend improvements in controls;
- Assess compliance with laws and contractual obligations;
- Performing investigation as may be specifically requested by Management or the Audit and Risk Committee; and
- Undertake assignments without any restrictions imposed by Management.

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

"The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders, and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose."

Key Stakeholders of the Company

The Company engages with its stakeholders to understand their priorities and concerns through benchmarking, meetings, and direct contacts. Some of the main stakeholders of the Company and the way it has responded to their expectations are described below.

Shareholders	The Company communicates with its shareholders on a regular basis on its performance and strategy through Annual Report and press announcements and shareholders' views are taken into consideration. Shareholders can also express their views at the annual and special meetings of shareholders. Notice of annual general meeting and other shareholders' meetings and related papers are sent to the shareholders in compliance with the provisions of the Mauritius Companies Act 2001 and the Constitution of the Company.
Financial Partners	Regular communication with financial institutions and the financial partners is maintained through regular meetings to discuss the financing needs of the Company.
Customers	The Company engages with its customers which are at the centre of its activities by having a dedicated customer service unit, use of promotional and marketing campaigns, social media, surveys, give aways and meetings.
Regulators	The Company's business activities are conditional on regulatory requirements meaning that regulators have a high level of influence and interest in the Company's operations. The Company always ensures that it complies with regulatory provisions and guidelines in the conduct of its activities.
Team Members	Air Mauritius recognises that its workforce is key to maintaining its competitive advantage and seeks to meet their expectations in terms of job security and career prospects.
Airlines	Airlines are key business partners of the Company. Its business relies heavily on the operations of other airlines. Their importance is recognised in the Company's decision-making process and the Company invests a lot to create a long-term sustainable business relationship with them.

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Key Stakeholders of the Company (Cont'd)

Suppliers	Transparent communication is maintained with suppliers. Selection of suppliers is effected in line with procurement rules and regulations. Meetings and site visits are organised when necessary for suppliers to understand better the needs of the Company.
Communities	The Company plays an important role in the community at large. Please refer to the ensuing disclosures on sustainability initiatives taken during the year under review and those which ongoing.

Directors' Service Contracts

A service contract existed between the Company and Mr. Charles Cartier, Chief Executive Officer, effective as from March 06, 2024. In consequence of the non-re-election of Mr. Charles Cartier as Director at the Annual Meeting of Shareholders held on February 06, 2025, Mr. Charles Cartier ceased to be Chief Executive Officer of the Company with immediate effect.

Dividend

For the year under review, the Board has not declared dividends (2023: Nil) in view of the financial situation of the Company.

Employee Share Option Plan

The Company does not have any Employee Share Option Plan.

Shareholders' Agreement

The Directors confirm that to the best of their knowledge, they are not aware of the existence of any such agreement for the financial year under review.

Important Events

Special Meeting of Shareholders	Held on May 03, 2024
Annual Meeting of Shareholders	Held on July 01, 2024
Annual Meeting of Shareholders	Held on February 06, 2025

Appreciation

The Board expresses its appreciation and thanks to all those involved for their contribution during the year review.

Section 75 (3) of the Financial Reporting Act

Name of PIE: **Air Mauritius Limited**
Reporting Period: Financial year ended March 31, 2024

Air Mauritius Limited is classified as a public interest entity under the Financial Reporting Act 2004. In accordance with the National Code of Corporate Governance 2016 (the "Code"), Air Mauritius Limited is required to adopt and report on its corporate governance practices and this Corporate Governance Report sets out how the principles have been applied or not by the Company.

To the best of the Board's knowledge, the Company has complied with the requirements of the Code for the year under review.

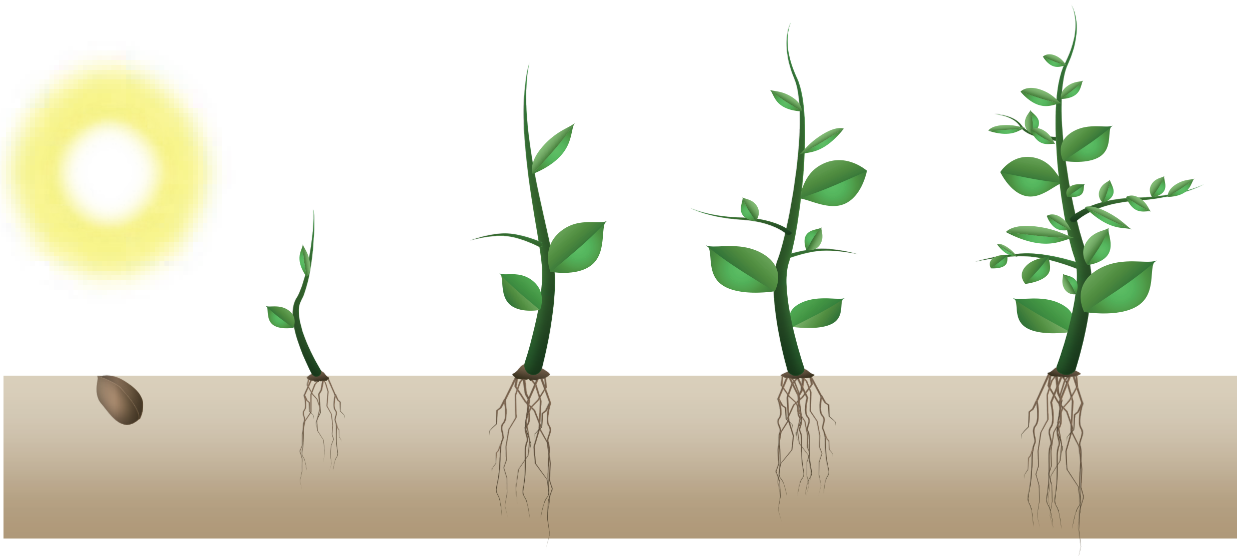
Signed on behalf of the Board of Directors:

…………………………………	…………………………………
Mr Kremchand Beegoo Director	Mr Appalsamy Thomas Director
Date: February 28, 2025	Date: February 28, 2025

Corporate Sustainability

Air Mauritius is accelerating its Sustainability Transformation

The Board believes in managing all its businesses in a sustainable way. This implies combining long term economic value creation with a forward-thinking approach to corporate governance, environmental stewardship and social responsibility.



The Greener Skies

One of the pillars of Air Mauritius community involvement, is its commitment to the environment.

Organisations such as International Civil Aviation Organisation (ICAO) and International Air Transport Association (IATA) have set a net-zero aspiration for 2050.

Air Mauritius is fully committed to the targets set by ICAO and IATA to reduce the industry carbon's footprint.

Corporate Sustainability (cont'd)

- Carbon Offsetting

CORSIA CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION		- CORSIA (Carbon Offsetting and Reduction Scheme International Aviation) is a global market-based initiative to offset international aviation CO_2 emissions and achieve" carbon-neutral growth"; - CORSIA is being implemented in 3 phases (pilot, phase 1 and phase 2). Phase 1 began in January 2024 with 126 countries participating; - Mauritius has voluntarily committed to participate for the CORSIA scheme as from 2024.

EU ETS		- The EU ETS contributes to the European Green Deal Objective of reducing transport emissions by 90% by 2050; - From 2022 to 2027, the European Union Emission Trading Scheme EUETS will apply to flights within the European Economic Area (EEA) (including flights departing to the UK and Switzerland) while CORSIA will apply to flights outside the EU ETS; - As part of the EU ETS, Air Mauritius has to submit its Annual Emissions and Tonne Km Monitoring Plans to its Competent Authority which is the French Direction Générale de l'Aviation Civile (DGAC); - Air Mauritius has an approved monitoring plan and is compliant with all requirements.

- Sustainable Aviation Fuels 'SAF'

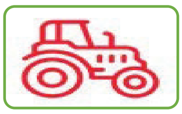
		- Sustainable Aviation Fuels (SAFS) are renewable or waste-derived aviation fuels that meet sustainability criteria. The use of SAF can reduce CO_2 emissions by up to 80%, - an average CO_2 reduction of 70% has been achieved by current SAFs compared to conventional fuel. - Many countries are gradually adopting SAF mandates and Air Mauritius complies with the regulations applicable in France to incorporate a blend of 1.5 % SAF from Jet-A1 purchased in France. UK will be introducing SAF mandate as from 2025

Corporate Sustainability (cont'd)

✈ Aircraft Technology

		✈ More efficient aircraft is one of the key levers to decarbonizing aviation; ✈ Air Mauritius has ordered three Airbus A350-900 and the three latest generation aircraft will bring Air Mauritius' Airbus A350 fleet to a total of seven; ✈ The Airbus A350-900 is the world's most modern and efficient wide body aircraft and with its improved aerodynamics and lighter materials will increase fuel efficiency; ✈ The Airbus A350-900 is the quietest aircraft in its class with 50% noise footprint reduction compared to previous generation aircraft; ✈ The delivery of these three additional wide body aircraft is expected between Quarter 3 of 2026 and second half of 2027.

✈ Greener Operations

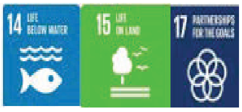
		✈ Initiatives have been implemented to reduce the aircraft payload. These measures include lighter equipment, elimination of non-essential uplifts and a paperless environment among others; ✈ Streamlined ground procedures utilising auxiliary power units (APUs) to maintain operation of on-board systems; ✈ Enhanced Efficiency in Flight Operations: Pilots fine-tuning operational practices, implementing the most energy-conserving procedures such as adjusting speed, optimizing flight paths, configuring landings, and taxiing with a single engine.
		✈ Air Mauritius has embarked on a fleet renewal program for Ground Operations at SSR International Airport, introducing electric Baggage and Towbar less Tractors, electric Lavatory and Water Trucks thereby reducing emissions and contributing to a greener airport environment.
		✈ On Board our flights, we offer in-flight digital publications through the Press reader app, allowing our passengers to access our reading materials on mobile. This initiative has led to a reduction of 53 tons of magazines and newspapers, translating to a fuel savings of 15 tons in a typical year

Corporate Sustainability (cont'd)

Greener Operations (cont'd)

		✈ Air Mauritius is implementing the Electronic Flight Bag on I-pad which allows crew to read the required documentation adhering to Air Mauritius flight safety and operational standards; ✈ This Electronic Flight Bag will replace all the heavy manuals and reduce weight on board
		✈ Air Mauritius is advocating for a simplified and harmonised regulatory environment that would enable a reduction in plastic utilisation and is actively seeking to source sustainable alternatives where possible; ✈ The single use plastic products (SUPP) are no longer used at the Amedee Maingard Lounge at airport; ✈ Air Mauritius is progressing on a comprehensive onboard waste recycling initiative, which will progressively transition towards a circular economy.

✈ Environmental Initiatives

		✈ Planting Mangroves at the Ramsar site at Pointe D'Esny in collaboration with the Ministry of Agro-Industry; ✈ In partnership with the Ministry of Agro-industry, National Parks Conservation Services, and the Mauritian Wildlife Foundation, we've repatriated three male Pink Pigeons (Nesoenas Mayeri) from New Jersey, a species absent from Mauritius for 40 years; ✈ Repatriation of endemic plants, Cylindrocline Lorencei, and Pilea SPP, to Mauritius and Rodrigues, respectively, after four decades; ✈ In partnership with the Mauritian Wildlife Foundation, we launched the "One Take-off, One Tree" reforestation program in 2007. Together, we have planted over 89,000 endemic and native trees across Mauritius and Rodrigues, contributing to the restoration of our precious endemic forests.

Corporate Sustainability (cont'd)

- Protecting Our Natural Heritage

		- The Air Mauritius logo reflects the airline's connection to the island's environment and its commitment to embodying the spirit of Mauritius in its operations; - One of our Airbus A350-900 planes bears the name 'Mauritius Kestrel' to celebrate the national bird of Mauritius. The Mauritius Kestrel, Falco Punctatus, is a vulnerable endemic species proclaimed as the national bird of Mauritius in March 2022 to mark the 30th anniversary of the Republic of Mauritius; - Another Airbus A350-900 has been named "Trochetia Boutoniana". The Trochetia Boutoniana is an endemic shrub whose flower has been proclaimed as the national flower of Mauritius since 12 March 1992.

- Promoting Local Businesses, Entrepreneurs And Artists

		- In view to promote small medium enterprises, Air Mauritius is proud to support the 'Made in Moris' label; - Local suppliers under the 'Made in Moris' label are being introduced at the Amedee Maingard Lounge at airport; - Local artists are increasingly promoted on Air Mauritius Inflight Audio and Video Entertainment system.

Health and Safety at Work

The Company aims to act as a good employer in providing and maintaining a safe and healthy work environment for all its employees. The objective is the optimisation of work efficiency and the prevention of accidents at work, through the implementation of safety standards in all its operations across the Company. During the year under review, various activities have been organised to promote the health, safety and well-being of all employees. These include noncommunicable disease screening, first aid courses, training on fire incidence and evacuation including fire drills, as well as update of various plans, manuals and certifications.

Overview

Effective risk management supports the delivery of the Company's strategic objectives and the sustainable growth of its business. The airline company has established a reasonably mature formalised Enterprise Risk Management Framework to ensure that a sound system is in place to govern, report and manage risks through the application of established risk management principles, policies and guidelines. This framework includes activities that run throughout the year, involving all levels of staff to ensure that risks are proactively reviewed and managed on a coordinated and integrated basis across the Company, where controls are regularly assessed to validate their effectiveness and relevance in the prevailing operating environment.

Risk Management Process and Structure

Risk management plays an important part of MK's corporate governance. The aim of risk management process is to determine the events which could most likely impact the airline company and prevent it from achieving its objectives, and to implement a risk management and reporting system. MK's risk management process is in line with international and local regulatory standards.

The execution of the risk management process is supported by the strategic and operational risk mapping processes. Owners of the risks are top management and the operational team of the airline company. The risk management structure of MK follows the "Three Lines of Defence" approach to risk management:

First Line

Managers and all employees are expected to perform their day-to-day duties and activities by incorporating the aspects of risk management.

Second Line

Audit and Risk Committee and the supporting teams such as Treasury & Risk section and Legal Department are responsible for establishing the risk management framework and the required controls.

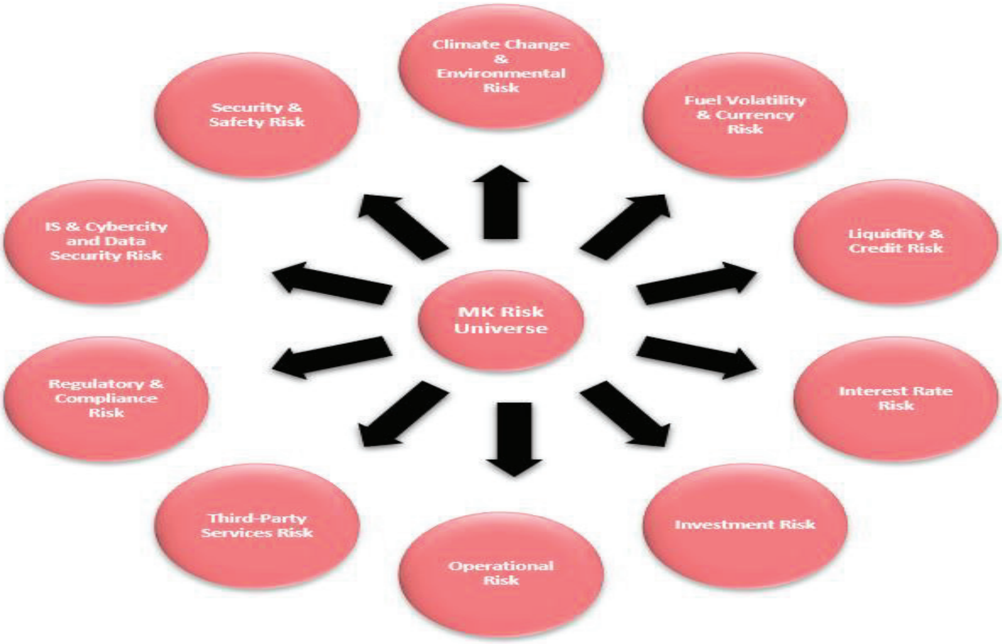
Third Line

Internal audit team which provides an independent assurance on whether the risk management process is operating effectively.

The Enterprise Risk Management Framework of MK is reviewed on a regular basis so that the risk management process is kept up-to-date and effective. This is achieved by promoting a risk culture in the airline company and ensuring that all the employees are well-equipped with the required knowledge and mindset for the management of risks. The risk management resources, including manuals and guidelines of MK are also regularly updated.

Risk Factors

This section includes the main risks which could potentially impact MK's activities, financial situation, reputation, results and outlook, as notably identified within the framework of the establishment of the risk mapping, which evaluates their criticality, that is their gravity and probability of occurrence, as well as the mitigation plans in place. These have been derived based on MK's operations. The aim of MK is to seek an appropriate balance between risk and return. The airline company ensures the relevance of these risks by regularly scanning the operating environment for changes to ensure prompt responses to risks and opportunities arising.



Note: Risks related to pandemic, crisis, wars, political unrest, natural disasters, economic uncertainty and workforce are part of operational risk.

Interest Rate Risk

Description

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of variations in market interest rates.

Impact

MK is exposed to the effects of fluctuations in the prevailing interest rates on borrowings and investments. The earnings are affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Company has investment in short-term deposits on fixed interest rates. There are two (2) long-term loans which are indexed on Euribor which experienced increases in the year in review.

Mitigation

A balanced portfolio approach is aimed as the Company has loan in both fixed and variable interest rates.

Risk Factors (cont'd)

Fuel Price Volatility Risk

Description

Jet fuel price is one of the largest cost items for MK, making oil price volatility a risk for the Company.

Impact

Both an increase or decrease in jet fuel prices have a material impact on MK's profitability and this risk is an inherent part of MK operations. The Ukrainian crisis was pushing up oil prices to levels not seen since 2012 during the previous financial years, mainly as a result of the sanctions imposed on Russian oil producers by the international community. The geopolitical conflict between Israel and Hamas also have put pressure on fuel price levels. Recent decisions by OPEC+ to extend the cut in oil production till 2025 also impacted fuel prices. The geopolitical tensions in the Middle East and the OPEC+ decisions are still significantly impacting the fuel prices. Additionally, with the rise in US dollar index along with the Trump administration which will now have control of Congress, there might be changes in US energy policies, which will have an impact on the Brent fuel prices. Whilst the market is experiencing a relatively stabilised price, however, it is unpredictable up to when this will continue.

Mitigation

The jet fuel price risk can be hedged in part through the purchase of oil derivatives in forward markets with the principal objective being to increase the predictability of cash. Fuel-hedging instruments also protect MK against the sudden and significant increases in fuel prices while ensuring that MK is not significantly affected in the event of a substantial fall in the price of fuel. The Company was not engaged in any fuel price hedging strategy in financial year 2024.

Risk Factors (cont'd)

Currency Risk

Description

Foreign exchange risk refers to the risk with respect to fluctuations in foreign exchange which may impact on operating results and cash flows. The airline generates most of its revenues in Euro. However, because of its international activities which involve different source currencies, MK is exposed to foreign currency risk.

Impact

The principal exposure of MK is to the US dollar since the major expenditures such as fuel, right-of-use leases or component cost are in US dollar, and then, to a lesser extent, to British pound sterling and the South African Rand. MK additionally prepares and presents its financial statements in Euros. Any significant appreciation in the US dollar against the Euro and a significant decline in the other currencies against the Euro could result in a negative impact on MK's activity and subsequently to its financial results.

Mitigation

MK manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Being an international airline, MK can also proactively manage currency exposures on market conditions by using various hedging solutions including currency forwards, futures and swaps.

Risk Factors (cont'd)

Liquidity Risk

Description

Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a significant cost. In other words, the airline company will be unable to meet its financial obligations or liabilities when they fall due and to replace funds when they are withdrawn.

Impact

Failure for MK to manage its liquidity risk could negatively impact on the financial performance of the airline and ultimately the day-to-day business of its activities.

Mitigation

The Liquidity Risk Management Framework in place ensures that the guidance and controls are established to fulfil the Company's payment obligations at all times and liquidity and funding risks are managed within approved risk appetite when executing the airlines' strategy. MK can undertake the following actions to alleviate its liquidity risk:

(i) invest cash in interest-bearing accounts, time deposits and money market funds, choosing instruments with appropriate maturities or liquidity to retain sufficient headroom to readily generate cash inflows required,

(ii) careful cash flow planning and regular review of the facilities it has in place with its banking partners,

(iii) monitoring and optimising working capital needs,

(iv) monitoring liquidity ratios and net current assets against internal and industry standards,

(v) maintaining debt financing plans,

(vi) maintaining diversified credit lines, including stand-by-credit facility arrangements, and

(vii) ensure access to diverse sources of funding and instruments at all times.

(viii) have recourse to the holding company for financial support.

Risk Factors (cont'd)

Credit Risk

Description

MK is exposed to credit risk, which is the risk that a counterparty will cause a financial loss to the airline by failing to fulfil its obligation. MK's credit risk mainly arises from deposits with banks and other financial institutions, and trade and other receivables. Cash and cash equivalents and short and long-term investments are held with major financial institutions in Mauritius and major corporations. Trade receivables are generally the result of sales of passenger tickets to individuals, largely through the use of major credit cards, through travel agents located in various jurisdictions, corporate outlets, or other airlines.

Impact

The financial position and profitability of the Company can be negatively impacted in case of default by the counterparties of the Company to fail to fulfil their obligations.

Mitigation

Credit rating guidelines are used in determining counterparties. In order to manage its exposure to credit risk and assess credit quality, MK reviews counterparty credit ratings on a regular basis and sets credit limits when deemed necessary. To further reduce credit risk exposure to the agencies, MK tracks their payment histories and tries to agree on shorter payment deadlines whenever possible, and with the support of IATA.

Risk Factors (cont'd)

Investment Risk

Description

Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. It is a measure of the level of uncertainty of achieving the returns as per the expectations of an investor.

Impact

In the event that the investment risk is not managed properly, this may lead to the Company not being able to settle its payments and expenses on a timely basis due to insufficient liquidity. This will ultimately affect its financial position.

Mitigation

The cash resources of MK are currently invested over a short-term time horizon, primarily in deposits and treasury bills with high-rated banks so as to maximise the return for a low level of risk. The investment risk is considered to be low, in that the investments in short term debt securities and term deposits are managed effectively.

Operational Risk

Description

Air Mauritius has many functional areas for the smooth processing of international air traffic (including security checks, ground services and baggage handling, and air traffic control). The availability of airport facilities are necessary for MK to operate and the associated costs represent a significant portion of its operating costs.

Impact

- Staff shortages will result in flight delays and cancellations.
- The airline may suffer from reputational damage and faces rising costs for compensating and supporting the passengers affected.
- To the extent that MK is unable to pass on any fee increases to its customers, these developments could have a material adverse effect on the operational results and financial position.

Mitigation

Several steps to improve the operating processes are being taken in coordination with service providers and system partners. Additional staff are recruited when required to increase internal capacities.

Risk Factors (cont'd)

Third-Party Services Risk

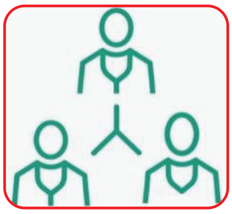
Description

MK is dependent on third-party providers for some principal business processes that are integral to its business. The economic effects of the current geopolitical situation and disruptions in supply chains also have an impact on the suppliers of the airline company.

Impact

- The failure of these providers to adequately perform their service obligations, or other unexpected interruptions of services, may cause significant disruption to MK's own operations and have an adverse impact on financial performance.

- There is a risk of significant price increases as well as a risk that rights to services under existing and already paid for maintenance contracts could be lost.



Mitigation

- MK regularly identifies providers that are critical for business continuity and assesses the relevant risk. In order to address the risk of interruptions to supplies or a price increase in time or to mitigate it, there is a regular process of dialogue with relevant suppliers.

- Suitable instruments are also used, such as changing the terms of payment, reviewing contracts regularly and implementing a system to visualise and manage the risks of any supply chain disruption.

- The financial health of key suppliers in core operational categories, such as airport and inflight services is followed on an ongoing basis.

- MK ensures that third-party providers have the required licence to operate and are compliant with the relevant laws and regulations. Anti-bribery clauses are included in all standard contracts. Powers of attorney, where applicable, are limited and strictly adhered to.

Risk Factors (cont'd)

Regulatory Risk

Description

MK may be involved in legal, administrative, criminal, or arbitration proceedings, especially concerning civil liability, competition, industrial, fiscal, intellectual property claims, or claims relating to the environment and discrimination. MK is committed to adherence with applicable laws and regulatory requirements, and conducting business with integrity, transparency, and honesty.

Impact

Should these proceedings result in an unfavourable outcome, there could be a significant adverse effect on MK's business, financial position, results and outlook.

Mitigation

Ongoing procedures are regularly monitored and analysed by the Legal Department. If necessary, provisions are recorded in MK's financial statements with respect to these disputes. MK's estimate of its financial exposure to pending proceedings is regularly reassessed in the light of changes in such proceedings, and the amount of the corresponding provisions are adjusted accordingly to the best of the Company's knowledge.

Risk Factors (cont'd)

Compliance Risk

Description

Compliance refers to the observance of legally binding requirements, and is intended to ensure that the Company, its executive bodies and its employees act in accordance with the law. MK has offices in various countries and is therefore subject to various legal norms and jurisdictions with different, and sometimes hard to interpret, legal frameworks, including for criminal law on corruption.

Impact

Failure to be compliant will have negative impact on MK's reputation that is difficult to measure, and lead to substantial fines and other legal proceedings.

Mitigation

- Guidelines in the form of manuals, policies and instructions to clarify expected and acceptable behaviour and training in the form of coaching dedicated to certain domains (such as procurement, IT, cargo or maintenance) or categories of personnel based on their risk exposure (managers, newly-hired or promoted employees) are in place.

- Regarding corruption, ongoing efforts have been deployed to further strengthen the awareness and knowledge of employees regarding the prevention of bribery.

Risk Factors (cont'd)

Data Security Risk

Description

MK collects personal data from its customers, employees and suppliers on a day-to-day basis and it is of upmost importance to protect their privacy, especially following the introduction of the General Data Protection Regulation and Data Protection laws in Mauritius.

Impact

Failure to implement such frequent changes or to protect data of a personal nature pursuant to the relevant laws and regulations, this could have a severe and negative impact on the Company's activity, reputation, revenues and costs, and hence its results.

Mitigation

The Company offers services to customers based within the European Economic Area (EEA) and accordingly it has in place the appropriate governance structure and processes to ensure adherance to the requirements of the General Data Protection Regulation (GDPR) and Data Protection laws in Mauritius to identify and manage potential risks from any breach.

Risk Factors (cont'd)

Information Systems ("IS") and Cybersecurity Risk

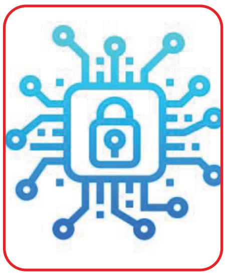
Description

IT and telecommunications systems are of primordial importance when it comes to the day to day functioning of MK. The numerous IT applications, deployed in the operating centres, are accessed via a network comprising thousands of work positions.

The information contained in all these systems is exposed to a growing number of threats in respect of significant and sophisticated cyber-attacks including phishing, ransomware, malware and social engineering.

Impact

The fast-moving technologies of this risk means that MK will always retain a certain level of vulnerability and is exposed to threats of cyber-criminality. In case the Company fails to protect itself against such incidents of cyber criminality, this will lead to a negative impact on its activity, reputation, revenues and costs, and results.



Mitigation

Tools, services and security rules have been implemented to prevent and respond to cyberattacks and to reduce the risks linked to new technologies, mobile devices and data. To protect itself against the risks associated with IS, MK also deploys substantial resources aimed at ensuring business continuity, data protection, system controls, recovery, the security of personal information pursuant to law and the safeguarding of at risk tangible and intangible assets with testing done on a regular basis.

Risk Factors (cont'd)

Climate Change and Environmental Risk

Description

There is increasing public pressure on the airline industry to reduce its environmental impact. MK recognises the significant environmental challenges the world faces due to a changing climate and the implications that this can have on its business.

Impact

Climate related risks are both operational (related to the physical impacts of climate change such as increased extreme weather events) and financial in nature (linked to the political and regulatory impacts of the energy transition such as environmental tax) which may disrupt the operations of an airline company leading to flight cancellations, delays, diversions and also impact demand for travel.

Mitigation

- MK continues to embed climate considerations into its overall strategic planning and investment appraisal processes. MK's commitment in reducing its fuel consumption and carbon emissions is demonstrated through its fleet renewal strategy, improved fuel management and operating procedures.

- Mauritius will participate in the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") on a voluntary basis as from the year 2024. CORSIA is meant to offer a harmonised way to reduce emissions from international aviation, minimising market distortion, while respecting the special circumstances and respective capabilities of member states. Through this scheme, airlines, such as MK, would compensate their international flights carbon dioxide emissions on CORSIA routes by purchasing carbon units.

- Air Mauritius complies with EU Emissions Trading Scheme (ETS) regulations, which aims at regulating aviation emissions within EU. Every year, Air Mauritius submits a report on its carbon emissions arising out of intra-Europe flights to the European Commission in this respect.

Risk Factors (cont'd)

Pandemic Risk

Description

Risks exist around the world from the transmission of pathogens from animals to humans, from humans to humans and by other means. Epidemics, pandemics or other causes such as bioterrorism could cause high rates of disease in various countries, regions or continents.

Impact

- These risks may lead to the possibility of customers not willing to fly to the countries concerned due to fear of infection.

- Official travel restrictions to prevent the transmission of pathogens may also result in operational constraints and consequently lead to severe financial impacts on the Company.

Mitigation

The Company continuously reviews information from the World Health Organisation, the US and European Centres of Disease Control and other institutions in order to identify risks of an epidemic or pandemic as early as possible. The health risks associated with the coronavirus pandemic have now declined significantly thanks to increasing immunity within the population.

Risk Factors (cont'd)

Risk of Crisis, Wars, Political Unrest and Natural Disasters

Description

Civil aviation is a potential target of terrorist attacks. Geopolitical trends also mean there is an increasing risk of sabotage to traffic and other critical infrastructure by actors commanded or supported by states.

Flights over areas of conflict continue to require comprehensive risk assessment and management, because there is a risk to civil aviation from complex anti-aircraft systems, and increased military activity makes it more difficult to use and coordinate airspace.

Impact

- The Ukraine war and the sanctions it has caused, as well as tensions in the Middle East due to the Israel/ Hamas war could affect the development of the global economy and cause further increases in the prices of important energy sources such as oil and gas, and other resources. A destabilisation of the region and continued tensions between Russia and the member countries of North Atlantic Treaty Organisation ("NATO") and the EU could also lead to pressures in the medium and long term.

- Potential financial losses could result from primary effects, such as not being able to fly to individual destinations, but also from significant secondary effects, including a fall in passenger numbers, higher insurance premiums, additional fuel costs due to airspace closures, higher costs due to a shortage of energy and raw materials or more stringent statutory security requirements.

Mitigation

- MK monitors the global security situation and current events extensively including natural disasters.

- MK prepares comprehensive security analysis on an ongoing basis in order to assess developments in advance and so to draw up preventive scenarios in the event of any disruptions.

- To ensure flight continuity, MK also engages in regular discussions with governments and aviation authorities in their respective markets.

Risk Factors (cont'd)

Security and Safety Risk

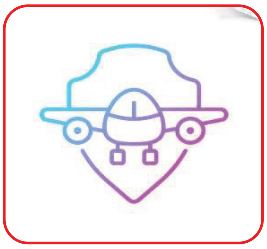
Description

Aviation, while considered the safest mode of transport, is still at the risk of accidents. Air transport is thus heavily structured by a range of regulatory procedures issued by both national and international civil aviation authorities.

Impact

Materialisation of this risk could have a significant negative impact on MK's reputation as well as legal and severe financial consequences.

Mitigation



- MK is committed to maintaining the highest level of safety and security. It recognises that safety and security are fundamental elements of its operations and essential to its customers, employees, the environment and therefore the airline's future.

- MK holds an Air Operator's Certificate which has been issued by the Department of Civil Aviation. It complies with the Civil Aviation Requirements of Mauritius, which conforms with the International Civil Aviation Organisation ("ICAO") standards.

- The Company is also in conformity with the IATA Operational Safety Audit ("IOSA") standards since several years and has been subject to stringent external audits to obtain and maintain its IOSA certification.

Risk Factors (cont'd)

Risk related to workforce

Description

Employees are at the heart of the airline company and maintaining their trust is important to ensure that they attain their highest standards of performance to the benefit of customers. Employee engagement, talent development and social stability is crucial for the long term viability and success of the Company.

Impact

The airline company's operations may face disruptions by labour disputes such as strikes, walkouts, industrial action or other forms of social unrest, which could also have a negative impact on the its operations, profitability and image.

Mitigation

- Strategic changes and changes impacting the working conditions of staff are applied pursuant to the legislation and protocols as defined by MK.
- MK seeks to preserve cohesion by fostering a constructive and transparent workplace dialogue and by pursuing a policy based on respect and responsibility.
- Significant changes to the HR policies and collective labour agreements are approved at the highest level of management within the airline company.
- MK has maintained its openness and transparency with unions, with negotiations based on relationships of trust.
- The target of MK is also to optimise and transform its ways of working, by reviewing organisational structures and workloads, and by efficient communication, etc.

Risk Factors (cont'd)

Risks related to economic uncertainty

Description

Changes in the monetary policy in key economic regions (such as the US and European region) with a view to control inflation, and international tensions weigh significantly in the short-to-medium outlook. This runs the risk of impacting demand for travel.

Impact

- An increase in the prices of basic goods and services would lead to lower purchasing power of airline customers, hence reducing demand for air travel.
- When the economic cycle changes, it becomes challenging for MK to readjust its fleet size accordingly.

Mitigation

- MK carries out a thorough economic, financial and commercial evaluation during formulation of the business operating plan.
- MK adjusts capacity and frequencies, add new ports of calls whenever market potential dictates so, and suspends flights to destinations which are no longer cost effective.
- MK re-adjusts its prices and marketing offers to customers.

Crisis Management and Business Continuity Plans

The customers and other stakeholders of MK expect consistent and smooth business processes. Whether arising through failures of technology systems, closure of offices/branch networks or services provided by third parties, the loss of or disruption to business processing is a material inherent risk within MK. Failure to build resilience and recovery capabilities into business processes or into the services on which the Company's business processes depend, may result in significant customer detriment, losses incurred by the customers and reputational damage. Simulation exercises on business continuity plans and other integrated response plans are conducted by the Company. The exercises were independently verified to ensure the efficacy of MK's resilience against business disruptions from unplanned events. Internally, taskforces for specific scenarios are in place and convened annually to assess MK's preparedness in managing potential large-scale disruptions. Integrated tests of business continuity plans were also conducted with relevant stakeholders, vendors and outsourced agents, to facilitate scenario-driven approaches and to harness synergies, responsibilities, coordination and communication across various functions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Mauritius Companies Act 2001 requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flow of the Company. In preparing these financial statements, the directors are required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) make judgments and estimates that are reasonable and prudent;

(iii) state whether IFRS Accounting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and

(iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Board confirms that, in preparing the audited financial statements, it has:

(i) selected suitable accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent;
(iii) stated whether the financial statements have been prepared in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act;
(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
(v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and
(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board of Directors:

....

Mr Kremchand Beegoo
Director

Date: 28 February 2025

....

Mr Appalsamy Thomas, GOSK
Director

Date: 28 February 2025

I certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d) for the year ended March 31, 2024, except for the filing of the financial statements and annual returns within the prescribed period.

Mr. Swaraj Kowlessur, ACG
Company Secretary
Date: February 28, 2025

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Mauritius
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Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AIR MAURITIUS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Air Mauritius Limited (the "Company"), which comprise the statement of financial position as at March 31, 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information, as set out on pages 65 to 135.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Air Mauritius Limited as at March 31, 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act 2004.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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.

Emphasis of Matter - Going Concern

We draw attention to Note 4.3 judgements (i) going concern to the financial statements, which sets out the plans of the Company's directors during the financial year ended March 31, 2024 and subsequent to year end, to mitigate the risks associated with the ability of the Company to continue as a going concern considering it has a net total liability (Eur 195M) and net current liability (Eur 159.1M) as at March 31, 2024. Our opinion is not modified in respect of this matter.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AIR MAURITIUS LIMITED

Report on the Audit of the Financial Statements

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, corporate governance report, statement of compliance, sustainability report, risk management framework, statement of directors' responsibilities and certificate from company secretary, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AIR MAURITIUS LIMITED

Report on the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AIR MAURITIUS LIMITED

Report on the Audit of the Financial Statements

Use of our Report

This report is made solely to the Company's shareholders as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholders as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacities as auditors, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

KPMG

KPMG
Ebène, Mauritius

Date: 28 February 2025

Imtiaz Ajeda
Licensed by FRC

AIR MAURITIUS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Note	March 31, 2024	March 31, 2023 Restated*	April 01, 2022 Restated*
		€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	6	**474,713**	474,598	521,677
Intangible assets	8	**116**	-	36
Investment in subsidiaries	9	**-**	-	-
Long-term deposits	10(a)	**22,609**	14,919	12,497
Long-term receivables	11	**82**	102	167
		497,520	489,619	534,377
Current assets				
Inventories	12	**16,657**	11,781	6,822
Trade and other receivables	13	**93,199**	68,996	74,185
Derivative financial assets	17	**63**	-	-
Short-term deposits	10(b)	**3,000**	1,998	7,598
Cash and cash equivalents	14	**67,988**	98,596	31,029
		180,907	181,371	119,634
Assets held for sale	30	**-**	3,282	12,498
		180,907	184,653	132,132
Total assets		**678,427**	674,272	666,509
EQUITY AND LIABILITIES				
Equity				
Share capital	15(a)	**48,421**	48,421	48,421
Share premium	15(a)	**22,218**	22,218	22,218
Capital contribution	15(b)	**51,525**	51,525	51,525
Other reserves/(deficits)		**63**	(10)	-
Accumulated losses*		**(317,223)**	(318,298)	(324,005)
Shareholders' deficit		**(194,996)**	(196,144)	(201,841)
Non-current liabilities				
Loans and borrowings	16	**510,475**	570,893	632,254
Employee benefit liabilities	18	**908**	190	-
Provisions	19	**22,067**	10,801	14,180
		533,450	581,884	646,434
Current liabilities				
Provisions	19	**11,023**	12,081	7,301
Trade and other payables	20(a)	**68,891**	47,703	33,363
Contract liabilities*	20(b)	**189,342**	168,472	129,081
Loans and borrowings	16	**70,717**	60,266	52,171
Derivative financial liabilities	17	**-**	10	-
		339,973	288,532	221,916
Total liabilities		**873,423**	870,416	868,350
Total equity and liabilities		**678,427**	674,272	666,509

These financial statements were approved and authorised by the Board of directors for issue on February 28, 2025 and signed on its behalf by:

....

Mr Kremchand Beegoo
Director

Mr Appalsamy Thomas, GOSK
Director

The notes on pages 72 to 135 form an integral part of these financial statements.
Independent auditors' report on pages 61 to 64.

** Refer to Note 34 for prior year restatement note.*

	Note	2024	2023 Restated*
		€'000	€'000
Revenue			
Revenue from aircraft operations*		**522,513**	432,255
Revenue from code sharing agreement		**76,844**	73,752
Total revenue	21	**599,357**	506,007
Operating expenses		**(569,232)**	(464,788)
Gross profit		**30,125**	41,219
Administrative expenses*		**(35,749)**	(33,290)
Impairment loss of trade and other receivables	13	**(3,914)**	(3,959)
Reversal of impairment of property, plant and equipment	6	**-**	4,894
Other operating income	21 (c)	**16,099**	17,088
Profit before exceptional items		**6,561**	25,952
Exceptional Items:			
Write back of liabilities	33	**-**	91
Profit before finance income / expense		**6,561**	26,043
Finance income	23(a)	**21,351**	13,020
Finance expense	23(b)	**(25,922)**	(33,356)
Profit before tax		**1,990**	5,707
Income tax expense	24	**-**	-
Profit for the year		**1,990**	5,707
Other comprehensive income for the year			
Other comprehensive income that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit plan**	18 (a)(i)	**(915)**	-
Other comprehensive income which are or may be reclassified to profit or loss in subsequent periods:			
Movement in cash flow hedges**	17	**73**	(10)
Other comprehensive income for the year, net of tax		**(842)**	(10)
Total comprehensive income for the year, net of tax		**1,148**	5,697

** Refer to Note 34 for prior year restatement note*
** There is no tax effect on these components of other comprehensive income.

The notes on pages 72 to 135 form an integral part of these financial statements.
Independent auditors' report on pages 61 to 64.

	Share capital	Share premium	Capital contribution	Other reserves/ (deficits): Hedge equity reserves/ (deficits)	Other reserves/ (deficits): Total other reserves/ (deficits)	Accumulated losses*	Total shareholders' deficit*
	€'000	** €'000	€'000	*** €'000	€'000	€'000	€'000
Balance at April 01, 2022 (as previously reported)	48,421	22,218	51,525	-	-	(325,505)	(203,341)
Correction of error*	-	-	-	-	-	1,500	1,500
Balance at April 01, 2022 (restated)	48,421	22,218	51,525	-	-	(324,005)	(201,841)
Total comprehensive income							
Profit for the year (restated)	-	-	-	-	-	5,707	5,707
Other comprehensive income	-	-	-	(10)	(10)	-	(10)
Total comprehensive income	-	-	-	(10)	(10)	5,707	5,697
Balance at March 31, 2023 (restated)	48,421	22,218	51,525	(10)	(10)	(318,298)	(196,144)
Balance at April 01, 2023 (restated)	**48,421**	**22,218**	**51,525**	**(10)**	**(10)**	**(318,298)**	**(196,144)**
Total comprehensive income							
Profit for the year	**-**	**-**	**-**	**-**	**-**	**1,990**	**1,990**
Other comprehensive income	**-**	**-**	**-**	**73**	**73**	**(915)**	**(842)**
Total comprehensive income	**-**	**-**	**-**	**73**	**73**	**1,075**	**1,148**
Balance at March 31, 2024	**48,421**	**22,218**	**51,525**	**63**	**63**	**(317,223)**	**(194,996)**

* *Refer to Note 34 for prior year restatement note*
** When shares are issued at a price above its par value, the excess between the issue price and the par value is recorded in share premium (Note 15 (a)).

Other reserves/ (deficits) in the Company's statement of financial position include:
*** Hedge equity reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

The notes on pages 72 to 135 form an integral part of these financial statements.
Independent auditors' report on pages 61 to 64.

	Note	2024	2023 Restated*
		€'000	€'000
Cash flows from operating activities:			
Profit for the year*		**1,990**	5,707
Adjustments for:			
Depreciation on property, plant and equipment	6	**62,737**	54,208
Amortisation of intangible assets	8	**7**	36
Revenue from redemption of miles	22(a)	**(856)**	(859)
Gain on lease modification	22(a)	**(1,690)**	(4,075)
Loss/(gain) on asset retirement	22(a)	**1,525**	(220)
Gain on disposal of property, plant and equipment	22(a)	**(3,337)**	-
Impairment loss on trade and other receivables	13	**3,914**	3,959
Reversal of impairment of property, plant and equipment	6	**-**	(4,894)
Employee benefit liabilities	18 (a)(i)	**(197)**	190
Provision for maintenance cost	19	**2,680**	1,503
Provision for litigation	19	**(3,343)**	(102)
Provision for carbon offsetting	19	**344**	-
Provision for passenger litigation	19	**915**	-
Unrealised foreign exchange (gain) / loss	23(a); 23(b)	**(7,088)**	7,237
Interest income	23(a)	**(3,388)**	(780)
Interest expense	23(b)	**17,745**	15,205
Provision for obsolete inventories	12	**33**	(2,559)
Writeback of liabilities	33	**-**	(91)
		71,991	74,465
Changes in working capital:			
Increase in inventories		**(4,909)**	(2,400)
(Increase) /decrease in trade and other receivables		**(28,285)**	1,230
Increase in trade and other payables		**21,188**	14,430
Increase in contract liabilities*		**21,726**	40,515
		81,711	128,240
Interest received	23(a)	**3,388**	780
Net cash generated from operating activities		**85,099**	129,020
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(45,690)**	(4,691)
Purchase of intangible assets	8	**(123)**	-
Long-term deposits made		**(7,460)**	(2,123)
Receipts from long-term receivables	11	**21**	65
Proceeds on disposal of property, plant and equipment and held for sale assets	30	**6,619**	-
Proceeds from short-term deposit	10 (b)	**37,714**	25,649
Investment in short-term deposit	10 (b)	**(38,947)**	(19,663)
Net cash used in investing activities		**(47,866)**	(763)
Net cash generated from operating and investing activities		**37,233**	128,257

The notes on pages 72 to 135 form an integral part of these financial statements.
Independent auditors' report on pages 61 to 64.

** Refer to Note 34 for prior year restatement note*

	Note	2024	2023
			Restated*
		€'000	€'000
Net cash generated from operating and investing activities (cont'd)		**37,233**	128,257
Cash flows from financing activities			
Repayment of lease liabilities	16 (b)	**(53,785)**	(51,803)
Repayment of interest on lease liabilities	16 (b)	**(10,874)**	(8,887)
Repayment of interest on loan from holding company	16 (b)	**(3,298)**	-
Net cash used in financing activities		**(67,957)**	(60,690)
Net (decrease)/ increase in cash and cash equivalents		**(30,724)**	67,567
Movement in cash and cash equivalents			
At April 01,		**98,596**	31,029
Effect of foreign exchange on cash and cash equivalents		**116**	-
Net (decrease)/ increase in cash and cash equivalents		**(30,724)**	67,567
At March 31,	14	**67,988**	98,596
Cash and cash equivalents consists of:			
Cash at bank and in hand		**67,988**	98,596
At March 31,	14	**67,988**	98,596

The notes on pages 72 to 135 form an integral part of these financial statements.
Independent auditors' report on pages 61 to 64.

** Refer to Note 34 for prior year restatement note*


AIR

1. CORPORATE INFORMATION

Air Mauritius Limited (the "Company") is a company limited by shares incorporated and domiciled in Mauritius. Its registered office is situated on the 19th Floor of Air Mauritius Centre, John Kennedy Street, Port Louis. The shares of the Company were publicly traded on the official market of the stock exchange of Mauritius until the Company officially delisted from the Stock Exchange of Mauritius on close of March 31, 2022.

De-listing from the Stock Exchange of Mauritius (SEM) and change in shareholding during the year ended March 31, 2022

Following the Cautionary Announcement issued by the Company on April 22, 2020 regarding the appointment of Mr A. Sattar Hajee Abdoula and Mr. Arvindsingh K. Gokhool of Grant Thornton as Administrators of the Company, pursuant to Sections 215 and 216 of the Insolvency Act 2009, the Stock Exchange Mauritius (SEM) decided with the approval of the Listing Executive Committee to suspend dealings in the securities of the Company, with immediate effect, pursuant to Listing Rule 3.9(a) and in the light of the provisions of Section 227 of the Insolvency Act 2009 as from market close on April 22, 2020.

The Administrators returned the control of the Company to the Board of Directors after the Company exited Voluntary Administration on September 29, 2021 pursuant to the adoption of the Deed of Company Arrangement (DoCA). Further details about the DoCA is provided below.

Subsequently, the board of directors issued a communique to inform the shareholders that on 15 October 21 the board was informed of the intention of Airport Holdings Ltd (the Offeror) to make a mandatory offer to the shareholders of the Company to acquire all the voting shares.

Airport Holding Ltd ("AHL") issued a communique on February 04, 2022 that following the mandatory offer, the Offeror was then in control of 94.04% of the shares of the Company and thus, satisfying the threshold conditions under Rule 37(2) of the Securities (Takeover) Rules 2010 ("Takeover Rules") to acquire the shares of the dissenting shareholders of the Company ("Dissenting Shareholders").

The Board further informed its shareholders that following the compulsory acquisition of the shares of the dissenting shareholders and in accordance with Rule 39 of the Takeover Rules, the Company no longer met the requirements of the Listing Rules for its listing on the official market.

There were three cases lodged by the dissenting shareholders where the main respondent is Airport Holdings Ltd. Only one case is ongoing.

Furthermore, the Company on March 29, 2022, informed the SEM that its Board has taken the decision not to restore the Company's shares to the public to 25% as required by Listing Rule 6.21. Consequently, the SEM informed investors and the public in general that it had decided, pursuant to Listing Rule 3.9 (c) and with the approval of the Listing Executive Committee, to withdraw the ordinary shares of the Company from the Official Market of the SEM after market close on March 31, 2022.

1. CORPORATE INFORMATION (CONT'D)

Adoption of Deed of Company Arrangement (DoCA) during the year ended March 31, 2022

In September 2021, the Administrators called for the Watershed meeting. Three class of creditors were identified and were convened in separate meetings. The creditor classes were categorised as follows:

Class A – For Aircraft Operating Lessors
Class B – For Hedge Counterparties
Class C – For General Body of Creditors

A Deed of Company Arrangement (DoCA) was issued with the invitation explaining the rescue plan proposed by Administrators.

General Sales Agents (GSA), tour operators, travel agents and passengers with unutilised tickets were not included in the above creditor categories. During the administration period, holders of unutilised tickets were invited to change their travel dates, transfer their tickets to another person, or exchange their tickets against travel vouchers.

In relation to GSA, tour operators and travel agents, the Company held on their behalf amounts which represent commissions, and which had been remitted to the Company as part of sales proceeds. These amounts were not compromised as non-refund of such amounts would have impacted the long-term business of the Company.

A repayment plan for each category of creditors were defined as per table below:

Creditor Class	Payout
Class A – For Aircraft Operating Lessors	35% of claims as listed in the DoCA
Class B – For Hedge Counterparties	60% of claims as listed in the DoCA
Class C – For General Body of Creditors	50% of claims as listed in the DoCA

The proposal that the Company to execute the DoCA was put to the vote of the creditors at the Watershed Meeting. Voting results confirmed the adoption of the DoCA during the watershed meeting. The DoCA was further approved during a Board Meeting in October 2021 and on same day Mur 9.5 billion (Eur 193.5m) were transferred through Airport Holdings Ltd to the Company for implementation of the DoCA. The Company remained under Deed of Company Arrangement until end of October 2021.

1. CORPORATE INFORMATION (CONT'D)

Disinvestment in Subsidiaries

The Company reviewed its shareholding in material subsidiary companies and had approved the disposal of the following material subsidiaries to its holding company in April 2022:

(a) Entire 95.15% ordinary shares held in Mauritius Estate Development Corporation Limited (MEDCOR);
(b) 100% ordinary shares held in Airmate Ltd;
(c) 100% ordinary shares held in Mauritius Helicopter Limited; and
(d) 100% ordinary shares held in Air Mauritius Institute Co Ltd.

The share transfers took place in April 2022 and the purchase consideration was offset against the outstanding loan the Company had with the holding company. Following the disposal of the above subsidiaries, the remaining subsidiary of the Company (Note 9) was immaterial both individually and in aggregate. Consequently, no consolidated financial statements were prepared for the previous and current financial year.

The financial statements of Air Mauritius Limited for the year ended March 31, 2024 were approved and authorised for issue by the Board of Directors on February 28, 2025.

2. PRINCIPAL ACTIVITY

The principal activity of Air Mauritius Limited is the operation of international air services for the carriage of passengers, cargo and provision of ancillary services.

3. BASIS OF PREPARATION

The financial statements of the Company are presented in Euro which is the Company's functional currency and all values were rounded to the nearest thousand (Euro'000) except when otherwise stated.

The financial statements have been prepared under the historical cost convention except for derivative financial instruments and assets classified as held for sale have been measured at fair value.

Statement of compliance

The financial statements of the Company have been prepared on the going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

4. ACCOUNTING POLICIES

4.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The material accounting policies applied in the preparation of these financial statements are set out in Note 4.3. Amendments to IAS 1 have been adopted in the current year to disclose "material" instead of "significant" accounting policies, as compared to previous financial years.

The following relevant new and revised amendments have been applied in these financial statements as of April 01, 2023:

New accounting standards or amendments	Effective for accounting period beginning on or after
Definition of Accounting Estimates – Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023

The effects of adopting these amendments have been described below:

Definition of Accounting Estimates – Amendments to IAS 8

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The amendments to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The IASB clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments.

The adoption of the amendments did not change the identification of accounting estimates or accounting policies already in place. Therefore, the amendments had no impact on the Company's financial statements.

4. ACCOUNTING POLICIES (CONT'D)

4.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (IASB).

The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from January 01, 2023 but may be applied earlier. For the year under review, all "material accounting policy information" rather than "significant accounting policy information" have been disclosed in these financial statements.

4.2 ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

Standards and amendments issued but not yet effective up to the date of the Company's financial statements are listed below. The amendments issued which the Company reasonably expects to be relevant and applicable at a future date are listed below. The Company intends to adopt them when they become effective.

4. ACCOUNTING POLICIES (CONT'D)

4.2 ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Effective date Periods beginning on or after	New accounting standard or amendments	
January 01, 2024	IAS 1 amendment	*Classification of liabilities as Current or Non-Current* *Non-current Liabilities with Covenants*
January 01, 2024	IFRS 16 amendment	*Lease Liability in a Sale and Leaseback*
January 01, 2026	IFRS 7 and IFRS 9 amendments	*Classification and measurement requirements for financial instruments* *Settlement by electronic payments* *Other amendments*
January 01, 2027	IFRS 18	*Presentation and Disclosure in Financial Statements*

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Amendments to IFRS 16 *Leases* requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

Under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. The Company does not expect that the amendments will have a material impact on its financial statements since the Company does not have sale and leaseback transactions.

4. ACCOUNTING POLICIES (CONT'D)

4.2 ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.
The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The Company is currently reviewing the specific criteria on the requirement to classify liabilities between Current and Non-Current. Amongst the main captions that requires management judgement in the reclassification are captions like lease liabilities, loan from holding company and provisions. For each identified liability, the Company is evaluating classification based on criterion like reviewing the terms of loan agreements or scheduled maintenance to assess whether the Company has a right to defer settlement which exists as at the end of the reporting date. The Company is still in the review process of the loan and lease agreements and maintenance budgets but expects to adopt the amendment to the standard in the next financial year.

Classification and measurement requirements for financial instruments (Amendments to IFRS 7 and IFRS 9)

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

4. ACCOUNTING POLICIES (CONT'D)

4.2 ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Classification and measurement requirements for financial instruments (Amendments to IFRS 7 and IFRS 9) (cont'd)

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments- Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

This standard applies for annual reporting periods beginning on or after January 01, 2026.
The Company has not yet assessed the impact of this standard on the financial statements.

Presentation and Disclosure in Financial Statements – IFRS 18

In April 2024, the ISAB issued IFRS 18: Presentation and Disclosure in Financial Statements. IFRS 18 promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories being, operating, investing and financing activities, based on a company's main business activities. However, the company's net profit will not change. IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 also requires the disclosure of Management Performance Indicators ("MPMs") which are subject to audit. They are designed to capture some but not all 'non-GAAP' measures. The standard requires MPMs to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciled to an amount determined under IFRS Accounting Standards.

4. ACCOUNTING POLICIES (CONT'D)

4.2 ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Presentation and Disclosure in Financial Statements – IFRS 18 (cont'd)

Furthermore, a company must state that it provides management's view of financial performance and is not necessarily comparable to those of other companies. Any changes or new MPMs must also be explained.

This standard applies for annual reporting periods beginning on or after January 01, 2027. The Company has not yet assessed the impact of this standard on the financial statements.

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and other information disclosed in certain notes at the reporting date. The Company regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Company's future financial statements could differ from the current estimates.

In preparing these financial statements the directors have used their best judgement and made estimates and assumptions about the future which are based on the current economic situation which is however highly volatile. In particular, these assumptions have had a significant impact on the following account balances in the financial statements:

- Property, plant and equipment: estimation of recoverable value, depreciation method, economic useful life and residual value of assets;
- Employee benefit liability (residual retirement gratuity liability under the Workers' Rights Act 2019): Financial assumptions such as estimation of discount rates, future salary increases and average retirement age;
- Revenue recognition and contract liabilities for customer loyalty programme;
- Maintenance provisions: estimation of future maintenance costs for planned and ad-hoc maintenance which are likely to re-occur;
- Provisions for return conditions;
- Whether an arrangement contains a lease – refer to Note 4.4 (k);
- Expected credit losses on trade receivables; and
- Provision for obsolete inventory.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that 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:

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

i. Estimated recoverable amount, useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets. Certain property, plant and equipment of the Company, such as aircraft, are separated into their significant parts and estimates of the useful lives and residual values thereof are made for the purpose of calculating depreciation (refer to Note 4.4(c)). The estimates of useful lives and residual values carry a degree of uncertainty. The directors have used historical information relating to the Company and the relevant industries in which the Company operates in order to best determine the useful lives and residual values of property, plant and equipment.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Impairment loss recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. If this is the case, impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The fair value less costs to sell is obtained from an ISTAT certified appraiser and is based on type of variant build year, maximum take-off weight and specification adjusters. Value in use is determined by discounting cash flows to be generated from their continuing use up to expected end of useful and/or end of lease term. Therefore, the assessment of impairment involves significant use of estimates and judgments including:

- forecasting specific aircraft information such as revenue per aircraft, load factor, passenger yield, cargo yield and fuel cost;
- the remaining useful lives of these assets and indicators of obsolescence;
- the discount rate used; and
- estimated selling price at the end of their useful lives.

ii. Financial assumptions such as estimation of discount rates, future salary increases and average retirement age

The Company's obligation in relation to the residual retirement gratuity liability under the Workers' Rights Act 2019 is subject to estimates and assumptions. The present value of the gratuity obligation is recognised as a liability in the Company's financial statements, calculated using a range of financial assumptions such as discount rates, estimated future salary increases, and assumptions regarding the average retirement age of employees.

Management estimates the discount rate by referencing the yield on government bonds for 20 years at the reporting date, ensuring that the risk-free rate applied reflects the long-term nature of the liability. Additionally, the future salary increases are projected based on historical trends, inflation, and expected market conditions. These estimates significantly impact the calculation of the liability, and any changes in these assumptions may lead to material revisions to the Company's obligations under the Workers' Rights Act 2019.

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

ii. Financial assumptions such as estimation of discount rates, future salary increases and average retirement age (cont'd)

The estimation technique applied for the residual retirement gratuity liability involves projecting future outcomes based on historical statistical data. In the case of employee benefits, the Company uses actuarial assumptions, such as the projected unit credit method, to assess the value of future gratuity payments, adjusting for expected employee retention and average retirement age. The assumptions and estimates are reassessed annually and are key to the accurate reflection of the Company's financial obligations under the Workers' Rights Act 2019 in its financial statements.

iii. Revenue and contract liabilities for customer loyalty programme

Revenue comprises numerous categories which include passenger revenue, cargo sale and redemption of miles on customer loyalty programme (refer to Notes 4.4 (o) and 4.4 (p)). The IT systems supporting the revenue process are complex and involve a number of key judgements over the timing of revenue recognition. The timing of revenue recognition for unused tickets also require judgement due to the time frame over which tickets can be utilised. Refer to Note 4.4 (p) whereby the revenue accounting under IFRS 15 has been disclosed.

The Company operates a Frequent Flyer programme, Kestrelflyer, which provides a variety of awards to members based on mileage credits on Air Mauritius Limited and other airlines that participate in the programme. Members can also accrue and redeem miles with non-airline partners.

The Company accounts for award credits as a separately identifiable component of the sales transaction in which they are earned. The consideration in respect of the initial sale is allocated to award credits based on their relative stand-alone selling price (measured using the estimated ticket value method based on historical statistical data), adjusted for expected expiry and the extent to which the demand for an award cannot be met and is accounted for as a liability (sales in advance of carriage) in the Company's statement of financial position. The estimation technique applied considers a range of different redemption options by reference to their cash selling prices, such as airfares on different routes and in different classes of travel as well as flight upgrades and partner rewards.

The stand-alone selling price (measured using the estimated ticket value) has been calculated based on the applicable average fare price throughout the 12 months. Judgement is exercised by management due to the diversity of inputs that go into determining the fair value of the award credits and due to the possibility that the trend may change over time. Revenue is recognised on unredeemed miles when they expire.

The carrying amount of the contract liabilities for the Kestrelflyer programme was estimated at **Eur 5.5M** (2023: Eur 1.6M). Management has estimated the redemption rate to **45%** as at March 31, 2024 (2023: 50%). Further details have been provided in Note 20(b).

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

iv. Estimated future maintenance costs for planned and ad-hoc maintenance which are likely to re-occur

Provisions for maintenance costs are based on the Company's future maintenance events which are either driven by the maintenance programme of the aircraft or they can be ad-hoc maintenance.

Maintenance plans are prepared using assumptions such as estimated flying hours, utilisation rates, aircraft wear and tear and anticipated costs of overhauls/repairs required. Scheduled maintenance relates to routine maintenance for airframe, landing gear and C-Checks.

Ad-hoc maintenance on the other hand, are maintenance events which are not scheduled events as per an aircraft's maintenance calendar but for which management assess, based on past events and past trends and using their judgement, that there is a likelihood of such events re-occurring such that a maintenance provision is required for these ad-hoc maintenance.

v. Provisions for return conditions

The Company is contractually committed to return the aircraft in adherence to conditions agreed under the terms of the operating lease arrangements. These provisions are determined based on the expected costs of meeting the conditions and incorporate a number of assumptions requiring significant judgements including:

- Past and expected future utilisation and maintenance patterns of aircraft and engines; and
- Expected costs of the maintenance at the time it is expected to occur.

vi. Expected credit losses on trade receivables

In assessing expected credit losses (ECL) on trade receivables, the Company applies a provision matrix approach, which incorporates significant estimates and judgements. The provision matrix is based on a grouping of customers with similar risk profiles, segmented by factors such as geographical region, product type, customer type, and credit rating. Each segment is assigned a specific provision rate, calculated based on the number of days past due. This matrix approach allows the Company to reflect a risk-adjusted estimate of credit losses for each customer group, ensuring that provisions align with observed and forecasted credit risk patterns.

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

vi. Expected credit losses on trade receivables (cont'd)

The ECL calculation includes several critical assumptions, such as the probability-weighted outcome of potential default scenarios, time value of money, and consideration of past, current, and anticipated future economic conditions. In making these estimates, the Company utilises reasonable and supportable information available at the reporting date, including historical data and forward-looking economic indicators that may influence a customer's ability to settle outstanding amounts. These economic forecasts are regularly reviewed and adjusted to capture any changes in the external environment that may impact customers' credit profiles.

As the Company does not hold collateral, letters of credit, or other credit enhancements, the carrying value of trade receivables represents the maximum exposure to credit risk as of the reporting date. The Company's ECL estimate is regularly reviewed to ensure it accurately reflects the latest conditions and assumptions, helping maintain a realistic representation of potential credit losses in the financial statements.

vii. Provision for obsolete inventory

The Company recognises a provision for obsolete and slow-moving inventories to account for inventory items that may no longer be applicable for the present requirement. This provision is assessed periodically and requires significant judgement and estimation. The Company reviews inventory items that have been in storage for prolonged periods without usage and considers technological advancements, fleet changes, or manufacturer upgrades that may render certain parts obsolete. In addition, parts specific to retired or phased-out aircraft models are evaluated for potential write-downs, as they are no longer compatible with the Company's current fleet.

The estimation process involves identifying specific inventory items subject to obsolescence in each of the different warehouses. Each inventory category is assessed based on past movements, future usability, and alignment with the current and planned fleet composition. The provision calculation includes estimates of the remaining useful life and potential utilisation of spare parts, which are adjusted as necessary to reflect changes in fleet maintenance strategies or manufacturer guidance on replacements.

This provision for obsolete inventories is regularly reassessed to ensure it accurately represents the latest information, including fleet adjustments and operational requirements. Any necessary adjustments to the provision are reflected in the financial statements as of the reporting date, providing a realistic measure of the potential loss on inventory items that may not yield future economic benefits.

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

i. Going concern

At March 31, 2024, the Company's total liabilities exceeded its total assets by **Eur 195M** (2023 restated: Eur 196.1M). The Company had net current liabilities of **Eur 159.1M** (2023 restated: Eur 103.9M). The Company generated a profit of **Eur 2M** (2023: restated Eur 5.7M) for the year ended March 31, 2024. Included in the net current liabilities are non-financial liabilities which would not result in cash outflows of the Company and these include forward sales and frequent flyer provisions which amount to **Eur 183.9M** (2023 restated: Eur 166.8M) and **Eur 5.5M** (2023: Eur 1.6M) respectively.

Airport Holdings Ltd ("AHL"), the entity's shareholder, has issued a legally binding letter of support to Air Mauritius Limited whereby it has undertaken to provide financial assistance to the Company if required for at least the next 12 months subsequent to the approval of the financial statements. As part of this support, AHL has approved to inject capital amounting to Mur 11.9975BN (Eur 237M) pursuant to its board resolution dated 31 January 2025. This will be funded through:

(i) Conversion of existing shareholder's loan of Mur 8.0475BN (Eur 157M) into equity;
and
(ii) Cash injection of Mur 3.95BN (Eur 80M) to be settled over a period till 2028.

The shareholders of AHL have taken cognizance of the financial position of one of its subsidiaries, Air Mauritius Limited ("MK"); that for the purposes of the going concern assumption of MK, AHL has issued a legally binding letter of support to MK to enable it to meet its obligations as and when they fall due, agreed to convert the shareholder's loan advanced to MK; issued a commitment letter to restore the equity position of MK; that the shareholders of AHL have pursuant to a shareholders' resolution dated 20 February 2025 resolved to provide all financial assistance required to enable MK to continue as a going concern as well as to restore the equity of MK.

The directors of the Company are undertaking other measures in view of improving the liquidity position of the entity such as refinancing of assets arrangements to the value of Eur 32M. This is still in negotiation stage. The Board of Directors has also approved that the Company avails of an on-demand short term facility of USD 50M (Eur 46M) to finance working capital requirements as and when the need arises.

4. ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

i. Going concern (cont'd)

Further, the Company's forecasts and projections, considering any reasonable or possible changes (operating statistics such as passenger load factor, ticket prices, number of flights, cargo yield and others) in trading performance, demonstrate that the Company should have sufficient cash resources to be able to operate in the normal course of business for at least twelve months from the date of approval of these financial statements taking into account plans to obtain bank facilities, injection of the capital and financial support from AHL.

The Company's directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for at least twelve months from the date the financial statements have been approved. Therefore, the financial statements continue to be prepared on the going concern basis.

ii. Functional currency

The Company has exercised significant judgement in determining the functional currency of the Company. In making this judgement, the Company has considered the primary economic environment in which it operates; the geographical location whose competitive forces mainly determine the sales prices of the entity's goods and services; the currency that mainly influences the determination of costs of providing goods and services; the currency in which funds from financing activities are generated; and, the currency in which proceeds from operating activities are usually retained.

4.4 MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies applied by the Company during the year.

(a) Functional and presentation currency

The functional currency of the Company has been determined by reference to, inter alia: the primary economic environment in which the entity operates; the geographical location whose competitive forces mainly determine the sales prices of the Company's goods and services; the currency that mainly influences the determination of costs of providing goods and services; the currency in which funds from financing activities are generated; and, the currency in which proceeds from operating activities are usually retained.

These financial statements are presented in Euro ("Eur"), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency translation

In preparing the financial statements of the entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rate of exchange prevailing on the reporting date.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in profit or loss. Exchange differences arising on the following items are recognised in other comprehensive income:

- qualifying cash flow hedges to the extent that the hedges are effective.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In order to hedge its exposure to certain foreign exchange risks, the Company entered into forward contracts, for which the Company applies hedge accounting if appropriate.

(c) Property, plant and equipment

An item of property, plant and equipment is initially recognised at the cost at the time it is incurred. All property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of an asset when that cost is incurred, if recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed on an aircraft or its engines which is required in order for the aircraft to be operational, its cost is recognised in the carrying amount of the asset as a replacement if recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Residual value is the estimated amount that the Company would currently obtain from disposal of the asset after deducting the estimated cost of disposal as if the asset were already of the age and in the condition expected at the end of its useful life.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

The depreciation method, useful lives and residual values of all property, plant and equipment are reviewed and prospectively adjusted if appropriate at each financial year end.

The right-of-use assets ("ROU" assets) are depreciated over their respective lease terms.

The principal annual rates of depreciation for the years ended March 31, 2024 and March 31, 2023 are:

	Rate (%)
Aircraft on finance lease (frame and engine)	5
Aircraft and accessories:	
- Aircraft*	3 – 7
- Galley equipment	9 – 15
- In-flight entertainment equipment	9 – 15
- Cabin interior and seating	9 – 11
- Aircraft rotables spares	5 – 50
Buildings and hangars on leasehold land	2 – 10
Plant and equipment	15 – 33.33
Furniture and fittings	10
Computer and office equipment	10 – 33
Motor vehicles	20
Airframe and engine overhaul	See note below

*During the financial year, management conducted an operational efficiency of its fleet, which resulted in changes in the expected useful life of certain aircraft. The useful life of one ATR aircraft has been reassessed and extended by 4 years to align with the period over which management plans to use the ATR and this is until the completion of the Rodrigues Runway Project. The depreciation charge and residual value were reassessed in line with the change in useful life. In the prior year, there were no change in the useful lives and residual values. The effect of these changes on depreciation expense, included in cost of sales are as follows:

	2024 Eur'000	**2025 Eur'000**	**2026 Eur'000**	**2027 Eur'000**	**2028 Eur'000**
(Decrease)/increase in depreciation charge	(335)	89	89	89	89

Leasehold land is not capitalised and the lease payments are charged to profit or loss on a straight-line basis.

Items of property, plant and equipment acquired under operating and finance lease contracts ("ROU" assets) are depreciated over the shorter of the lease term and useful life of the asset.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Aircraft and engine overhaul

Costs incurred in respect of heavy maintenance and overhaul of aircraft engines and airframes are capitalised and depreciated over the period to the next scheduled maintenance ranging from 1.5 to 5 years. Other non-heavy maintenance and overhaul costs are charged to profit or loss on consumption or as incurred.

(d) Investments in subsidiaries

Subsidiaries

In the financial statements, investments in subsidiary companies are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The carrying amount is reduced to recognise any impairment in the value of individual investments.

(e) Financial assets

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Financial assets (cont'd)

Initial recognition and measurement

Financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially 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. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 4.4 (p) for revenue recognition.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost; and
- Derivative assets at fair value – hedging instrument.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include long-term deposits (exclude advance payments to aircraft manufacturers), long-term receivables, trade and other receivables (excluding prepayments, VAT and GST receivables), short-term deposits and cash and cash equivalents (excluding cash in hand).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company 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 the Company has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of their continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Financial assets (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default of being more than 90 days past due; and
- It is probable that the debtor will enter bankruptcy or other financial re-organisation.

(f) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. For those credit exposures for which there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial liabilities.

Subsequent measurement

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

Financial liabilities at amortised cost

After initial recognition, loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

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 profit or loss.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is shown in the statement of financial position when and only when, the Company currently has a legally enforceable right to offset the amounts and intend to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Provisions

i. General

Provisions are recognised when the Company 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. Where the Company 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 any provision is presented in profit or loss 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, where appropriate, the risks specific to the liability.

ii. Major overhauls

Major overhauls involve maintaining the aircraft in a serviceable condition in line with the aircraft maintenance manual. The Company makes provisions for the future maintenance events based on the maintenance programme. Provisions are recognised on a monthly basis in relation to these events which are then released to profit or loss upon completion of the overhaul.

The Company also provides for ad-hoc maintenance. The provision for ad-hoc maintenance are determined based on past events which are likely to re-occur. Refer to Note 4.3 (iv) for more details.

iii. Provision for return conditions

The measurement of the provision for aircraft return conditions includes assumptions relating to the expected cost of meeting the maintenance and non-maintenance return conditions, having regard to the current fleet plan and long-term maintenance schedules. Please refer to Note 19 for more details.

(j) Inventories

Inventory items are valued at the lower of cost and net realisable value. Cost comprises purchase cost from suppliers and any other costs incurred in bringing such inventory to its present condition and location. In general, cost is determined on a weighted average basis.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Inventories (cont'd)

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Redundant and obsolete inventories are identified on a regular basis and written down to their realisable values as and when it is deemed necessary. Consumables are written down with regards to their age, condition and utility.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after April 01, 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Leases (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Company as lessee

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

- fixed payments, including in-substance fixed payments, less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Leases (cont'd)

Company as lessee (cont'd)

Aircraft leases

The Company is obliged to return leased aircraft and their engines according to the redelivery condition set in the lease agreement. If at the time of redelivery, the condition of the aircraft and its engines differs from the agreed redelivery condition, the Company needs to either maintain the aircraft so that it meets the agreed redelivery condition or settle the difference in cash to the lessor.

The maintenance costs can be divided into two main groups;

1) costs that are incurred independent of the usage of the aircraft / leasing period; and
2) costs that are incurred dependent on the usage of the aircraft / leasing period.

The final check and painting required at redelivery are considered unavoidable maintenance costs that realise when the aircraft is redelivered to the lessor, irrespective of the time or flight hours. The counterpart of the provision is recorded in the book value of the right-of-use asset at the commencement of the lease.

Respectively, costs depending on the usage of the aircraft are not considered as part of the right-of-use asset cost.

The Company remeasures the lease liability when there is a lease modification that changes the scope of a lease or the consideration for the lease, that was not part of the original terms and conditions of the lease, including changes in lease payments resulting from a change in indices and rates used in variable aircraft lease payments. The amount of the remeasurement of the lease liability is generally recognised as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the remaining measurement is recognised in profit or loss.

The aircraft lease contracts do not contain the interest rate implicit in the lease. The incremental borrowing rate is therefore used and it is determined by each aircraft lease separately, based on management estimate.

Real estate leases

The Company leases land and buildings for their office space and retail stores. The leases of office space typically run for a period of three to ten years, and leases of retail stores for three to five years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Leases (cont'd)

Company as lessee (cont'd)

Other leases

The Company leases vehicles and equipment, with lease terms of three to five years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company monitors the use of these vehicles and equipment and reassesses the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets.

The Company also leases IT equipment and machinery with contract terms of one to three years.

These leases are short-term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

(l) Employee benefit liability

(i) Defined contribution plans

The Company operates a defined contribution scheme, created in April 2002 and is administered by an independent fund administrator. All new employees of the Company from that date became members of the defined contribution plan. Payments by the Company to the defined contribution retirement plan are charged as an expense in profit or loss as they fall due.

(ii) Other post-retirement benefits

Other post-retirement benefits include unused, accumulated sick leave benefits that are refunded to employees on retirement and the severance allowance payable to employees in accordance with Labour Laws. The net present value of benefits payable is calculated by a qualified actuary and provided for. The severance allowance payable and the accumulated sick leaves are unfunded.

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Income tax (cont'd)

i. Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using the tax rates enacted at the reporting date. Current tax is recognised in correlation to underlying transactions either in profit or loss or, other comprehensive income or directly in equity. Current tax assets and liabilities are offset, if there is a legally enforceable right to set off and the entity either intends to settle on a net basis or realise the asset and liability simultaneously.

ii. Deferred tax

Deferred tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date that are expected to apply in the year when the asset is realised or the liability is settled.

Deferred tax items are recognised in correlation to underlying transactions either in profit or loss, other comprehensive income or directly in equity. Under this method the Company is required to make provision for deferred taxes on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base.

The principal temporary differences arise from depreciation on property, plant and equipment, employee benefit liability and provision for expected credit losses.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

iii. Value added taxes

Revenues, expenses and assets are recognised net of the amount of value added taxes except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Income tax (cont'd)

iv. Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the statement of profit or loss and other comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

v. Tax Holiday

The Company is not taxable by virtue of an agreement with the Government of Mauritius and this income tax holiday is accounted for as part of income tax.

(n) Impairment of non-financial assets

The Company reviews the carrying amounts of its assets other than inventories and deferred tax assets at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An asset's recoverable amount is the higher of an asset's or cash generating unit'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.

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. In determining fair value less costs to sell, an appropriate valuation model is used. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Customer loyalty programme

The Company operates a customer loyalty programme, the Kestrelflyer Programme that entitles customers to accumulate mileage credits that entitle them to a choice of various awards, primarily free travel and upgrading of tickets. Redemption revenue received for the issuance of points is deferred as a liability (contract liabilities for customer loyalty programme) until the miles are redeemed or the passenger is flown in the case of flights redemptions. Redemption revenue is based on their relative stand-alone selling price (measured using the estimated ticket value method based on historical statistical data), adjusted for expected expiry and the extent to which the demand for an award cannot be met. Redemption revenue is recognised at the point where the miles are expired or redeemed by the customer.

(p) Revenue recognition

i. Passenger and cargo sales

The Company's revenue primarily derives from transportation services for both passengers and cargo. Revenue is recognised when the transportation service has been provided, that is, when the passengers/cargo have flown. Passenger tickets and cargo airway bills are generally paid for in advance of transportation and are recognised, net of discounts (the transaction price), as current liabilities in the "Sales in advance of carriage" until the passenger/cargo has flown. Commission costs are recognised at the same time as the revenue to which they relate and are charged to operating expenses. Unused tickets are recognised as revenue after the contracted date of departure using estimates regarding the timing of recognition based on the terms and conditions of the ticket and statistical analysis of historical trends.

The Company considers whether it is an agent or a principal in relation to 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.

ii. Other revenue

Other revenue including handling, hotel and holiday and commissions is recognised as the related performance obligation is satisfied (at a point in time) using an appropriate methodology which reflects the activity that has been undertaken to satisfy the related obligation.

iii. Redemption of miles on customer loyalty programme (Kestrelflyer)

Redemption revenue received for the issuance of points is deferred as a liability (contract liabilities for customer loyalty programme) until the miles are redeemed or the passenger is uplifted in the case of flights redemptions. Redemption revenue is based on their relative stand-alone selling price (measured using the estimated ticket value method based on historical statistical data), adjusted for expected expiry and the extent to which the demand for an award cannot be met. Redemption revenue is recognised at the point when the miles are expired or redeemed by the customer and over time using the estimated ticket value method.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd)

iv. Purged revenue

Unused tickets included within "sales in advance of carriage" are recognised as revenue (purged) after 12 months from the initial travel date of the ticket. This process was halted in May 2020 following a commercial decision to stop the purging of tickets as a result of Covid-19 and closure of international borders. This commercial decision was reversed following a board resolution dated October 19, 2023. As a consequence of resuming the writeback process, unutilised tickets exceeding their 12 months validity are being purged and recognised as revenue. The process is however limited to tickets purchased during the Covid-19 flexible travel period (from January 27, 2020 to October 31, 2022) and excludes tickets which have been converted into vouchers which are still open for refund or which are good for further transportation.

v. Disaggregation of revenue, performance obligations and significant judgments applied under IFRS 15

Under IFRS 15, revenue is recognised when a customer obtains control of the services. Determining the timing of the transfer of control – at a point of time or over time – requires judgement. The below table sets out the accounting policies in relation to the Company's different sources of revenues and their recognition:

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
• Transportation / carriage services	Passenger and cargo revenues Revenue from code sharing agreements (refer to accounting policy (r) below)	The Company's revenue primarily derives from transportation services for both passengers and cargo. Revenue is recognised when the transportation service has been provided, that is, when the passengers/cargo have flown. Passenger tickets and cargo air way bills are generally paid for in advance of transportation and are recognised, net of discounts (the transaction price), as current liabilities in 'Sales in advance of carriage" until the passenger/cargo has flown. As the services are to be provided to the customers at a specific point in time, the performance obligation is satisfied when the passenger/cargo has flown. The transaction price on the tickets and airway bills for passengers and cargo, respectively, are pre-determined when the tickets and air way bills are issued; and these are not constrained.
• Transportation / carriage services	Redemption revenue of miles on customer loyalty programme (Kestrelflyer)	Redemption revenue received for the issuance of points is deferred as a liability (contract liabilities for customer loyalty programme) until the miles are redeemed or the passenger is flown in the case of flights redemptions. Redemption revenue is based on their relative stand-alone selling price (measured using the estimated ticket value method based on historical statistical data), adjusted for expected expiry and the extent to which the demand for an award cannot be met. Redemption revenue is recognised at the point when the miles are expired or redeemed by the customer.
• Ground handling operations services, hotel and holiday and commissions	Other revenue	Other revenue including handling, hotel and holiday and commissions is recognised as the related performance obligation is satisfied (normally on a 30 days payment terms) using an appropriate methodology which reflects the activity that has been undertaken to satisfy the related obligation. Other revenue is recognised when the services have been rendered (i.e., the performance obligation has been performed). Hence, other revenue is recognised at a point in time.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd)

v. Disaggregation of revenue, performance obligations and significant judgments applied under IFRS 15 (cont'd)

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
• Transportation / carriage services	Purged revenue	Under normal circumstances, unused tickets and airway bills included in "sales in advance of carriage" are recognised as revenue (purged) after twelve months from the lapsed travel date. Given that unused tickets and airway bills expire after twelve months of planned uplift date, those amounts included in "sales in advance of carriage" are recognised as revenue (purged) after twelve months. Therefore, purged revenue is recognised at a point in time.

(q) Expenses

Expenses are recognised in the financial statements on the accrual basis.

(r) Revenue from code sharing agreements

The Company has entered into code sharing agreements with other airlines whereby income and costs on all flights are shared between the airlines as per agreed terms. The income derived from the code sharing agreements are recorded upon uplift of passengers and cargo on aircraft.

(s) Finance income and finance cost

The Company's finance income and finance costs include:
- other interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised as it accrues using the effective interest method. The Company has elected to classify cash flows from interest received as operating activities.

(t) Non-current assets held for sale and discontinued operations (applicable for comparatives for March 31, 2023)

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 29.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4. ACCOUNTING POLICIES (CONT'D)

4.4 MATERIAL ACCOUNTING POLICIES (CONT'D)

(v) Share capital and capital contribution

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity. When shares are issued at a price above its par value, the excess between the issue price and par value is recorded in share premium.

Capital contribution relates to funds received from shareholders, being either cash or other non-monetary assets, which are non-reciprocal (i.e. no financial or non-financial obligation exists). Capital contribution also relates to the difference between the fair value of the holding company's loan contracted at preferential rates and actual proceeds received by the Company from the holding company on initial recognition in accordance with IFRS 9. Capital contribution is classified as equity.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As an airline with worldwide operations, the Company is exposed to financial risks relating to market risks (fluctuations in exchange rate and interest rate movements) as well as credit and liquidity risks.

The fundamental objective of financial risk management is to protect and, where possible, improve on future budgeted and forecast cash flows, and the financial performance and financial position of the Company by:

- Protecting the Company from adverse market movements that manifest as financial downside for the business and endanger stakeholders (shareholder, employees and the community), and threaten the sustainability and competitive position and reputational risk of the Company in the market; and
- Reducing the volatility and resultant uncertainty of operating revenues and cash flows that result from financial market volatility.

The Board of Directors sets the Risk Management policies and objectives of the Company, and lays down the parameters within which the various aspects of treasury risk management are operated. The Board through its Audit and Risk Committee (formerly known as Risk Committee) had approved a Risk Management Manual which outlines the Company's policies and procedures for managing corporate and asset financing and financial risks.

The Company has various financial assets such as cash and cash equivalents, short-term deposits, trade and other receivables (excluding prepayments, VAT and GST receivable), long-term deposits (excluding advance payments to aircraft manufacturers) and long-term receivables which arise directly from its operations. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's long-term deposits (excluding advance payments to aircraft manufacturers), long-term receivables, trade and other receivables (excluding prepayments, VAT and GST receivable), short-term deposits, and cash at bank. Receivable balances are monitored on an ongoing basis to manage the Company's exposure to credit risk. Cash and cash equivalents (excluding cash in hand) are placed in banks and/or financial institutions with good credit rating to minimise the associated credit risk.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

	2024	**Maximum credit exposure**	2023	Maximum credit exposure
	Eur'000	**Eur'000**	Eur'000	Eur'000
Trade and other receivables	**73,480**	**73,480**	53,201	53,201
Cash and cash equivalents	**67,962**	**67,962**	98,572	98,572
Short-term deposits	**3,000**	**3,000**	1,998	1,998
Long-term deposits	**8,274**	**8,274**	6,211	6,211
Long-term receivables	**82**	**82**	102	102
	148,920	**148,920**	160,074	153,248

Trade and other receivables exclude prepayments, VAT and GST receivables of **Eur 19,719K** (2023: Eur 15,795K). Cash and cash equivalents exclude cash in hand of **Eur 26K** (2023: Eur 24K). Long-term deposits exclude advance payments to aircraft manufacturers of **Eur 14,335K** (2023: Eur 8,708K).

Trade and other receivables

The Company's sales are made principally through International Air Transport Association (IATA), Cargo Accounts Settlement System (CASS) and Billing Settlement Plan (BSP) settlement systems. As such, the credit risk arising from defaults from travel agents, other airlines, forwarding agents and tour operators are considerably reduced. The Company also trades directly with recognised creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The maximum exposure is the carrying amount as disclosed in Note 13. The concentration of credit risk is with IATA, CASS and BSP representing 44% of gross receivable balances.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

i. Credit risk (cont'd)

Exposure to credit risk (cont'd)

Trade and other receivables (cont'd)

Expected credit losses for trade and other receivables

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 (i.e., by geographical region, product type, customer type and rating). 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. The Company assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be default when the financial asset is more than 90 days past due. Generally, trade receivables are written-off 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 above maximum exposure table. The Company does not hold collateral as security nor letters of credit and other forms of credit insurance.

Set out in Note 13 is the information about the credit risk exposure and credit quality on the Company's trade receivables using a provision matrix.

Cash and cash equivalents and short-term deposits

The Company held cash at bank amounting to **Eur 67,962K** at March 31, 2024 (2023: Eur 98,572K) for Company and short-term deposits amounting to **Eur 3,000K** (2023: Eur 1,998K) for the Company. Cash and cash equivalents and short-term deposits are held with bank and financial institution counterparties, which are rated at least investment grade based on Moody's (Baa3). The Company's investment in treasury bills is deemed to be a secured method as it is backed by the government and hence considered low-risk.

The Company has bank guarantees with certain banks totalling **Eur 639K** (2023: Eur 401K) as at March 31, 2024. Accordingly, ECL on these financial assets were assessed as being immaterial.

Long-term deposit

The Company makes deposits as part of its agreement with aircraft manufacturers for the purchase of aircraft. These long-term deposits are held with reputable aircraft leasing companies who have low credit risk. Such agreements are legally enforceable in case of breach by these leasing companies.

Derivatives

For the financial year ended March 31, 2024, the derivatives were entered into with banking and financial institution counterparties, which are rated at least investment grade Baa3 based on Moody's rating.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial obligations and approved projected cash flows from operations. Management also carries out a regular review of the facilities it has in place with its banking partners to ensure it has access to sufficient financing in case of liquidity needs at all times. As explained in Note 4.3(i), Going concern, the Company has also been provided a legally binding letter of support from Airport Holdings Ltd ("AHL"), the holding company of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at March 31,2024 based on contractual undiscounted payments.

At March 31, 2024	**Carrying amount**	**On demand**	**Less than 1 year**	**2 to 5 years**	**Above 5 years**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Non-derivative financial liabilities						
Loans and borrowings	**581,192**	**-**	**65,766**	**317,964**	**295,604**	**679,334**
Trade and other payables	**68,891**	**-**	**68,891**	**-**	**-**	**68,891**
Total	**650,083**	**-**	**134,657**	**317,964**	**295,604**	**748,225**

At March 31, 2023	Carrying amount	On demand	Less than 1 year	2 to 5 years	Above 5 years	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Non-derivative financial liabilities						
Loans and borrowings	631,159	-	89,310	446,549	208,389	744,248
Trade and other payables	47,703	-	47,703	-	-	47,703
Total	678,862	-	137,014	446,549	208,389	791,951

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to manage and control market risk exposures within acceptable parameters while optimising return.

The Company makes use of derivative financial instruments to manage market risks. The derivative financial instruments entered by Air Mauritius are mostly currency contracts to secure better foreign exchange rate. Derivative financial assets were estimated at **Eur 63K** as at March 31, 2024 (2023: Derivative financial liabilities of Eur 10K). All such transactions are carried out within the guidelines set by the Audit and Risk Committee (formerly known as Risk Committee). Normally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Interest rate risk

The Company's earnings are exposed to changes in interest rates as it finances its aircraft principally in Euro and US dollars. Changes in interest rates of the Euro zone and US will therefore impact on the cash flows, profits and equity of the Company, when the financing is based on floating rate terms. The Company mitigates this risk by having a loan portfolio which carries both fixed and floating rates. As at March 31, 2024 and March 31, 2023, the Company's borrowings at a fixed rate of interest consisted of a loan from holding company and a third-party loan.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit or loss and equity (through the impact on floating rate borrowings).

	Increase/ decrease in basis points	**Effect on profit or loss/equity €'000**
March 31, 2024		
Financial instruments denominated in Eur	**+10**	**(99)**
Financial instruments denominated in Eur	**-10**	**99**
March 31, 2023		
Financial instruments denominated in Eur	+15	(120)
Financial instruments denominated in Eur	-10	146

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

iii. Market risk (cont'd)

Foreign currency risk

The Company has transactions mainly denominated in Euro (Eur), United States Dollar (USD), Great Britain Pound (GBP) and Mauritian Rupees (Mur). Consequently, the Company is exposed to the risk that the exchange rates of USD, GBP and Mur relative to the Eur may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in Euro.

The currency profile of the Company's financial assets and liabilities are summarised as follows:

Currency	**31-Mar-24**		31-Mar-23	
	Financial asset	**Financial liabilities**	Financial asset	Financial liabilities
USD	**35,764**	**272,951**	43,279	272,333
Eur	**43,006**	**370,994**	41,103	362,280
Mur	**23,616**	**4,841**	28,552	1,752
GBP	**25,058**	**3,731**	14,697	3,003

The Company manages its foreign currency risk by hedging transactions that are expected to occur mainly in USD by using foreign currency swaps and forwards. It is the Company's policy to negotiate the terms of the hedge derivatives to match the term of the hedged item to maximise hedge effectiveness. No material hedging was performed for the financial year end March 31, 2024 (2023: None).

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Mur and GBP exchange rate in relation to Euro, with all other variables held constant, of the Company's profit or loss (due to changes in the fair value of monetary assets and liabilities) and the Company's equity (due to changes in the fair value of forward exchange contracts).

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

iii. Market risk (cont'd)

Foreign currency risk (cont'd)

		Increase/ decrease in USD rate			Increase/ decrease in Mur rate			Increase/ decrease in GBP rate	
		Effect on profit or loss	**Effect on equity**		**Effect on profit or loss**	**Effect on equity**		**Effect on profit or loss**	**Effect on equity**
		€'000	**€'000**		**€'000**	**€'000**		**€'000**	**€'000**
31-Mar-24	**1%**	**(2,400)**	**(2,400)**	**1%**	**200**	**200**	**3%**	**500**	**500**
	-1%	**2,400**	**2,400**	**-1%**	**(200)**	**(200)**	**-3%**	**(500)**	**(500)**
31-Mar-23	2%	(2,300)	(2,300)	1%	300	300	4%	400	400
	-2%	2,300	2,300	-1%	(300)	(300)	-4%	(400)	(400)

iv. Hedging

The Audit and Risk Committee (formerly known as Risk Committee) sets out the objectives and policies for hedging transactions in order to mitigate exposure on changes in foreign exchange rates and fuel prices. The Company's hedging policies are risk averse. As such, derivatives are not used to generate profits but to hedge against anticipated exposures.

As derivatives are only used for the purposes of risk management, they do not expose the Company to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or costs being hedged, except to the extent that the hedge is ineffective.

Foreign currency risks in relation to expected disbursements denominated in USD are hedged by using forward contracts and options based on the budgeted USD cash outflow in the future. These forward contracts and commodity contracts are rarely taken for a period of more than one year.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

iv. Hedging (cont'd)

The movement in derivative financial instruments (cash flow hedges) are as follows:

	Currency derivatives	
	2024	2023
	€'000	€'000
At April 01,	**(10)**	-
Movement during the year		
Hedge (receipts) / payouts	**-**	-
Fair value movement	**73**	(10)
At March 31,	**63**	(10)

v. Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. In order to achieve overall capital management objectives, the Company, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any loans and borrowing in the current period. The Company was not subject to any externally imposed capital requirements during the years ended March 31, 2024 and March 31, 2023.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended March 31, 2024 and March 31, 2023. The Company monitors capital using a gearing ratio, which is loans and borrowings divided by equity.

	2024	2023
	€'000	€'000 Restated*
Loans and borrowings	**581,192**	631,159
Shareholders' deficit*	**(194,966)**	(196,144)
Debt to equity ratio **	**-**	-

* Refer to Note 34 for prior year restatement note.

** Debt to equity ratio is not applicable for years ended March 31, 2024 and March 31, 2023 as there is shareholders' deficit for both financial years.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

vi. Fair value of financial instruments

The fair value details of financial assets and liabilities are disclosed in Note 29. The tables below set out comparison by category and class of carrying amounts and fair values of all of the Company's financial instruments.

	Category 2024	Category 2023	**Carrying Amount**		**Fair Value**	
			2024	2023	**2024**	2023
			€'000	€'000	**€'000**	€'000
Financial assets						
Cash and cash equivalents	A.C	A.C	**67,988**	98,596	**67,988**	98,596
Trade and other receivables	A.C	A.C	**73,480**	53,201	**73,480**	53,201
Long-term receivables	A.C	A.C	**82**	102	**82**	102
Long-term deposits	A.C	A.C	**8,274**	6,211	**8,274**	6,211
Short-term deposits	A.C	A.C	**3,000**	1,998	**3,000**	1,998
Derivatives financial assets	F.V.T.P.L	F.V.T.P.L	**63**	-	**63**	-
Financial liabilities						
Trade and other payables	A.C	A.C	**(68,891)**	(47,703)	**(68,891)**	(47,703)
Derivative financial liabilities	F.V.P.L	F.V.P.L	**-**	(10)	**-**	(10)
Loans and borrowings	A.C	A.C	**(581,192)**	(631,159)	**(555,138)**	(603,537)

Categories:
A.C – Amortised cost
F.V.P.L - Fair value through profit or loss

The fair values of loans and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rate (level 3 under the fair value hierarchy). The fair values of other financial assets have been calculated using market interest rates. Given the short-term nature of the short-term financial instruments, management believes that the carrying amounts are a reasonable approximation of their fair values. Long term loans and borrowings, except for loan from holding company, have been contracted with financial institutions and carry variable interest rates which are at par with market rates. Therefore, the amortised cost of these loans approximates the fair value. The fair value of loan from holding company has been calculated at **Eur 117,494K** (2023: Eur 114,250K) at the reporting date.

The Company has derivative assets and liabilities which are classified under level 2 for the years ended March 31, 2024 and March 31, 2023 respectively.

6. PROPERTY, PLANT AND EQUIPMENT

	Aircraft & accessories	Aircraft spares	Airframe & engine overhaul	Buildings & hangars on leasehold land	Plant & equipment	Furniture & fittings	Computer & office equipment	Motor Vehicles	ROU Fleet	ROU Office	ROU Motor	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost												
At April 01, 2022	15,795	30,895	54,750	36,393	21,365	6,741	11,003	1,745	567,310	5,252	46	751,295
Lease modification (refer to Note (d) below)	-	-	-	-	-	-	-	-	-	788	4	792
Reclassification to assets held for sale (Note 30)	-	-	-	(8,397)	-	-	-	-	-	-	-	(8,397)
Additions	-	2,058	877	126	303	26	1,178	123	-	-	-	4,691
Disposals	-	(418)	(681)	(275)	(201)	(128)	(758)	-	-	-	-	(2,461)
At March 31, 2023	15,795	32,535	54,946	27,847	21,467	6,639	11,423	1,868	567,310	5,312	46	745,920
At April 01, 2023	**15,795**	**32,535**	**54,946**	**27,847**	**21,467**	**6,639**	**11,423**	**1,868**	**567,310**	**5,312**	**46**	**745,920**
Lease modification (refer to Note (d) below)	-	-	-	-	-	-	-	-	-	**3,376**	**27**	**3,403**
Reclassification	-	-	-	**208**	-	**(208)**	-	-	-	-	-	-
Additions	**6,650**	**21,965**	**14,305**	**208**	**780**	**35**	**1,386**	**361**	**15,284**	-	-	**60,974**
Disposals	-	**(124)**	**(1,164)**	-	**(135)**	**(905)**	**(335)**	**(369)**	-	**(2,586)**	**(33)**	**(5,651)**
At March 31, 2024	**22,445**	**54,376**	**68,087**	**28,263**	**22,112**	**5,561**	**12,474**	**1,860**	**582,594**	**6,102**	**40**	**804,646**
Depreciation/Impairment												
At April 01, 2022	14,009	23,914	21,918	27,975	20,678	6,541	10,465	1,662	100,994	1,443	19	229,618
Depreciation	452	2,369	7,932	748	502	47	627	54	40,280	1,176	21	54,208
Lease modification (refer to Note (d) below)	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(191)	(681)	(274)	(201)	(128)	(757)	-	-	(263)	-	(2,495)
Reclassification to assets held for sale (Note 30)	-	-	-	(5,115)	-	-	-	-	-	-	-	(5,115)
Reversal of impairment	-	-	-	-	-	-	-	-	(4,894)	-	-	(4,894)
At March 31, 2023	14,461	26,092	29,169	23,334	20,979	6,460	10,335	1,716	136,380	1,628	36	271,322
At April 01, 2023	**14,461**	**26,092**	**29,169**	**23,334**	**20,979**	**6,460**	**10,335**	**1,716**	**136,380**	**1,628**	**36**	**271,322**
Depreciation	**267**	**3,703**	**7,843**	**578**	**296**	**57**	**901**	**98**	**47,879**	**1,103**	**12**	**62,737**
Lease modification (refer to Note (d) below)	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	**(112)**	**(1,164)**	-	**(135)**	**(900)**	**(335)**	**(369)**	-	**(1,078)**	**(33)**	**(4,126)**
Reclassification	-	-	-	**185**	-	**(185)**	-	-	-	-	-	-
At March 31, 2024	**14,728**	**29,683**	**35,848**	**24,097**	**21,140**	**5,432**	**10,901**	**1,445**	**184,259**	**1,653**	**15**	**329,933**
Carrying amounts												
At March 31, 2024	**7,717**	**24,693**	**32,239**	**4,166**	**972**	**129**	**1,573**	**415**	**398,335**	**4,449**	**25**	**474,713**
At March 31, 2023	1,334	6,443	25,777	4,513	488	179	1,088	152	430,930	3,684	10	474,598

(a) No asset are pledged as security against borrowings of the Company.

(b) Refer to Note 25 for capital commitments.

(c) There are no temporarily idle property, plant and equipment.

(d) The lease modification relates to the remeasurement of right of use assets following renegotiation of the contracts with the lessors of office space and motor vehicles.

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company has presented right-of-use assets that do not meet the definition of investment property within property, plant and equipment.

	2024	2023
	€'000	€'000
Property, plant and equipment owned	**71,904**	39,974
Right-of-use assets	**402,809**	434,624
At March 31,	**474,713**	474,598

At March 31, 2024

At the reporting date, the Company performed its annual impairment assessment of its aircraft and accessories. Based on forecasted operations the recoverable amounts of the aircraft and accessories were higher than their carrying values indicating that they were not subject to impairment.

At March 31, 2023

Impairment loss reversal

During the year ended March 31, 2023, the Company has recognised reversal of impairment of Eur 4.9M on its ROU fleet. The reversal was mainly due to increased activity as compared to operations during the depressed market during the Covid period and when borders were closed.

The recoverable amounts for the aircraft, aircraft and accessories, aircraft spares and airframe & engine overhaul were based on the higher of their fair value less costs to sell (FVLCTS) and value in use (VIU). Fair value less costs to sell was based on available market data. Value in use was determined by discounting cash flows to be generated from their continuing use up to expected end of useful life or lease term. The carrying amount and the recoverable amount of the aircraft, aircraft and accessories, aircraft spares, and airframe and engine overhaul as at March 31, 2023 are summaried below:

March 31, 2023

	Carrying amount before reversal of impairment	Recoverable amount - Higher of FVLCTS and VIU	Reversal of impairment for the year	Cummulative impairment loss
	€'000	€'000	€'000	€'000
Aircraft	421,379	589,028	4,894	-
Aircraft and accessories	1,334	-	-	-
Aircraft spares	6,443	-	-	-
Airframe and engine overhaul	30,434	-	-	-
	459,590	589,028	4,894	-

Air Mauritius Limited's fleet comprised of nine aircraft and each aircraft type is considered as a cash generating unit (CGU) for impairment purposes. The carrying and recoverable amounts per aircraft type were as follows:

Cash Generating Unit (CGU)	Carrying amount before reversal of impairment	Recoverable amount - Higher of FVLCTS and VIU	Reversal of impairment for the year *	Cummulative impairment loss
	€'000	€'000	€'000	€'000
A350-900	316,472	410,412	4,894	-
A330-900Neo	100,580	168,852	-	-
ATR72-500 - leased	2,993	5,956	-	-
ATR72-500 - owned	1,334	3,808	-	-
Aircraft and accessories	1,334	-	-	-
Aircraft spares	6,443	-	-	-
Airframe and engine overhaul	25,777	-	-	-
Engine and major overhaul of ROU aircraft including return conditions	4,657	-	-	-
	459,590	589,028	4,894	-

* The impairment losses have been reversed only to the extent that the assets' carrying amounts do not exceed the carrying amounts that would have been determined, net of depreciation or amortisation, if no impairment losses had been recognised.

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The key assumptions used in the estimation of value in use are as follows:

	2024	2023
	%	%
Discount rate (pre-tax)	**7.29%**	3.53%
Passenger yield	**EUR 76 - 477**	EUR 43 - 263
Passenger load factor	**77% - 94%**	80% - 91%
Cargo yield	**Eur 1.13 - 2.57**	Eur 1.53 - 2.46
Estimated number of cargo carriage (kgs)	**40,891 - 22,463,139**	78,770 - 21,548,579

The key assumptions used in the estimation of fair value less costs to sell are as follows:

Comparable transaction values and market lease rentals for similar aircraft were used to estimate the fair value of the aircraft. Costs to sell have been considered to be immaterial based on historical trend of past aircraft sales. The comparable market values and lease rental values have been obtained from an ISTAT* certified appraiser. The aircraft values by manufacturer's serial number are based on the type of variant build year, maximum take-off weight and specification adjusters and are considered level 3.

**ISTAT - International Society of Transport Aircraft Trading*

7. LEASE LIABILITIES

	2024	2023
	€'000	€'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**65,896**	59,075
Two to five years	**254,217**	236,451
More than five years	**174,495**	265,151
Total undiscounted lease liabilities at March 31,	**494,608**	560,677
Lease liabilities included in the statement of financial position at March 31,		
Current (Note 16)	**59,713**	51,772
Non-current (Note 16)	**377,931**	437,515
	437,644	489,287

Amounts recognised in profit or loss

	2024	2023
	€'000	€'000
Interest on lease liabilities (Note 23(b))	**10,874**	8,887

8. INTANGIBLE ASSETS

	2024	2023
Carrying amount	**€'000**	€'000
Computer software	**116**	-

	2024	2023
	€'000	€'000
Cost		
At April 01,	**6,177**	6,177
Additions	**123**	-
At March 31,	**6,300**	6,177
Amortisation		
At April 01,	**6,177**	6,141
Amortisation for the year	**7**	36
At March 31,	**6,184**	6,177
Carrying amount		
At March 31,	**116**	-

The cost of fully amortised computer software that is still in use amount to **Eur 6.2m** (2023: Eur 6.2m).
There are no restrictions on the title of the intangible assets and no amount pledged as security for liabilities.
There are no contractual commitments for the acquisition of intangible assets.

9. INVESTMENT IN SUBSIDIARIES

	2024	2023
	€'000	€'000
Cost		
At April 01,	**270**	270
At March 31,	**270**	270
Impairment		
At April 01,	**270**	270
At March 31,	**270**	270
Carrying amount		
At March 31,	**-**	-

2024	**Cost €'000**	**Carrying amount €'000**
Air Mauritius (S.A.) (Proprietary) Limited	**-**	**-**
At March 31, 2024	**-**	**-**

2023	Cost €'000	Carrying amount €'000
Air Mauritius (S.A.) (Proprietary) Limited	-	-
At March 31, 2023	-	-

Details of the subsidiaries:

Name of companies and activities	**Country of incorporation and operation**	**Class of shares held**	**Carrying value of investment 2024**	**Carrying value of investment 2023**	**Percentage 2024**
			€'000	€'000	**%**
Management company					
Air Mauritius (S.A.) (Proprietary) Limited*	South Africa	Ordinary	-	-	**100%**
Air Mauritius Holidays (Pty) Limited (Dormant)**	Australia	Ordinary	-	-	**100%**
Mauritian Holidays Limited (Dormant)**	England	Ordinary	-	-	**100%**

*The carrying value of Air Mauritius (S.A.) (Proprietary) Limited is € 432 which is less than € 1K hence presented as nil above. This figure is not considered to be material both individually and in aggregate, therefore, this immaterial subsidiary was not consolidated.

**Subsidiaries have been struck off.

10. (a) LONG-TERM DEPOSITS

	2024	2023
	€'000	€'000
Security deposits on operating/finance leases	**9,285**	7,452
Effect of discounting on security deposits	**(1,011)**	(1,241)
Advance payments to aircraft manufacturers	**14,335**	8,708
	22,609	14,919

In terms of the contractual arrangement governing the lease / purchase of aircraft, deposits are paid to the lessors /aircraft manufacturer. The deposits bear no interest and are reimbursable at the end of the lease period for operating leases. The effect of discount on security deposits relates to the fall in value.

Advance payments relate to pre-delivery payments made to aircraft manufacturers for the acquisition of the new A350-900 aircraft.

10. (b) SHORT-TERM DEPOSITS

	2024	2023
	€'000	€'000
At April 01,	**1,998**	7,598
Additions	**38,947**	19,663
Settlement	**(37,714)**	(25,649)
Exchange difference	**(231)**	386
As at March 31,	**3,000**	1,998

The Company purchased treasury bills during the year. The treasury bills term is for a short term less than one year and are non-renewable. The treasury bills bear fixed interest ranging from 3.35% to 4.60%.

11. LONG-TERM RECEIVABLES

	2024	2023
	€'000	€'000
At April 01,	**102**	167
Repayments received during the year	**(21)**	(65)
Exchange difference	**1**	-
As at March 31,	**82**	102

The amounts are unsecured and are repayable in terms ranging between 2 to 10 years.

The long-term receivable bears interest at a rate of LIBOR+1% per annum. During the year, the Company earned **Eur 41K** (2023: Eur 8K) on the long-term receivable balance which is recorded within finance income.

12. INVENTORIES

	2024	2023
At cost	€'000	€'000
Aircraft spares	**23,183**	19,788
Cabin services	**3,069**	2,173
Ground support services	**1,849**	1,752
Others	**1,229**	708
Provision for obsolete inventory	**(12,673)**	(12,640)
	16,657	11,781

During the year, **Eur 18.0M** (2023: Eur 13.2M) was recognised as an expense for inventories. Inventory write down during the year amounted to **Eur NIL** (2023: Eur NIL). No inventories were pledged as security for liabilities during the financial year. Increase in provision for obsolete items amounted to **Eur 33K** (2023: decrease of Eur 2.6M) has been recognised in profit or loss.

13. TRADE AND OTHER RECEIVABLES

	2024	2023
	€'000	€'000
Trade receivables (net of allowances)	**63,654**	43,557
Receivable from related companies	**5,948**	2,818
Other receivables	**23,597**	22,621
	93,199	68,996

Outstanding balances receivable from related parties, identified in Note 27, are included under trade and other receivables.

Trade receivables are non-interest bearing and are generally due on 30 - 90 days' terms.

At March 31, 2024, trade receivables at nominal value of **Eur 9.5M** (2023: Eur 9.2M) for the Company were impaired and fully provided for. In assessing provision for impairment, the Company considers the historical factors for debtors exceeding 90 days who do not repay their debt.

Other receivables relates to prepayment of expenses and receivables other than trade receivables.

Expected credit losses on trade receivables:

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 (i.e., by geographical region ("ECL"), product type, customer type and rating). 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 written-off 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 Note 5. The Company does not hold collateral as security nor letters of credit and other forms of credit insurance.

The following table provides information about the exposure to credit risk and ECLs for trade receivables using a provision matrix as at March 31, 2024:

March 31, 2024	**Trade Receivables**				
	Days Past Due				
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**> 90 days**
Expected credit loss rate	**6.31%**	**7.74%**	**35.94%**	**97.33%**	**100%**
Estimated total carrying amount at default (€'000)	**11,577**	**12,358**	**-**	**-**	**15,213***
Expected credit loss (€'000)	**731**	**957**	**-**	**-**	**15,213**

*** Excludes specific provision of Eur 9.5M**

March 31, 2023	Trade Receivables				
	Days Past Due				
	Current	1-30 days	31-60 days	61-90 days	> 90 days
Expected credit loss rate	5.81%	7.31%	36.75%	96.91%	100%
Estimated total carrying amount at default (€'000)	44,755	2,880	1,366	874	8,991*
Expected credit loss (€'000)	2,600	211	502	847	8,991

* Excludes specific provision of Eur 9.2M

13. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit losses on trade receivables (cont'd):

The ECL for the Company amounting to **Eur 16.9M** (2023: Eur 13.2M) for the year ended March 31, 2024 has been recognised in the Company's financial statements. Additional impairment of **Eur 3.7M** (2023: Eur 6.3M) and additional charge of specific provision for bad debts of **Eur 0.2M** (2023: Reversal EUR 2.3M) have been recognised in profit or loss during the year. Included with the impairment of **Eur 3.9M** (2023: Eur 4M) is ECL on receivables from related parties of **Eur 1.1M** (2023: Eur Nil).

Trade receivables do not have a significant financing component and therefore, all impairment losses reccognised are based on 12-month ECL.

14. CASH AND CASH EQUIVALENTS

	2024	2023
	€'000	€'000
Cash at bank	**67,962**	98,572
Cash in hand	**26**	24
	67,988	98,596

Cash resources of the Company include deposits totaling **Eur 33M** (2023: Eur 58M) which earn interest at rates ranging between **3.60%** and **7.80%** per annum (2023: 2.39% and 7.6% per annum).

15. (a) SHARE CAPITAL

	2024	2023	**2024**	2023
	Number	Number	**€'000**	€'000
Authorised				
Ordinary shares of Rs 10 each	**200,000,000**	200,000,000	**81,566**	81,566
Issued and fully paid				
Ordinary shares of Rs 10 each				
In issue at March 31,	**129,305,000**	129,305,000	**48,421**	48,421

The ordinary shares are denominated in Mauritian rupees (Rs).

Any share in the Company may be issued either at par or at a premium or at a discount or by way of bonus and may, in accordance with any applicable enactment or rule of law, issue shares of no par value, and any shares issued by the Company may be issued with such preferred, deferred, other special rights or restrictions, whether in regard to dividend, voting, return of capital, or otherwise, on such terms and conditions and at such times and in such manner as the Company may by ordinary resolution determine. Share premium amounted to **Eur 22.2M** (2023: Eur 22.2M).

(b) CAPITAL CONTRIBUTION

	2024	2023
	€'000	€'000
Capital contribution received	**51,525**	51,525

Post adoption of the Deed of Company Arrangement (DoCA) in October 2021, debts of the Company amounting to Eur 6.6M have been settled by the holding company, Airport Holdings Ltd in the financial year ended March 31, 2022. This represents a capital contribution from the holding company as no re-imbursement is required to be made to the holding company.

In addition to the above, as part of the adoption of the DoCA in October 2021, the Company received Mur 9.5BN (Eur 193.5M) from its holding company at preferential rate. The fair value of the loan received at initial recognition was assessed at Eur 148.5M. The difference between the proceeds received and the fair value amounting to Eur 44.9M has also been recognised as capital contribution from the holding company in the financial year March 31, 2022. There has not been any change in capital contribution during the current financial year end.

16. LOANS AND BORROWINGS

	2024	2023
	€'000	€'000
Non-current		
Lease liabilities (Note 7)	**377,931**	437,515
Loan from holding company (Note 27)	**132,544**	133,378
	510,475	570,893
Current		
Lease liabilities (Note 7)	**59,713**	51,772
Loan from holding company (Note 27)	**11,004**	8,494
	70,717	60,266
Total loans and borrowings	**581,192**	631,159

(a) Details of the loans and borrowings are given in Note 28.

(b) Reconciliation of opening and closing balance for liabilities arising from financing activities:

	2024	2023
	€'000	€'000
At April 01	**631,159**	684,425
Assets acquired under lease	**5,670**	-
Non-cash movement from holding company	**-**	(13,341)
Lease modification (non-cash)*	**1,896**	792
Reclassification of prepaid loan from Trade Receivables (Non- Cash)	**(1,436)**	-
Repayment of lease liabilities - cash	**(53,785)**	(51,803)
Repayment of interest on lease liabilities	**(10,874)**	(8,887)
Interest accrued (Non-cash)	**16,730**	14,787
Lease non-cash accrual	**407**	447
Repayment of interest liabilities on loan from ultimate shareholder**	**(3,298)**	-
Unrealised foreign exchange gain / (loss)	**(5,277)**	4,739
At March 31,	**581,192**	631,159

*The lease modification is the change in lease liability following renegotiation of the contracts with the lessors of office space and motor vehicles.
**The interest for the loan from holding company was partly paid during the year.

(c) Guarantees and securities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

(d) Covenants

There was no breach of financial covenants for the japanese operating lease arrangements as of the reporting date. The lease facility is subject to an additional condition requiring the submission of audited financial statements to the lessor within 180 days after the financial year end.

17. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Derivatives designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases in USD.

Hedging activities and derivatives

	Cash flow hedge		Fair value hedge	Net
	Forward foreign exchange agreements	*Commodity derivatives*	*Commodity derivatives*	
	€'000	**€'000**	**€'000**	**€'000**
As at Apr 01, 2023	**(10)**	**-**	**-**	**(10)**
Net gain on open contracts	**73**	**-**	**-**	**73**
As at March 31, 2024	**63**	**-**	**-**	**63**
As at Apr 01, 2022	-	-	-	-
Net loss on open contracts	**(10)**	-	-	**(10)**
As at March 31, 2023	**(10)**	-	-	**(10)**

The Company uses foreign exchange forward contracts and commodity derivatives to manage its foreign currency risk exposures. The foreign exchange forward contracts are designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 24 months.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness for 31 March 2024 were as follows:

31 March 2024	**Nominal amount of the hedging instrument**	**Carrying amount of the hedging instrument**		**Line item in the statement of financial position where the hedging instrument is located**	**Change in fair value used to calculate hedge ineffectiveness**
		Assets	**Liabilities**		
Cash flow hedge		**€'000**	**€'000**		
Forward foreign exchange agreements	**€ 1,677,330**	**63**	**-**	**Derivative financial assets**	**-**

31 March 2023	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Change in fair value used to calculate hedge ineffectiveness for 2020
		Assets	Liabilities		
Cash flow hedge		€'000	€'000		
Forward foreign exchange agreements	€ 1,000,000	-	(10)	Derivative financial liabilities	-

The change in fair value of **Eur 73K** (2023: Eur 10K) has been recognised in other comprehensive income.

18. EMPLOYEE BENEFIT LIABILITIES

	2024	2023
Amount of provisions recognised in the statements of financial position:	**€'000**	€'000
Defined benefit pension schemes (Note (a))	**908**	190
At March 31	**908**	190

March 31, 2024
The Company has recognised a net defined benefit liability of **Mur 46M (Eur 908K)** as at March 31, 2024 (2023: Mur 9.5M (Eur 190K)) in respect of employees under the pension plan who are entitled to residual retirement gratuities and whose benefits are not expected to fully offset the Company's retirement gratuity obligations under the Workers' Rights Act (WRA) 2019 and in respect of any retirement gratuities for employees not covered by the pension plan.

March 31, 2023
During the financial year March 31, 2023, the Company has recognised a net defined benefit of Mur 9.5M (Eur 190K) in respect of employees under the pension plan who are entitled to residual retirement gratuities and whose benefits are not expected to fully offset the Company's retirement gratuity obligations under the Workers' Rights Act 2019 and in respect of any retirement gratuities for employee not covered by the pension plan.

(a) Defined benefit pension schemes

(i) Reconciliation of net defined benefit liability

	2024	2023
	€'000	€'000
At April 01,	**190**	-
Amount recognised in profit or loss (Note (iii))	**(197)**	190
Amount recognised in other comprehensive income (Note (iv))	**915**	-
At March 31,	**908**	190

Amount recognised in the statement of financial position

	2024	2023
	€'000	€'000
Present value of funded obligations (Note (ii))	**908**	190
At March 31,	**908**	190

18. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

(a) Defined benefit pension schemes (cont'd)

(ii) Reconciliation of present value of defined benefit obligation

	2024	2023
	€'000	€'000
At April 01,	190	-
Current service cost	8	-
Interest expense	6	-
Past service cost	(211)	190
Liability experience loss (Note (iv))	57	-
Liability loss due to change in financial assumptions (Note (iv))	858	-
At March 31,	**908**	190

(iii) Components of amounts recognised in profit or loss

	2024	2023
	€'000	€'000
Current service cost	8	-
Past service cost	(211)	190
Service cost	**(203)**	190
Net interest on net defined benefit liability	6	-
Total	**(197)**	190

(iv) Components of amounts recognised in other comprehensive income

	2024	2023
	€'000	€'000
Liability experience loss	57	-
Liability loss due to change in financial assumptions	858	-
Total	**915**	-

(v) Distribution of plan assets

Plan assets amounted to Nil for 2024 (2023: Nil). Therefore, no allocation / distribution of planned assets has been presented.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(vi) The principal actuarial assumptions (in Mauritian rupees terms) used were:

	2024	2023
Principal assumptions used at end of period		
Discount rate - Pre-retirement	5.5%	6.1%
Discount rate - Post-retirement	2.5%	6.1%
Rate of increase in deferment/salary increases	4.2%	3.5%
Average retirement age (ARA)	65.0	65.0
Revaluation of AMPLS members	3.0%	-
Sensitivity analysis on defined benefit obligation at end of year		
	Mur	Mur
- Increase due to 1% decrease in pre-retirement discount rate	40,602	19,474
- Decrease due to 1% increase in pre-retirement discount rate	23,487	6,388
- Increase due to 1% decrease in post-retirement discount rate	14,529	N/A
- Decrease due to 1% increase in post-retirement discount rate	12,032	N/A
- Increase due to 1% increase in salary increment rate	45,782	N/A
- Decrease due to 1% decrease in salary increment rate	25,751	N/A

19. PROVISIONS

	2024	2023
	€'000	€'000
Non-current		
Contractual maintenance provision	**22,067**	10,801
Current		
Contractual maintenance provision	**6,170**	5,143
Provision for carbon offsetting	**344**	-
Provision for litigation	**3,594**	6,938
Provision for passenger litigation	**915**	-
	11,023	12,081

Contractual maintenance provision	**2024**	2023
	€'000	€'000
At April 01,	**15,944**	14,441
Net accrued for the year	**16,867**	1,400
Payment	**(4,486)**	-
Exchange differences	**(88)**	103
At March 31,	**28,237**	15,944
Provided as follows:		
- Less than one year	**6,170**	5,143
- Two to five years	**10,834**	-
- More than five years	**11,233**	10,801
	22,067	10,801
	28,237	15,944

Included within the provision amount of **Eur 28.2M**, are restoration costs to meet contractual return conditions of aircraft held under leases. The provision made for these return conditions amounted to **Eur 22.1M** (2023: Eur 10.8M) at the reporting date.

The remaining contractual maintenance provision of **Eur 6.2M** (2023: Eur 5.1M) relates to planned major overhaul such as airframe maintenance, landing gear and C Checks in line with the agreements as well as ad-hoc maintenance.

Actual expense may differ from provision amount depending on a number of factors such as aircraft condition and prevailing maintenance prices at date of return/maintenance and changes in the planned return/maintenance dates.

Provision for litigation

The provision of **Eur 3,594K** (2023: EUR 6,938K) relates to litigations against the Company that Management assessed is probable that an outflow will be required to settle the claims.

20(a). TRADE AND OTHER PAYABLES

	2024	2023
	€'000	€'000
Trade payables	**55,454**	42,501
Amounts due to related companies	**3,864**	1,816
Other payables and accruals	**9,573**	3,386
	68,891	47,703

Outstanding balances due to related parties, as detailed in Note 27, are included under trade and other payables.
Trade payables are non-interest bearing and are normally settled on 30-60 days' term.

20(b). CONTRACT LIABILITIES

	2024	2023
		Restated*
	€'000	€'000
Sales in advance of carriage (see note below)*	183,857	166,837
Contract liabilities for customer loyalty programme **	5,485	1,635
	189,342	168,472

Reconciliation of contract liabilities:

	Sales in advance of carriage	
	2024	2023
		Restated*
	€'000	€'000
Balance at April 01,	**166,837**	124,449
Net change	**17,020**	42,388
Balance at March 31,	**183,857**	166,837

** Refer to Note 34 for prior year restatement note*

****Customer loyalty programme:**

The Company accounts for award credits as a separately identifiable component of the sales transaction in which they are earned. The consideration in respect of the initial sale is allocated to award credits based on their relative stand-alone selling price (measured using the estimated ticket value method based on historical statistical data), adjusted for expected expiry and the extent to which the demand for an award cannot be met and is accounted for as a liability (deferred revenue) in the statement of financial position.

Reconciliation of deferred revenue for customer loyalty programme :

	Customer loyalty programme	
	2024	2023
	€'000	€'000
Balance at April 01,	**1,635**	4,632
Net transactions in miles	**3,850**	(2,997)
At March 31,	**5,485**	1,635

The Company used a redemption rate of 45% during the current year. (2023: 50%).

21. REVENUE

(a) Secondary reporting geographical segments

	2024	2023
		Restated*
Traffic revenue by destination	**€'000**	€'000
Africa and Middle East	**52,731**	54,398
America	**11,912**	9,780
Asia	**36,464**	38,473
Australia	**23,830**	8,956
Europe	**272,197**	224,603
Indian Ocean	**39,723**	36,460
Mauritius	**162,500**	133,337
Total	**599,357**	506,007

(b) Main analysis of revenue

	2024		2023	
			Restated*	
	€'000	**%**	€'000	%
Passenger	**435,080**	**73%**	356,333	70%
Cargo	**46,847**	**8%**	55,936	11%
Purged revenue*	**9,524**	**2%**	(3,806)	-1%
Others**	**31,062**	**5%**	23,792	5%
Revenue from code sharing agreements	**76,844**	**12%**	73,752	15%
Total revenue	**599,357**	**100%**	506,007	100%

** Refer to Note 34 for prior year restatement note*
** Others include other passenger and cargo related revenues.

(c) Other operating income

Other operating income comprises of ground and technical handling, lounge revenue and gain on sale of spare parts (non passenger and cargo). Other operating income amounted to **Eur 16.1M** (2023: Eur 17.1M).

22. INCOME AND EXPENSES INCLUDED IN PROFIT OR LOSS

	2024	2023
	€'000	€'000
(a) Profit or loss is arrived after:		
Crediting:		
Write back of liabilities	**-**	91
Revenue from redemption of miles	**856**	859
Rental income	**52**	-
Gain on lease modification	**1,690**	4,075
Gain on disposal of property, plant and equipment	**3,337**	-
(Loss)/ gain on asset retirement	**(1,525)**	220
Ticket cancellation and penalty fees	**1,487**	1,189
Service charges	**1,613**	1,339

22. INCOME AND EXPENSES INCLUDED IN PROFIT OR LOSS (CONT'D)

	2024	2023
	€'000	€'000
(a) Profit or Loss is arrived after: (cont'd)		
Charging:		
-Included in operating expenses:		
Depreciation charge for the year (Note 6)	**60,957**	51,521
Fuel costs	**174,032**	152,346
Cost of inventories recognised as expenses	**18,002**	13,212
Increase/(decrease) in provision for obsolete inventory	**33**	(2,559)
Maintenance and overhaul	**84,970**	75,779
Wet lease	**71,830**	47,907
Employee costs	**46,766**	39,229
-Included in administrative expenses:		
Depreciation charge for the year (Note 6)	**1,780**	2,687
Increase in impairment on trade receivables (Note 13)	**3,914**	3,959
Amortisation charge for the year (Note 8)	**7**	36
Outside service costs	**1,656**	1,584
Professional fees	**3,192**	3,033
Motor vehicle running expenses	**1,816**	1,554
Communication cost services	**976**	1,060
Provision for litigation	**(3,344)**	102
Employee costs	**16,940**	15,237

(b) Analysis of employee costs

	2024	2023
	€'000	€'000
Salaries & Wages	**47,327**	39,526
Staff welfare	**3,991**	3,734
Staff allowance	**5,482**	5,196
Other staff cost	**4,199**	2,865
Defined benefit pension schemes (Note 18(a)(iii))	**(197)**	190
Defined contribution pension scheme	**2,904**	2,955
	63,706	54,466

23. (a) FINANCE INCOME

	2024	2023
	€'000	€'000
Unrealised gain on translation of monetary assets and liabilities	**7,088**	-
Interest income	**3,388**	780
Realised gain on exchange	**10,875**	12,240
	21,351	13,020

23. (b) FINANCE EXPENSE

	2024	2023
	€'000	€'000
Foreign exchange:		
Realised loss on exchange	**8,177**	10,914
Unrealised loss on translation of monetary assets and liabilities	**-**	7,237
	8,177	18,151
Interest expense on:		
Leases	**10,874**	8,887
Return conditions	**1,015**	418
Loan from holding company	**5,856**	5,900
	17,745	15,205
Total	**25,922**	33,356

24. INCOME TAX EXPENSE

	2024	2023
	€'000	Restated €'000
(a) Income tax		
In profit or loss:		
Deferred tax charge for the year*	-	-
Corporate social responsibility	-	-
Under/(over) provision of income tax in prior year	-	-
Current income tax charge	-	-
	-	-
In other comprehensive income:		
Deferred tax credit related to items recognised in other comprehensive income during the year	-	-
(b) Tax reconciliation		
Profit before tax**	**1,990**	5,707
Tax at the rate of 15% (2023: 15%)	**299**	856
Expenses not allowable for tax purposes	**13,610**	13,208
Exempt income	**(13,056)**	(11,480)
Over / (under) provision of income tax in previous year	**-**	-
Effect of tax holiday*	**(853)**	(2,584)
Tax charge for the year	**-**	-

Expenses not allowable for tax purposes comprise of depreciation of property, plant and equipment, amortisation of intangible asset and loss on foreign exchange. Exempt income consists of interest on loans.

*** Tax exemption of the Company**

The Company is not taxable by virtue of an agreement with the Government of Mauritius. As such, given that the initial recognition of an asset or liability, at the time of the transaction, does not affect accounting profit or taxable profit therefore, no deferred tax are provided for in the financial statements of the Company.

*** Refer to Note 34 for prior year restatement note*

25. COMMITMENTS

(a) As lessee

	2024	2023
	€'000	€'000
The following are the commitments under non-cancellable leases:		
- within one year	**53,690**	51,772
- after two years and before five years	**162,594**	163,153
- after five years	**221,360**	274,362
	437,644	489,287

The Company has entered into commercial leases commitments on certain aircraft recorded as Right of Use Fleet. The remaining lease duration period ranges from 1 to 12 years with a renewable option. The above commitments exclude costs to be incurred for the reconditioning of aircraft prior to return to lessor. The lease rentals are subject to changes in market interest rates which are recognised when they arise. Interest are not included above.

(b) Capital commitments

In prior years, the Company had entered into contractual arrangements to purchase three widebody aircraft which are yet to be delivered. In addition, the Company will purchase one Trent XWB-84 spare engine during financial year 2024/25. As at March 31, 2024, the Company has a capital commitment of **Eur 489M** (2023: Eur 500M) with regards to the acquisition of these three aircraft and one spare engine.

26. SUBSTANTIAL SHAREHOLDERS

At March 31, the following shareholders held more than 5% of the ordinary share capital of the Company.

	2024			2023
	Direct	**Indirect**	**Effective**	Effective
	%	**%**	**%**	%
Airport Holdings Ltd	**99.88**	**-**	**99.88**	99.88

Following the Watershed Meeting held on 28 September 2021, Airport Holdings Ltd made a mandatory offer to acquire the shares of existing shareholders. When the 75% threshold was reached, a mandatory offer was made to the remaining minority shareholders. At the reporting date, Airport Holdings Limited held 99.88% of the Company's shareholding.

27. RELATED PARTY TRANSACTIONS

For the purposes of the financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(i) Entities with control or under common control

Airport Holdings Ltd Group entities

Airport Holdings Ltd ("AHL") has a 99.88% effective direct interest in the share capital of Air Mauritius Limited.

At March 31, 2024

	Airport Holding Ltd	Airmate Limited	Mauritius Estate Development Corporation Limited (MEDCOR)	Mauritius Helicopter Limited (MHL)	Pointe Coton	Airports of Rodrigues	Jet Prime Ltd	MDFP	Airports of Mauritius Co Ltd	Air Mauritius Institute	Ground Handling Services	Airports Terminal Operations Ltd	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income for the year	209	589	32	480	20	-	118	107	127	-	-	2	1,684
Expenses for the year	3,233	5,759	904	-	15	106	1	393	8,567	-	-	1,583	20,561
Amount receivable (Note 13)	35	354	7	204	16	-	18	6	58	24	2,975	2	3,699
Amount payable (Note 20 (a))		354	55	7	-	2	6	562	2,138	-	-	402	3,526
Loan Payable (Note 16)	132,544	-	-	-	-	-	-	-	-	-	-	-	132,544
Interest payable on loan (Note 16)	11,004	-	-	-	-	-	-	-	-	-	-	-	11,004

There is no movement in capital contribution during the year.

At March 31, 2023

	Airport Holding Ltd	Airmate Limited	Estate Development Corporation Limited (MEDCOR)	Mauritius Helicopter Limited (MHL)	Pointe Coton	Airports of Rodrigues	Jet Prime Ltd	MDFP	Airports of Mauritius Co Ltd	Air Mauritius Institute	Ground Handling Services	Airports Terminal Operations Ltd	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income for the year	9	527	52	262	-	-	17	99	167	-	-	29	1,162
Expenses for the year	-	8,001	970	-	30	58	1	-	1,424	-	-	1,412	11,896
Amount receivable (Note 13)	137	426	4	788	-	-	72	4	56	32	-	-	1,519
Amount payable (Note 20 (a))	-	(24)	46	-	-	11	-	-	1,422	-	-	168	1,623
Loan Payable (Note 16)	133,378	-	-	-	-	-	-	-	-	-	-	-	133,378
Interest payable on loan (Note 16)	8,494	-	-	-	-	-	-	-	-	-	-	-	8,494
Proceeds from disposal of subsidiaries (Note 16)*	13,341	-	-	-	-	-	-	-	-	-	-	-	13,341

There is no movement in capital contribution during the year.

* Following the sale of subsidiaries to AHL (Note 30), the proceeds have been settled against the loan payable to AHL (Note 16).

27. RELATED PARTY TRANSACTIONS (CONT'D)

(i) Entities with control or under common control (cont'd)

State-controlled entities

The Government of Mauritius is the ultimate holding entity of Air Mauritius Limited. The amounts paid to and received from the Government of Mauritius and its state-controlled entities relate generally to taxes, civil aviation and related charges, utility costs.

	2024	2023
	€'000	€'000
Income for the year	**6,990**	4,913
Expenses for the year	**3,316**	2,837
Amount receivable as at March 31 (Note 13)	**1,518**	1,114
Amount payable as at March 31 (Note 20 (a))	**338**	193

The Company has deposits with State Bank of Mauritius Ltd, another entity under common control by the Government of Mauritius.

(ii) Key management personnel

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors.

Compensation

	2024	2023
	€'000	€'000
Short-term benefits	**1,619**	1,104
	1,619	1,104

(iii) Foundation, Subsidiaries and associates

The Company launched Air Mauritius Foundation to formalise the Company's social engagement in the Mauritian community.
The investment held by the Company in Airmate Limited, Mauritius Estate Development Corporation Limited (MEDCOR) and Mauritius Helicopter Limited (MHL) has been disposed to the Holding Company in the current financial year and all transactions with these entities are now reported under note 32 (i) Entities with control or under common control.

	Air Mauritius Foundation	**(S.A.) (Proprietary) Limited**	**Total**
2024	**€'000**	**€'000**	**€'000**
Income for the year	-	-	-
Expenses for the year	-	-	-
Amount receivable (Note 13)	**14**	**717**	**731**
Amount	-	-	-

	Air Mauritius Foundation	(S.A.) (Proprietary) Limited	Total
2023	€'000	€'000	€'000
Income for the year	-	-	-
Expenses for the year	-	-	-
Amount receivable (Note 13)	17	168	185
Amount	-	-	-

(iv) Terms and conditions of transactions with related parties

Outstanding balances relating to amount receivable and amount payable at year end are interest free and settlement occurs in cash.
Loan from holding company bears interest of 1% per annum and is repayable over 15 years with a three year moratorium period for capital repayment. The holding company has notified its intention to convert the loan granted to the Company into equity and the procedures are still underway.

Expected credit losses on related party receivable balances amounting to **Eur 1.1m** (2023: Eur Nil) for the year ended March 31, 2024 were recognised on related party receivable balances. 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.

28. DETAILS OF BORROWINGS

Base currency	Interest rate	**2024** Loans and borrowings	2023 Loans and borrowings
	%	**€'000**	€'000
IFRS 16 - Lease liabilities	1% - 7.5%	**437,644**	489,287
Loan from holding company	1% p.a	**143,548**	141,872
Total		**581,192**	631,159

All the above loans and borrowings have variable market rates and therefore the carrying amounts of these loans and borrowings approximates their fair values except for loan from holding company which has been contracted at preferential rate. For further details on the fair value measurement, refer to Note 29.

29. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

At March 31, 2024

		Fair value measurement using			
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		€'000	**€'000**	**€'000**	**€'000**
Liabilities measured at fair value:					
Derivative financial instruments	March 31, 2024	**63**	**-**	**63**	**-**

At March 31, 2023

		Fair value measurement using			
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		€'000	**€'000**	**€'000**	**€'000**
Liabilities measured at fair value:					
Derivative financial instruments	March 31, 2024	**(10)**	-	**(10)**	-

There were no assets or liabilities measured at fair value for the Company as at 31 March 2024, except for derivative assets and liabilities. There have been no transfers between levels during the year (2023: none).

Other assets and liabilities not measured at fair value
Management has assessed that cash and cash equivalents, short-term deposits, trade and other receivables and trade and other payables to approximate their carrying amounts largely due to the short-term maturities of these instruments.

Security deposits accounted under long-term deposits are deposits on leases which are reimbursable at the end of the lease period and are estimated to approximate their fair values.

Loans and borrowings consist of lease liabilities and loan from holding company. The fair value of loan from holding company at reporting date was **Eur 117,494K** (2023: Eur 114,250K) (Note 5 vi).

Fair values of the loans and borrowings are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

30. ASSETS HELD FOR SALE

At March 31, 2024

During the year under review, the owner occupied building floors held for sale were effectively sold to the holding company for a total consideration of **Eur 6.6m**. As part of the disposal, additional items in furniture and fittings were identified and disposed.

	€'000	€'000
Proceeds		**6,619**
Cost	**8,397**	
Accumulated depreciation	**(5,115)**	
Carrying amount		**3,282**
Gain on disposal		**3,337**

At March 31, 2023

The Company	€'000
Owner occupied building floors	3,282
Carrying amount	3,282

The details of the carrying value of the owner occupied building floors held for sale are as per below:

	€'000
Cost	8,397
Accumulated depreciation	(5,115)
Carrying amount	3,282

In the previous financial year, discussions were held with the holding company for the disposal of certain owner occupied building floors of the Company. Management had made an assessment and determined that all the criteria for classification of the building floors as held-for-sale under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* were met. Consequently, the relevant building floors were reclassified from property, plant, and equipment to held-for-sale at their carrying amounts. Depreciation on these assets ceased from the date of reclassification.

31. CONTINGENT LIABILITIES

Litigations

There are currently a number of lawsuits that have been filed against the Company for diverse reasons. The timing and outcome of these claims are dependent upon the judicial system and cannot be reliably assessed. As a result, the Company has a contingent liability of **Eur 4.3M** (2023: Eur 4.1M) as at March 31, 2024 with respect to those litigations.

32. HOLDING COMPANY AND ULTIMATE CONTROLLING ENTITY

Airport Holdings Ltd, with registered address Air Mauritius Centre, President John Kennedy Street Port Louis, is the holding company of Air Mauritius Limited. The ultimate controlling entity of the Company is the Government of Mauritius.

33. EXCEPTIONAL ITEMS

Write Back of Liabilities

At the Watershed Meeting held on 28 September 2021, the creditors of the Company were to consider the Administrators' plan and voted for executing the Deed of Company Arrangement (DoCA). The adoption of the DoCA implied the claims of participant creditors were compromised, amended, reduced and paid in accordance to plan established for creditors as per the following:
- Class A creditors - For Aircraft Operating Lessors - Payout of 35% of claims
- Class B creditors - For Hedge Counterparties - Payout of 60% of claims
- Class C creditors - For General Body of Creditors - Payout of 50% of claims

Consequently, the debt compromised by creditors amounting to **NIL** (2023: Eur 91K) were written back. This is presented as an exceptional item in the profit or loss for the year as this is a one-off transaction.

34. PRIOR YEAR RESTATEMENT

During the financial year under review, the following prior errors were noted:

(i) Fuel surcharge on interline tickets, amounting to Eur 6.85M relating to financial year March 31, 2023 were not recognised in revenue when the performance obligation was met, that is, the ticket was flown and the interline billing with the other airline settled. These interline amounts remained on sales in advance of carriage (included under contract liabilities), resulting in an overstatement of contract liabilities and understatement of revenue in prior year.

(ii) Prior period freight costs amounting to Eur 445k associated with transportation of cargo already delivered in prior year was not recognised when the transportation was completed. These costs remained in sales in advance of carriage (included under contract liabilities) and was released to administrative expenses in the current year. As a result, prior year administrative expenses and contract liabilities were understated.

(iii) 10% non-cash bonus provided during Covid-19 period on airline vouchers with face value of Eur 1.5M has been recognised in operating expenses and sales in advance of carriage (included under contract liabilities) in financial years ended 31 March 2021 and 2022. These should have been recognised as a reduction in transaction price under IFRS 15 Revenue from Contracts with Customers, thus resulting in an overstatement of contract liabilities in prior period.

The effect of the correction of errors are as follows:

	2022 As previously reported	2022 Prior Year Adjustment (Correction or error)	2022 Restated
	€'000	€'000	€'000
(a) Statement of financial position as at April 01,			
Equity			
Accumulated losses	(325,505)	1,500	(324,005)
Shareholders' deficit	(203,341)	1,500	(201,841)
Current liabilities			
Contract liabilities	130,581	(1,500)	129,081

	2023 As previously reported	2023 Prior Year Adjustment (Correction or error)	2023 Restated
	€'000	€'000	€'000
(b) Statement of financial position as at March 31,			
Equity			
Accumulated losses	(326,205)	7,907	(318,298)
Shareholders' deficit	(204,051)	7,907	(196,144)
Current liabilities			
Contract liabilities	176,379	(7,907)	168,472
(c) Statement of profit or loss and other comprehensive income			
Revenue from Aircraft Operations	425,403	6,852	432,255
Administrative expenses	(32,845)	(445)	(33,290)
(Loss)/ profit for the year	(700)	6,407	5,707
Total comprehensive income for the year	(710)	6,407	5,697
(d) Statement of cash flows for year ended March 31,			
(Loss)/ profit for the year	(700)	6,407	5,707
Increase in contract liabilities	46,922	(6,407)	40,515
Net cash from operating activities	129,020	-	129,020

There were no tax impact as the Company is tax exempt.

35. EVENTS AFTER REPORTING DATE

(a) Fleet changes

Post the reporting date, management reviewed its fleet composition and the following projects were undertaken:

i. Acquisition of two used ATR72-600 in 2024/25 through five-year operating lease arrangements in replacement of existing ATR leases; and
ii. Acquisition of a second new Trent XWB-84 spare engine for A350 Fleet.

(b) Engine support

Subsequent to year ended March 31, 2024, the Company entered into an amendment agreement with Rolls Royce for engine support of the three A350-900 aircraft on direct order.

(c) Shareholder's loan part-settlement

Subsequent to year ended March 31, 2024, the Company made a partial repayment of the principal amount of loan from the shareholder amounting to Mur 830M (equivalent to Eur 16.3M).

(d) Capital injection, conversion of shareholder's loan and financial support

Subsequent to the year ended March 31, 2024 the Company's shareholder, Airport Holdings Ltd ("AHL"), issued a commitment letter to the entity confirming its commitment to provide financial assistance to the Company and restore its equity position through capital injection of Mur 3.95BN (Eur 80M) and conversion of shareholder loan amounting to Mur 8.0475BN (Eur 157M) into convertible redeemable preference shares (CRPS). The Company has also received a legally binding letter of support from AHL. Refer to Note 4.3 Judgements (i) for details.

Furthermore, the shareholders of AHL have, pursuant to a shareholders' resolution dated 20 February 2025, resolved to provide all financial assistance required to enable MK to continue as a going concern.

(e) Changes in Board structure

Subsequent to the year ended March 31, 2024, the Board of Directors was reconstituted in January 2025.

In consequence of the non-re-election of Mr. Charles Cartier as Director on the Board of Directors of Air Mauritius Limited at the Annual Meeting of Shareholders held on Thursday February, 06 2025, Mr. Cartier, ipso facto, ceased to be the Chief Executive Officer of the Company with immediate effect.

The Board of Directors approved the setting up of a Managing Committee with executive powers comprising Mr. Kremchand (Kishore) Beegoo, Chairman, Mr. Suresh Seeballuck, G.O.S.K., Director, Mr. Appalsamy (Dass) Thomas, G.O.S.K., Director and that any two members of the Managing Committee, acting jointly could exercise the executive powers.


AIR MAURITIUS
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