

DIRECTORS' REPORT

The directors are pleased to present their report and the reviewed condensed consolidated financial statements of the Group for the period ended 31 March 2020.

Abu Dhabi Aviation (ADA) is the largest commercial helicopter operator in the Middle East, operating fifty (50) helicopters (16 Augusta Westland AW139s, 22 Bell 412s and 12 Bell 212s) and 4 fixed-wing aircraft (DHC-8).

ADA's strategic view is to diversify its activities within the aviation and non-aviation sectors. ADA provides services to the following aviation sectors:

- Flight Operations (Dry and Wet Lease).
- Flight Charter (Oil & Gas Support, Firefighting, Photography, Aerial Application, Pipeline Patrols, Long Line Missions and VVIP Flights for Heads of States).
- Medical Evacuation (24/7 HEMS and MEDEVAC – Offshore and Desert Evacuations).
- Search and Rescue support to the Armed Forces of the UAE.
- Fixed Wing passenger transport.



ADA provides state-of-the-art technical support through its 612 m² MRO facility at Abu Dhabi Airport: - (GCAA, FAA, EASA, CARC and GACA)

- Heavy Maintenance (*Rotary and Fixed Wing*)
- Overhaul and Component Workshop
- Engine Support (*change, inspection and build up*)
- Avionics Support
- Structures Workshop
- Wheels and Brakes
- Refurbishment and Paintshop



- Floats and Rafts Inspection and Overhaul
- Battery Workshop



Continuing Airworthiness Management Organization (CAMO)

Approved CAMO under GCAA, CAR M, CARC and JCAR-Part M for a number of RW and FW aircraft types.

ADA has 100% ownership in **Abu Dhabi Aviation Training Centre LLC (ADATC)** for simulator training. The facility has nine bays scalable to eighteen bays at phase two. ADATC holds the following FFS simulators:

- AW139
- Bell 412
- King Air 350
- Embraer ERJ 145



ADATC provides also the following courses:

- Pilot Initial and Type Rating (*Ground and Flight*)
- Recurrent and Refresher (*Ground and Flight*)
- LOFT
- Airframe and Avionics
- GCAA EASA and GACA approved courses
- GCAA EASA and GACA Examiners
- NVG Training
- CRM, First Aid, Fire Fighting, Dangerous Goods and others

AgustaWestland Aviation Services LLC is a joint venture between ADA (70%) and the aircraft manufacturer Leonardo Helicopter (30%) to provide the following services:

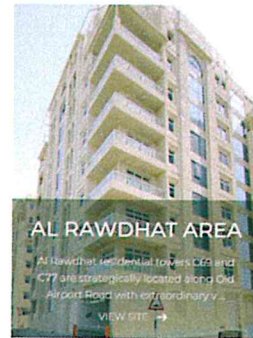
- Helicopter MRO and Logistics
- Spare Parts Distribution Centre
- Component Repair and Overhaul
- Floats and Rafts Inspection, Repair and Overhaul



ADA has established **ADA International Real Estate LLC (ADAIRE)** to manage the Group's land and properties in the UAE and overseas.

The scope of work of ADAIRE includes:

- Asset Management
- Property Management
- Leasing Services
- Joint Ventures
- Private Equity
- Facilities Management Services
- Development Management Services
- Investments



ADA has 100% ownership in **Maximus Air L.L.C. (MAX)**, the largest air cargo operator in the UAE and among the largest in the Middle East. It has a fleet of Antonov AN-124-100 and Ilyushin IL-76TD. The company provides end to end outsized cargo solutions including dangerous goods, equestrian and live animals.



Royal Jet L.L.C. (RJ) is jointly owned by Abu Dhabi Aviation PJSC (50%) and Presidential Flight Authority (50%).

The fleet includes eleven (11) aircraft:

- Boeing Business Jets BBJ
- Global 5000
- Gulf Stream G300

The company's core offerings are:

- Luxury VIP Aircraft Charter
- Medical Evacuation Services
- Charter Brokerage
- Aircraft Management and Acquisition Consultancy
- Fixed Base Operations (FBO)/VIP Terminal at Abu Dhabi International Airport and Seychelles



Other subsidiaries include ADA Real Estate Management and General Maintenance LLC (REMCO) and ADA Millennium Consulting – Owned by Abu Dhabi Aviation Sole Proprietorship LLC (ADAME).

COVID-19 and the low oil price for the month March 2020 had a negative impact on the Group, as it did for the majority of companies globally, but due to the diversification of ADA Group's activities Q1 results were in line with last year's results.

Out of ADA Group, the two companies that were materially affected by the current environment are RJ and ADA Training Center. Both companies have taken various measures to reduce their cost including salary reductions. The Group is continuously monitoring the impact of Covid-19 and will be taking further timely actions if necessary.

Due to regulations and COVID-19 risks, ADA got its shared services and support staff to work remotely from home. ADA reacted accordingly and introduced paperless environment, electronic document management and digital signatures in addition to embracing video-calls. Productivity was not adversely affected and ADA is operating as normal.

From safety point of view, the company took various actions to mitigate the risks of COVID-19, including disinfecting premises (offices, hangar and staff compound), fumigating aircraft, installing thermal imaging cameras, staff segregation and making the use of PPE mandatory in the workplace.

FINANCIAL AND OPERATIONAL REVIEW

Financial performance for the period ended 31 March 2020 is as follows:

	For the period ended 31 March 2020	For the period ended 31 March 2019	Increase/ (decrease)
Turnover	550,370	442,845	24%
Operating Profit	126,347	106,192	19%
Operating Profit - %	23%	24%	
Net profit	54,266	60,282	(10%)
Net profit - %	10%	14%	
EPS for the period	0.13	0.09	44%
	As at 31 March 2020	As at 31 December 2019	Increase/ (decrease)
Total Assets	4,897,918	4,980,248	(2%)
Total Liabilities	1,516,573	1,559,466	(3%)
Total Equity	3,381,345	3,420,782	(1%)

Abu Dhabi Aviation's revenue for the period ended 31 March 2020 amounted to **AED 166.94m** compared with **AED 154.50m** for the same period in 2019 (**8% increase**). Royal Jet L.L.C. (RJ) made **AED 122.70m** revenue for the period ended 31 March 2020 compared with **AED 160.23m** for the same period in 2019 (**23% decrease**). The decrease was due to covid19 impact along with lower Governmental revenue. Maximus Air L.L.C. (MAX) made **AED 260.73m** revenue for the period ended 31 March 2020 compared with **AED 128.12m** for the same period in 2019 (**103% increase**). This growth in revenue was due to more business from the Government and related entities.



Nader Ahmed Mohammad Al Hammadi
Chairman
Date: 20 May 2020